TEAM PENNSYLVANIA FOUNDATION

FINANCIAL REPORT

JUNE 30, 2024

CONTENTS

Boyer & Ritter LLC
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Team Pennsylvania Foundation
Harrisburg, Pennsylvania

Opinion

We have audited the financial statements of Team Pennsylvania Foundation (a not-for-profit), which comprise the statements of financial position as of June 30, 2024 and 2023, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Team Pennsylvania Foundation, as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, which raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Boyer & Ritter

Camp Hill, Pennsylvania
January 15, 2025

TEAM PENNSYLVANIA FOUNDATION

STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

ASSETS	2024	2023
Current Assets		
Cash and cash equivalents	**$ 348,487**	$ 1,521,827
Restricted cash	**1,325,714**	1,470,649
Grants receivable	**575,629**	54,106
Miscellaneous receivable	**12,508**	15,258
Prepaid expenses	**9,402**	15,043
Pledges receivable, current portion	**270,416**	224,041
Agency investment in Orchestra BioMed	**220,531**	189,413
Total current assets	**2,762,687**	3,490,337
Other Assets		
Pledges receivable, net of current portion	**13,319**	74,974
Security deposit	**4,978**	4,978
Operating lease right-of-use asset	**18,840**	49,539
Sustainability fund investments		
Marketable securities	**7,537,212**	6,658,911
Total other assets	**7,574,349**	6,788,402
Total assets	**$ 10,337,036**	$ 10,278,739

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS	**2024**	2023
Current Liabilities		
Accounts payable	**$ 284,441**	$ 77,670
Accrued payroll and taxes	**132,328**	54,521
Operating lease liability	**18,840**	50,031
Deferred revenue	**492,218**	-
Due to the Commonwealth of Pennsylvania	**141,408**	389,256
Due to fiduciary parties	**912,619**	1,270,806
Total current liabilities	**1,981,854**	1,842,284
Net Assets		
Without donor restrictions		
Designated as sustainability fund	**7,537,212**	6,658,911
Designated for programs	**31,645**	331,646
Undesignated	**67,711**	489,316
With donor restrictions	**718,614**	956,582
Total net assets	**8,355,182**	8,436,455
Total liabilities and net assets	**$ 10,337,036**	$ 10,278,739

TEAM PENNSYLVANIA FOUNDATION

STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Gains			
Department of Community and Economic Development (DCED) grants	$ 905,629	$ -	$ 905,629
Federal grants	481,908	-	481,908
Contributions	531,661	448,684	980,345
Bank interest	92,404	-	92,404
Other	83,802	-	83,802
Net assets released from restrictions	686,652	(686,652)	-
Total revenues	2,782,056	(237,968)	2,544,088
Investment Income, Net - Sustainability Fund	878,301	-	878,301
Total revenues and gains	3,660,357	(237,968)	3,422,389
Expenses			
Program services	2,427,379	-	2,427,379
Management and general	944,840	-	944,840
Fundraising	131,443	-	131,443
Total expenses	3,503,662	-	3,503,662
Changes in net assets	156,695	(237,968)	(81,273)
Net Assets - July 1, 2023	7,479,873	956,582	8,436,455
Net Assets - June 30, 2024	$ 7,636,568	$ 718,614	$ 8,355,182

See Notes to Financial Statements.

TEAM PENNSYLVANIA FOUNDATION

STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Gains			
Department of Community and Economic Development (DCED) grants	$ 1,791,055	$ -	$ 1,791,055
Federal grants	462,415	-	462,415
PA Department of Agriculture grants	88,872	-	88,872
New American Development Fund (NADF)	72,315	-	72,315
Program fees, events and sponsorships	51,040	-	51,040
Contributions	854,868	344,769	1,199,637
Bank interest	64,122	-	64,122
Other	75,015	-	75,015
Net assets released from restrictions	330,341	(330,341)	-
Total revenues	3,790,043	14,428	3,804,471
Investment Income, Net - Sustainability Fund	641,366	-	641,366
Total revenues and gains	4,431,409	14,428	4,445,837
Expenses			
Program services	3,737,827	-	3,737,827
Management and general	621,606	-	621,606
Fundraising	78,090	-	78,090
Total expenses	4,437,523	-	4,437,523
Changes in net assets	(6,114)	14,428	8,314
Net Assets - July 1, 2022	7,485,987	942,154	8,428,141
Net Assets - June 30, 2023	$ 7,479,873	$ 956,582	$ 8,436,455

See Notes to Financial Statements.

