

Citizens for Pennsylvania's Future

Financial Statements

Years Ended June 30, 2025 and 2024
with Independent Auditor's Report

MaherDuessel

CITIZENS FOR PENNSYLVANIA'S FUTURE

YEARS ENDED JUNE 30, 2025 AND 2024

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Independent Auditor's Report

Board of Directors
Citizens for Pennsylvania's Future

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Citizens for Pennsylvania's Future (PennFuture), which comprise the statements of financial position as of June 30, 2025 and 2024, and 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 financial statements referred to above present fairly, in all material respects, the financial position of the PennFuture as of June 30, 2025 and 2024, 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. 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 PennFuture, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that 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, that raise substantial doubt about the PennFuture's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 PennFuture'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, that raise substantial doubt about the PennFuture'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.

Maher Duessel

Harrisburg, Pennsylvania
December 10, 2025

CITIZENS FOR PENNSYLVANIA'S FUTURE

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 765,778	\$ 1,029,183
Grants receivable	536,941	3,500
Other receivables	-	45,429
Prepaid expenses	<u>49,411</u>	<u>37,397</u>
Total current assets	<u>1,352,130</u>	<u>1,115,509</u>
Restricted cash	-	9,136
Investments	1,974,138	1,899,247
Property and equipment, net	457,136	491,487
Right-of-use asset (operating), net	143,959	233,911
Right-of-use asset (financing), net	4,451	4,451
Other assets:		
Security deposits	<u>9,128</u>	<u>9,128</u>
Total other assets	<u>9,128</u>	<u>9,128</u>
Total Assets	<u>\$ 3,940,942</u>	<u>\$ 3,762,869</u>
Liabilities and Net Assets		
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 263,472	\$ 175,801
Deferred revenue	5,385	9,015
Health care settlement	-	9,136
Short-term lease liability (operating)	77,533	81,013
Short-term lease liability (financing)	<u>933</u>	<u>965</u>
Total current liabilities	<u>347,323</u>	<u>275,930</u>
Non-current liabilities:		
Long-term lease liability (operating)	52,850	142,115
Long-term lease liability (financing)	<u>1,368</u>	<u>2,426</u>
Total non-current liabilities	<u>54,218</u>	<u>144,541</u>
Total Liabilities	<u>401,541</u>	<u>420,471</u>
Net Assets:		
Without donor restrictions	1,386,887	1,265,901
With donor restrictions	<u>2,152,514</u>	<u>2,076,497</u>
Total Net Assets	<u>3,539,401</u>	<u>3,342,398</u>
Total Liabilities and Net Assets	<u>\$ 3,940,942</u>	<u>\$ 3,762,869</u>

The accompanying notes are an integral part of these financial statements.

CITIZENS FOR PENNSYLVANIA'S FUTURE

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Grants	\$ 41,217	\$ 2,649,882	\$ 2,691,099
Contributions	245,292	-	245,292
Membership fees	15,900	-	15,900
Special events	-	-	-
Rental income	26,528	-	26,528
Investment income, net	198,092	-	198,092
Other income	82,397	-	82,397
Net assets released from restriction	2,573,865	(2,573,865)	-
 Total revenues and other support	 3,183,291	 76,017	 3,259,308
Expenses:			
Program services	2,295,415	-	2,295,415
Supporting services:			
Management and general	522,926	-	522,926
Management and general - lobbying	36,511	-	36,511
Fundraising	207,453	-	207,453
 Total expenses	 3,062,305	 -	 3,062,305
Change in Net Assets	 120,986	 76,017	 197,003
Net Assets:			
Beginning of year	1,265,901	2,076,497	3,342,398
End of year	<u>\$ 1,386,887</u>	<u>\$ 2,152,514</u>	<u>\$ 3,539,401</u>

The accompanying notes are an integral part of these financial statements.

CITIZENS FOR PENNSYLVANIA'S FUTURE

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Grants	\$ 87,000	\$ 1,444,500	\$ 1,531,500
Contributions	388,083	-	388,083
Membership fees	21,400	-	21,400
Special events	35,900	-	35,900
Rental income	43,245	-	43,245
Investment income, net	161,356	-	161,356
Other income	63,770	-	63,770
Net assets released from restriction	2,110,216	(2,110,216)	-
Total revenues and other support	2,910,970	(665,716)	2,245,254
Expenses:			
Program services	2,102,806	-	2,102,806
Supporting services:			
Management and general	765,472	-	765,472
Management and general - lobbying	22,410	-	22,410
Fundraising	128,882	-	128,882
Total expenses	3,019,570	-	3,019,570
Change in Net Assets	(108,600)	(665,716)	(774,316)
Net Assets:			
Beginning of year	1,374,501	2,742,213	4,116,714
End of year	\$ 1,265,901	\$ 2,076,497	\$ 3,342,398

The accompanying notes are an integral part of these financial statements.