TEAM PENNSYLVANIA FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Functional Expenses				
Salaries and benefits	$ 904,601	$ 331,015	$ 104,787	$ 1,340,403
Payroll taxes	64,493	23,235	6,928	94,656
Insurance	-	17,394	-	17,394
Office rent and parking	1,338	95,511	8,905	105,754
Professional fees	23,003	34,099	501	57,603
Consulting fees	1,173,552	251,169	-	1,424,721
Voice/data/mail	-	14,644	1,766	16,410
Office supplies	842	5,852	-	6,694
Travel	47,227	9,945	-	57,172
Marketing and communication	34,606	108,757	-	143,363
Conferences and meetings	9,867	2,012	-	11,879
Special events	76,552	2,232	-	78,784
Sponsorships	10,600	-	-	10,600
Membership/subscriptions	2,236	1,350	-	3,586
Office software and equipment	69,897	29,040	8,288	107,225
Training	933	11,661	268	12,862
Investor and board development	109	1,569	-	1,678
Miscellaneous	7,523	5,355	-	12,878
Total expenses	$ 2,427,379	$ 944,840	$ 131,443	$ 3,503,662

See Notes to Financial Statements.

TEAM PENNSYLVANIA FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Functional Expenses				
Salaries and benefits	$ 471,572	$ 183,407	$ 52,350	$ 707,329
Payroll taxes	33,321	13,173	3,996	50,490
Insurance	-	10,800	-	10,800
Office rent and parking	22,251	55,568	10,250	88,069
Professional fees	18,989	29,746	-	48,735
Consulting fees	2,827,055	178,648	-	3,005,703
Voice/data/mail	1,397	12,100	1,145	14,642
Office supplies	8,597	5,867	-	14,464
Travel	38,032	5,057	826	43,915
Marketing and communication	57,252	71,643	-	128,895
Conferences and meetings	5,264	1,860	51	7,175
Special events	120,265	3,505	-	123,770
Sponsorships	7,750	-	-	7,750
Membership/subscriptions	1,066	2,003	-	3,069
Office software and equipment	100,942	11,469	9,182	121,593
Training	3,770	7,897	-	11,667
Investor and board development	70	27,006	235	27,311
Depreciation	1,979	330	47	2,356
Miscellaneous	18,255	1,527	8	19,790
Total expenses	$ 3,737,827	$ 621,606	$ 78,090	$ 4,437,523

See Notes to Financial Statements.

TEAM PENNSYLVANIA FOUNDATION

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2024 and 2023

		2024		2023
Cash Flows From Operating Activities				
Changes in net assets	$	(81,273)	$	8,314
Adjustments to reconcile changes in net assets to net cash used in operating activities				
Gain on sustainability fund investments - net		(878,301)		(641,366)
Depreciation		-		2,355
Non-cash lease change		(492)		492
Changes in assets and liabilities:				
(Increase) decrease in:				
Grants receivable		(521,523)		70,310
Miscellaneous receivable		2,750		(15,258)
Prepaid expenses		5,641		14,826
Pledges receivable		15,280		102,278
(Decrease) increase in:				
Accounts payable		206,771		(680,554)
Accrued payroll and taxes		77,807		6,818
Deferred revenue		492,218		(72,315)
Due to the Commonwealth of Pennsylvania		(247,848)		(541,055)
Due to fiduciary parties		(389,305)		495,628
Net cash used in operating activities		(1,318,275)		(1,249,527)
Net change in cash, cash equivalents and restricted cash		(1,318,275)		(1,249,527)
Cash, Cash Equivalents and Restricted Cash:				
Beginning		2,992,476		4,242,003
Ending	$	1,674,201	$	2,992,476
Non-cash Operating Activities				
Net change in Investments in Orchestra BioMed	$	(31,118)	$	520,708
Net change in due to fiduciary parties	$	31,118	$	(520,708)

See Notes to Financial Statements.

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities: Team Pennsylvania Foundation (Foundation or Team PA), is a nonprofit Foundation formed to promote business and job growth in the Commonwealth of Pennsylvania (Commonwealth or Pennsylvania). Funding is provided by donations, contracts from the Commonwealth, gifts and grants from foundations, and corporate gifts.

Basis of Accounting: The Foundation's financial statements have been prepared using the accrual basis of accounting. The accrual basis of accounting is in accordance with accounting principles generally accepted in the United States of America and provides that revenue be recognized when earned and expenses are recorded when the corresponding liability is incurred.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

As further discussed above under Investments, the general partners or a valuation committee of the limited partnerships use specific criteria to determine the fair values of their investment portfolios. In many instances, there are no readily ascertainable fair values for certain investments. In these instances, the general partners or valuation committee estimate fair value using current financial information and operating information available, as described above.

Basis of Presentation: The Foundation's financial statements are prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require reporting information regarding its financial position and activities according to the following net asset classifications:

> Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and its Board of Directors.
>
> Net assets with donor restrictions: Net assets that are subject to either temporary or perpetual stipulations imposed by donors and grantors. Temporary restrictions will be met by the Foundation's actions or by the passage of time. Perpetual restrictions are designed to ensure that assets are maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When restrictions expire, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions. The Foundation reports support that is restricted by the donor as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

Income Tax Status: The Foundation is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state regulations. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as a Foundation other than a private foundation under Section 509(a)(2).

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Income Tax Status (Continued): Management has assessed the Foundation's exposure to income taxes at the entity level as a result of uncertain tax positions taken in current and previously filed tax returns. Examples of uncertain tax positions taken at the entity level include the continuing validity of the Foundation's exempt status and the prospect of being subject to the filing requirement for unrelated business income. Presently, management believes that it is more likely than not that the Foundation's tax position will be sustained upon examination, including any appeals and litigation, such that the Foundation has no exposure to income tax liabilities arising from uncertain tax positions. The Foundation is subject to routine audits by taxing jurisdictions; however, no audits for any tax periods are currently in progress.

The Foundation may be subject to tax on unrelated business income. There were no income taxes due for unrelated business income for the years ended June 30, 2024 and 2023.

Cash and Cash Equivalents: All liquid investments with a maturity of three months or less when purchased are considered cash equivalents for the purpose of the Statements of Cash Flows.

Grants Receivable: Grants consist of amounts due for for costs incurred under various grant agreements. Grants receivables are presented net of an allowance for credit losses, when necessary, based on historical experience, an assessment of current and expected economic conditions, and a review of subsequent collections. Grants receivables are written-off when deemed uncollectible. At June 30, 2024 and 2023, the allowance for credit losses was $-0- and $-0-, respectively.

Pledges Receivable: Unconditional promises to give are recorded as pledges receivable once the Foundation receives written notification from a donor of the intent to give. These receivables are not collateralized.

Fixed Assets: Fixed assets greater than $2,500 are capitalized and stated at cost or fair value, if donated, less accumulated depreciation. Depreciation is computed using the straight-line method of accounting over the estimated useful lives of the assets. The cost of maintenance and repairs is charged to expenses as incurred. Significant renewals and betterments are capitalized. The costs and accumulated depreciation of the assets are removed from the accounts when sold or retired and any resulting gain or loss is included on the Statements of Activities for the period of disposal.

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded without donor restrictions.

Investments and Fair Value: The Foundation follows the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements* for fair value measurements of financial assets and financial liabilities and for fair value measurements of non-financial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. This Standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Standard also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Investments and Fair Value (Continued): Portfolio investments - the valuation of nonpublic investments may require significant general partner judgment due to the absence of quoted observable prices, inherent lack of liquidity, reliance on unobservable inputs, and the long-term nature of such investments. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment. The Orchestra BioMed, Inc. investment had been classified within Level 3 as they had unobservable inputs and trade infrequently or not at all. The selection of appropriate valuation techniques may be affected by the availability and reliability of relevant inputs. The inputs considered by the general partner in estimating fair value of Level 3 venture capital investments include the original transaction price; recent transactions in the same or similar instruments; completed or pending third party transactions in the underlying investment; specific rights or terms associated with the investment (e.g., conversion features, liquidation preferences or restrictions); expected exit timing and strategy; market values for guideline public companies and relevant merger and acquisition transactions; changes in economic conditions, financing markets and legal or regulatory markets; recapitalizations or other transactions undertaken by the issuer and changes in the investment's operations and/or financial performance. The fair value of Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such a discount estimated by the general partner in the absence of market information. Assumptions used by the general partner due to the lack of observable inputs may significantly affect fair value and, therefore, the Foundation's results of operations. During the year ended June 30, 2024, the shares of Orchestra BioMed, Inc. became publicly traded and were no longer classified as a Level 3 for fair value measurement purposes.

Leases: The Foundation leases office space under long-term lease agreements (Note 13). At the lease commencement date, the Company classifies its leases as either finance or operating based on the lease agreement terms. A lease is classified as a finance lease if certain criteria are met. If none of the lease classification criteria are met, the lease is classified as an operating lease. Leases with initial terms of 12 months or more are accounted for on the Foundation's balance sheet as a financial liability with a corresponding right-of-use asset (ROU). Improvements to leased property are capitalized as assets and are amortized over the shorter of (1) the economic useful life of the asset or (2) the lease term including reasonably assured renewal periods. Leasehold improvements to property under related party arrangements are amortized over the economic useful life of the leasehold improvement.

The initial measurement of the lease liability, regardless of the lease's classification, is comprised of the discounted lease payments over the lease term, using the discount rate at the lease commencement date. The initial measurement of the ROU asset, regardless of the lease's classification, is comprised of the lease liability adjusted for prepayments, initial direct costs incurred by the lessee, and any lease incentive received from the lessor before commencement of the lease. Subsequently, the lease liability, regardless of the lease's classification, is amortized over the lease term using the discount rate used to initially measure the lease liability. For finance leases, the ROU asset is amortized on the straight-line basis over the lease term. For operating leases, amortization of the ROU asset is equal to the amortization of the lease liability. Periodic lease expense for financing leases is comprised of the amortization of the ROU asset and the accretion of the lease liability. Periodic lease expense for operating leases is based on amortizing the remaining lease costs over the remaining lease term on a straight-line basis. Executory costs, such as insurance, taxes, maintenance, and repairs, are charged to expense as incurred.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Deferred Revenue: Deferred revenue represents advance funding from grant contracts and other exchange transactions. Deferred revenue is recognized as revenue as appropriate expenses are incurred.

Due to Commonwealth: During the year ended June 30, 2015, the Foundation entered into a grant agreement, in the amount of $10,250,000, with the Commonwealth's Department of Community and Economic Development (DCED). $10,000,000 of the funding was to be used to establish a Joint Opportunity Business Partnership Fund and $250,000 was to be used to cover the Foundation's program administrative expenses. At June 30, 2016, the Foundation reported $10,222,559 of unexpended grant funds as a refundable advance.

At June 30, 2017, the grant expired. At that time, the Foundation was holding $10,000,000 in unexpended funds, comprised entirely of $10,000,000 in core grant funds that were never utilized. By June 30, 2017, the Foundation had expended its full $250,000 allocation for program administrative expenses due in part to the grantor's decision to allow the Foundation to apply costs related to economic development initiatives against this portion of the grant. As of June 30, 2018, the Foundation reported $10,000,000 as due to the Commonwealth. In September 2018, $4,504,000 was returned to the Commonwealth. On November 8, 2019, the Foundation entered into an agreement with DCED that released the Foundation from the terms and conditions of the original grant, on the condition that it properly expend the remaining $5,496,000 of remaining funds in accordance with the new agreement.

Under the agreement with DCED dated November 8, 2019, the Foundation must spend the remaining funds by November 8, 2024, on activities specifically designated by DCED, and furthermore, it must comply with other terms and conditions established in the agreement. Unspent balances are shown as a current liability on the statements of financial position under the line item Due to the Commonwealth of Pennsylvania. The Foundation expects to fully spend the funds by November 8, 2024.

Due to Fiduciary Parties: Due to fiduciary parties represents cash and investments the Foundation holds as an agent for other entities.

Contributions: Contributions are recognized as revenue in the period received. All other donor-imposed contributions are reported as net assets with donor restrictions. When a restriction expires, that is, when the conditions on which the restriction depends are substantially met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the Statements of Activities as net assets released from restrictions. Conditional promises-to-give; that is, those with a measurable performance or other barrier, and a right of return; are not recognized until the conditions on which they depend have been substantially met.

Functional Allocation of Expenses: Expenses directly related to a specific program are charged to that program. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses related to more than one function are charged to programs and supporting services based on either employee time or the ratio of a function's direct costs to total organizational direct costs.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Adoption of New FASB Accounting Standards Update: In June 2016, the Financial Accounting Standards Board (FASB) issued guidance (ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Foundation that are subject to the guidance in FASB ASC 326 were grants receivable

The Foundation adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

Reclassifications: Certain amounts in the 2023 financial statements have been reclassified with no effects on the 2023 financial position, changes in net assets and cash flows to be consistent with the classifications utilized in the 2024 financial statements.

Subsequent Events: In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through January 15, 2025, the date the financial statements were available to be issued. See Note 14.

Note 2. Concentration of Credit Risk

The Foundation maintains cash and cash equivalents at banks, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Foundation's cash balance(s) with financial institutions, at times, may exceed FDIC insured limits. The Foundation has not experienced any losses and believes it has limited exposure to significant credit risk. Management regularly monitors the financial institutions, along with its cash balances, in an effort to keep potential risk to a minimum. At June 30, 2024 and 2023, cash exceeding FDIC limits totaled $1,424,201 and $2,743,419, respectively.

Note 3. Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of total cash and cash equivalents within the Statements of Financial Position to the same amount on the Statements of Cash Flows:

	2024	2023
Cash and cash equivalents	$ 348,487	$ 1,521,827
Restricted cash	1,325,714	1,470,649
Total cash, cash equivalents and restricted cash shown on the Statements of Cash Flows	$ 1,674,201	$ 2,992,476

Note 4. Liquidity and Availability

The following table reflects the Foundation's financial assets as of June 30, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the Statement of Financial Position date because of contractual restrictions or internal Board designations. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

	2024	2023
Financial assets at year-end		
Cash and cash equivalents	$ 348,487	$ 1,521,827
Pledges receivable	283,735	299,015
Grants and other receivables	575,629	54,106
Miscellaneous receivable	12,508	15,258
Sustainability fund investments - marketable securities	7,537,212	6,658,911
Total financial assets	8,757,571	8,549,117
Less amounts not available to be used within one year:		
Net assets with donor restrictions subject to purpose restriction	434,879	657,567
Net assets with donor restrictions subject to passage of time	283,735	299,015
Net assets with Board designations	7,568,857	6,990,557
	8,287,471	7,947,139
Financial assets available to meet general expenditures over the next 12 months	$ 470,100	$ 601,978

The Foundation's general goal is to maintain financial assets to meet 180 days of operating expenses (approximately $750,000). As of June 30, 2024, the Foundation's management is evaluating strategic options for investing excess liquidity.

Note 5. Pledges Receivable

Pledges receivable are as follows as of June 30:

	2024	2023
Total gross pledges	$ 285,416	$ 322,207
Unamortized present value at 5.14% and 4.11%, respectively	(1,681)	(23,192)
Net pledges receivable	$ 283,735	$ 299,015
Amounts due in:		
Less than one year	$ 270,416	$ 224,041
One to two years	13,319	74,974
	$ 283,735	$ 299,015

Note 6. Leasehold Improvements and Equipment

Leasehold improvements and equipment have a cost of $103,061 for the years ended June 30, 2024 and 2023. As of June 30, 2024 and 2023, all leasehold improvements and equipment are fully depreciated.

Note 7. Investments and Fair Value Measurements

The Foundation’s sustainability fund investments in marketable securities consist of the following at June 30:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	$ 248,882	$ 248,882	$ 376,646	$ 376,646
Equity mutual funds	4,173,386	5,295,716	4,166,790	4,583,807
Fixed income mutual funds	2,238,619	1,992,614	1,944,615	1,698,458
	$ 6,660,887	$ 7,537,212	$ 6,488,051	$ 6,658,911

Note 7. Investments and Fair Value Measurements (Continued)

FASB ASC 820, *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets the plan has the ability to access.

Level 2 — Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following are descriptions of valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023.

Level 1: The fair value of these investment securities was based on closing market prices for the respective security as reported in active markets.

Level 3: Unobservable inputs for the asset. In these situations, management develops inputs using the best information available in the circumstances.

Note 7. Investments and Fair Value Measurements (Continued)

The following table set forth, by level within the fair value hierarchy, the assets and liabilities at fair value as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 248,882	$ -	$ -	$ 248,882
Equity mutual funds				
Exchange traded funds	5,295,716	-	-	5,295,716
Fixed income mutual funds				
Intermediate core bond funds	1,992,614	-	-	1,992,614
Agency investment in				
Orchestra BioMed	220,531	-	-	220,531
Total financial assets at fair value	$ 7,757,743	$ -	$ -	$ 7,757,743

The following table set forth, by level within the fair value hierarchy, the assets and liabilities at fair value as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 376,646	$ -	$ -	$ 376,646
Equity mutual funds				
Exchange traded funds	4,583,807	-	-	4,583,807
Fixed income mutual funds				
Intermediate core bond funds	1,698,458	-	-	1,698,458
Agency investment in				
Orchestra BioMed	-	-	189,413	189,413
Total financial assets at fair value	$ 6,658,911	$ -	$ 189,413	$ 6,848,324

The following table sets forth a summary of changes in the fair value of the Foundation's Level 3 financial assets and liabilities for the year ended June 30, 2024:

	Orchestra BioMed
Beginning balance	$ 189,413
Total gains (unrealized)	31,118
Transfer to Level 1	(220,531)
Ending balance	$ -

Note 7. Investments and Fair Value Measurements (Continued)

The following table sets forth a summary of changes in the fair value of the Foundation's Level 3 financial assets and liabilities for the year ended June 30, 2023:

	Orchestra BioMed
Beginning balance	$ 710,121
Total losses (unrealized)	(520,708)
Ending balance	$ 189,413

Note 8. Agency Investment in Orchestra BioMed

In June 2020, the Foundation entered into an agreement with the Commonwealth Financing Authority (CFA) by which CFA requested the Foundation to hold, until a liquidity event is achieved, shares in Orchestra BioMed, Inc. The Foundation's responsibility, per the agreement, is to hold the shares until they are liquidated. Upon a liquidity event, proceeds from the sale will be transferred to CFA in accordance with instructions provided to the Foundation. The Foundation is entitled to receive a fee to offset its costs to execute the transaction and administer the investment. The fee will be 1% of the gross proceeds from the sale or $50,000, whichever is less. The Foundation does not have the discretion to choose the beneficiaries of the transferred funds once the liquidity event is achieved. The agreement shall be in effect for a period of five years or upon transfer of the sale proceeds to CFA, whichever comes first. During the year ended June 30, 2024, the Foundation's shares of the agency-based investment in Orchestra BioMed went public.

As of June 30, 2024, the liquidity event has not occurred, and the Foundation was holding 27,059 shares of the now-publicly traded entity. Total value of the shares reported as of June 30, 2024 and 2023, was $220,531 and $189,413, respectively. Since the Foundation has no legal rights to the shares, it has accounted for the transaction as an agency transaction, where the value of asset is fully offset by a liability in "Due to Fiduciary Parties" on the Statements of Financial Position.

Note 9. Due to Fiduciary Parties

Due to fiduciary parties were as follows as of June 30:

	2024	2023
Due to Governor's Residence Preservation Fund	$ 33,999	$ 324,352
Due to Commonwealth Financing Authority - Orchestra BioMed	220,531	189,413
Due to PA Council of the Arts	17,595	17,595
Due to Governor's Advisory Commission on Latino Affairs	1,321	4,046
Due to PA Commission on Women	5,525	8,304
Due to PA Growth Partnership	605,574	675,664
Due to Community Arts and Culture at The Residence	16,246	35,384
Due to Governor's Advisory Commission on LBGTQ Affairs	2,709	5,000
Due to Governor's Advisory Commission on Asian Pacific American Affairs	298	5,000
Due to Governor's Advisory Commission on African American Affairs	969	1,048
Due to Governor's Advisory Commission on Next Generation Engagement	3,074	5,000
Due to First Lady's Initiatives and Priorities	4,778	-
	$ 912,619	$ 1,270,806

Note 10. Board Designated Net Assets

Amounts Designated for Programs

From time to time, the Foundation’s Board will designate funds to be used for specific programs.

For the year ended June 30, 2024 and 2023, no additional funds were designated by the Board for program purposes. Any decreases were a result of program expenses.

Total Board designated net assets for programs as of June 30, 2024 and 2023, were $31,645 and $331,646, respectively.

Amounts Designated as Sustainability Fund

The Sustainability Fund consists of investments in marketable securities and other investments as deemed appropriate by the Board of Directors.

During the year ended June 30, 2005, the Foundation’s Board approved designating an initial amount of $1 million to function as an endowment. In the ensuing years, the Board has periodically acted to designate surplus cash flows - primarily from the maturity of its venture capital funds - as endowment. At June 30, 2024 and 2023, there were no donor-restricted endowment funds. All net assets associated with the Board designated endowment are reported as a separate component under net assets without donor restrictions.

Note 10. Board Designated Net Assets (Continued)

Amounts Designated as Sustainability Fund (Continued): The Board has adopted an investment policy that allows for annual and discretionary spending, although all spending in a given fiscal year must first be approved by the Board. To achieve a long-term rate-of-return that can allow for annual endowment appropriations without the erosion of endowment value, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-type investments to achieve its long-term return objectives within prudent risk constraints.

As noted immediately above, all spending must first be approved by the Board. Current authorized spending parameters are 3.75% of the prior 12 quarters' values through March 31 of the fiscal year-end preceding the fiscal year in which the distribution is planned. In establishing these parameters, the Foundation considered the expected long-term return on its endowment.

Accordingly, over the long-term, the Foundation expects its endowment to grow at an annual rate of 3.75%. This is consistent with the Foundation's objective to maintain the long-term purchasing power of the endowment and to provide for additional real growth through new gifts, investment return and other asset transfers.

The Foundation's sustainability fund investments are recorded at fair value. At June 30, 2024 and 2023, the Foundation's marketable securities, managed by and held by PNC, were invested in the following:

	2024	2023
Cash and cash equivalents	$ 248,882	$ 376,646
Equity mutual funds	5,295,716	4,583,807
Fixed income mutual funds	1,992,614	1,698,458
	$ 7,537,212	$ 6,658,911

The gain on sustainability fund investments for the years ended June 30, 2024 and 2023, is comprised of the following:

	2024	2023
Investment income	$ 192,170	$ 155,754
Realized gains	16,916	787,808
Unrealized gains (losses)	701,616	(275,222)
Management fees	(32,401)	(26,974)
	$ 878,301	$ 641,366

Note 10. Board Designated Net Assets (Continued)

Changes in the sustainability fund net asset for the years ended June 30, 2024 and 2023:

	2024	2023
Beginning balance	$ 6,658,911	$ 6,017,545
Investment return		
Change in value	701,616	(275,222)
Investment income	176,685	916,588
Ending balance	$ 7,537,212	$ 6,658,911

Note 11. Net Assets with Donor Restrictions

The Foundation's net assets with donor restrictions at June 30, 2024 and 2023, are comprised of the following:

	2024	2023
Subject to the passage of time:		
Pledges receivable	$ 283,735	$ 299,015
Subject to expenditure for specified purpose:		
Early Learning Investment Commission	238,994	374,164
Broadband Deployment	141,899	144,943
International Business Development	35,463	114,437
AT&T Young Professionals	5,012	10,512
AT&T Digital Literacy	4,222	4,222
Statewide Young Professionals	3,946	3,946
VisitPA Tourism Initiative	5,343	5,343
	$ 718,614	$ 956,582

Note 11. Net Assets with Donor Restrictions (Continued)

2024 and 2023 net assets were released from donor restrictions by incurring expenses satisfying restricted purposes or by realization of events specified by donors as follows:

	2024	2023
Expiration of time restrictions:		
Pledges receivable	$ 196,680	$ 304,628
Satisfaction of purpose restrictions		
International Business Development	78,974	19,490
AT&T Digital Literacy	-	3,825
AT&T Young Professionals	5,500	850
Broadband Deployment	3,044	598
PAYP	-	950
Early Learning Investment Commission	402,454	-
	$ 686,652	$ 330,341

Note 12. Program Services

The Foundation provides support for the following programs and initiatives:

	2024	2023
Tourism and Economic Development Programs: In partnership with DCED, Team Pennsylvania manages several programs that promote tourism and economic development. Programs that support tourism include a creative production for a seasonal tourism campaign, a government-to-business campaign that includes a creative production focused on priority industries, and a site selector program that includes strategic sponsorships and metro missions. Programs that support economic development provide support for marketing, technical assistance, consulting engagements, collateral material development, trade shows and other activities.	$ 247,848	$ 609,236
Decarbonization Network of Appalachia (DNA) Hydrogen Hub Application: Team Pennsylvania joined industry partners to establish the Decarbonization Network of Appalachia Hydrogen Hub (DNA H2Hub). The DNA H2 Hub represents a collective vision for emissions reduction and economic revitalization driven by increased GDP, the creation of new family-sustaining jobs, and new business opportunities for local supply chains. Team Pennsylvania serves as the primary applicant for funding from the U.S. Department of Energy to establish this hub in the tri-state area of Pennsylvania, West Virginia, and Ohio.	-	1,552,919
Impact and Innovation Initiatives Team Pennsylvania is a statewide organization co-chaired by the Governor and a private sector leader whose work focuses on key high-growth economic opportunities for Pennsylvania. We are the state's trusted neutral broker and convener, and we combine collaboration with strategic investment of public and private funds to accelerate Pennsylvania's economy. A core focus of our work is the convening of Cross-Sector Collaboratives in **agriculture**, **energy life sciences, manufacturing, and innovation/technology**. Each collaborative includes the commonwealth's top policymakers and business leaders, as well as leaders of labor, academia, and nonprofits. Their main purpose is to create the the conditions for innovative, technological, and market-driven solutions that position Pennsylvania as a leader among states and a competitor among nations, maximizing impact for the commonwealth while creating equity and economic opportunity for all Pennsylvanians.	1,176,902	669,260

Note 12. Program Services (Continued)

	2024	2023
EDA Statewide Economic Development Planning Grant:		
Using funds from a federal EDA Statewide Planning Grant, Team Pennsylvania is focusing on the following three activities: Leading, convening, and planning activities in energy, a critical industry sector that has been identified as benefitting from investment and planning; supporting the Pennsylvania Manufacturing Advisory Council and issuing a comprehensive playbook for manufacturing in the Commonwealth; and conducting a literature review, equity audit, and gap analysis for Pennsylvania's Comprehensive Economic Development Strategy (CEDS).	442,869	462,415
Early Learning Investment Commission		
The Early Learning Investment Commission (ELIC) was created by Executive Order 2008-08 to build a partnership between the public sector and business community on the value of public investment in early learning, focusing on practices that are educationally, economically and scientifically sound. ELIC seeks to identify public-private strategies dedicated to supporting and advancing Pennsylvania's early learning and economic development through selected projects.	403,604	383,092
Governor's Residence Support:		
Team Pennsylvania provides support to the Governor's Residence, including events and activities that recognize the efforts and accomplishments of employees at the Residence.	-	37,590
International Business Support:		
Team Pennsylvania supports DCED's Office of International Business Development (OIBD) in their efforts to increase Pennsylvania exports and secure foreign direct investment.	78,974	19,490
Digital Literacy:		
Team Pennsylvania provides support for the creation of the first statewide digital literacy badging system for both K-12 learners and adults through the workforce development system and convenes a statewide network to expand and elevate digital literacy across Pennsylvania.	-	3,825
Accelerating Technology Adoption to Enhance Manufaturing Competitiveness:		
Team PA was awarded a grant of nearly $380,000 from The Appalachian Regional Commission (ARC) for its Pennsylvania Manufacturing Comeptitiveness Collaborative. The grant will be supplemented by state and private funding that will result in a total investment of $750,000 in this work, enabling the public-private network of partners to make manufacturing in the Commonwealth more comeptitive.	77,182	-
	$ 2,427,379	$ 3,737,827

Note 13. Commitments and Contingencies

Grant Contracts

The Foundation receives grant contracts from various sources in its normal course of operations. Some of the grant contracts require separate audits that are submitted to DCED. The retention of the funds is contingent upon the approval of the audits by DCED.

Operating Leases

On July 29, 2015, the Foundation entered into a 40-month lease with St. John's Holdings, Inc., for office space in Harrisburg, Pennsylvania. The Foundation was liable for monthly lease payments upon taking occupancy, which occurred in November 2015, although in months one through five, the Foundation was not liable to pay any monthly rent. Additionally, the lease contains a renewal option for a term of five years. On November 2, 2018, the Foundation renewed the lease through February 29, 2024.

On November 20, 2023, the Foundation entered into a month-to-month lease that extended through February 28, 2025. The agreement offered a right to extend the term two additional periods of one year each. Subsequent to year-end, the Foundation terminated this lease and plans to leave the premises by September 30, 2024. Any remaining lease payments after this date are not required to be paid.

Operating lease cost is recognized on a straight-line basis over the lease term. Finance lease cost is recognized as a combination of the amortization expense for the ROU assets and interest expense for the outstanding lease liabilities, and results in a front-loaded expense pattern over the lease term. The components of lease expense are as follows for the years ended June 30, 2024 and 2023:

	2024	2023
Operating lease expense	$ 75,177	$ 74,931
Total lease cost	$ 75,177	$ 74,931

Supplemental cash flow information related to leases is as follows:

Other Information	2024	2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash out-flows from operating leases	$ 75,669	$ 74,439
ROU assets obtained in exchange for new operating leases	43,601	122,106
Weighted-average remaining lease term in years for operating leases	0.25	0.67
Weighted-average discount rate for operating leases	4.94%	2.84%

Note 13. Commitments and Contingencies (Continued)

Future minimum lease payments for the Foundations operating lease as of June 30, 2024, are as follows:

Year	Amount
2025	$ 18,917
Total lease payments	18,917
Less: present value discount	(77)
	$ 18,840

Note 14. Subsequent Event

Subsequent to the year end, the Foundation entered into a lease with Strawberry Square Associates where the Foundation had the right to use office space beginning on October 1, 2024. The term of the lease is three years ending on September 30, 2027, with monthly payments ranging from $10,388 to $11,021.