CITIZENS FOR PENNSYLVANIA'S FUTURE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025

	Management				
	Management		and		
	Program Services	and General	General - Lobbying	Fundraising	Total
Payroll	\$ 1,473,958	\$ 91,003	\$ 28,977	\$ 144,298	\$ 1,738,236
Payroll taxes and other fringe benefits	413,455	50,750	5,919	36,304	506,428
Advertising and communications	5,672	1,168	-	1,867	8,707
Amortization (ROU asset)	991	56	-	-	1,047
Bank and credit card charges	-	3,483	-	21	3,504
Consultants and contract labor	192,272	20,633	-	-	212,905
Conferences and meetings	9,956	760	-	191	10,907
Depreciation	28,951	1,890	579	2,931	34,351
Dues, subscriptions, and membership fees	11,727	12,656	-	72	24,455
Insurance	183	32,968	-	-	33,151
Interest expense (lease liability)	86	5	-	-	91
Internet and computer expenses	1,958	66,219	5	(677)	67,505
Occupancy costs	47,648	67,850	950	4,813	121,261
Office equipment leases and maintenance	-	(1,778)	-	-	(1,778)
Postage	207	2,636	-	1,323	4,166
Printing and publications	9,211	-	-	8,040	17,251
Professional fees	24,062	158,714	-	-	182,776
Grants paid	15,000	-	-	-	15,000
Research and other	2,345	8,116	-	228	10,689
Supplies	2,237	1,779	-	-	4,016
Telephone	3,429	216	68	346	4,059
Travel and meals	52,067	3,802	13	7,696	63,578
Total expenses	\$ 2,295,415	\$ 522,926	\$ 36,511	\$ 207,453	\$ 3,062,305

The accompanying notes are an integral part of these financial statements.

CITIZENS FOR PENNSYLVANIA'S FUTURE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Services	Management				Total
		and General	and General - Lobbying	General - Lobbying	Fundraising	
Payroll	\$ 1,341,884	\$ 248,906	\$ 16,247	\$ 25,210	\$ 1,632,247	
Payroll taxes and other fringe benefits	316,855	51,571	3,712	9,332	381,470	
Advertising and communications	3,038	2,025	-	125	5,188	
Amortization (ROU asset)	-	1,047	-	-	1,047	
Bank and credit card charges	197	6,661	-	931	7,789	
Consultants and contract labor	105,795	25,875	-	65,000	196,670	
Conferences and meetings	36,944	957	-	5,597	43,498	
Depreciation	28,528	5,168	337	523	34,556	
Dues, subscriptions, and membership fees	8,870	13,856	200	308	23,234	
Insurance	2,168	33,381	-	-	35,549	
Interest expense (lease liability)	-	121	-	-	121	
Internet and computer expenses	8,865	86,995	18	46	95,924	
Occupancy costs	76,405	58,073	912	1,416	136,806	
Office equipment leases and maintenance	470	1,725	-	-	2,195	
Postage	313	1,518	-	2,327	4,158	
Printing and publications	22,697	1,901	-	17,830	42,428	
Professional fees	25,270	211,175	-	-	236,445	
Grants paid	75,500	-	-	-	75,500	
Research and other	546	10,674	-	-	11,220	
Supplies	3,716	-	-	-	3,716	
Telephone	7,716	1,398	91	142	9,347	
Travel and meals	37,029	2,445	893	95	40,462	
Total expenses	\$ 2,102,806	\$ 765,472	\$ 22,410	\$ 128,882	\$ 3,019,570	

The accompanying notes are an integral part of these financial statements.

CITIZENS FOR PENNSYLVANIA'S FUTURE

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities:		
Change in net assets	\$ 197,003	\$ (774,316)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation	34,351	34,556
Amortization of right-of-use asset	89,952	87,452
Realized (gain) loss on sale of investments	(41,326)	(43,298)
Unrealized (gain) loss on investments	(113,626)	(92,299)
(Increase) decrease in assets:		
Grants receivable	(533,441)	766,001
Other receivables	45,429	14,662
Prepaid expenses	(12,014)	12,367
Lease liability (finance)	(121)	(121)
Lease liability (operating)	(92,745)	(91,108)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	87,671	(54,445)
Deferred revenue	(3,630)	(3,670)
Health Care Settlement	(9,136)	(9,136)
Net cash and cash equivalents provided by (used in) operating activities	<u>(351,633)</u>	<u>(153,355)</u>
Cash Flows From Investing Activities:		
Proceeds from sale of investments	143,135	168,217
Purchase of investments	(63,106)	(21,231)
Acquisition of property and equipment	-	(16,359)
Net cash and cash equivalents provided by (used in) investing activities	<u>80,029</u>	<u>130,627</u>
Cash Flows From Financing Activities:		
Payments on finance leases	(937)	(937)
Net cash and cash equivalents provided by (used in) financing activities	<u>(937)</u>	<u>(937)</u>
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	<u>(272,541)</u>	<u>(23,665)</u>
Cash, Cash Equivalents, and Restricted Cash:		
Beginning of year	1,038,319	1,061,984
End of year	<u>\$ 765,778</u>	<u>\$ 1,038,319</u>
Composition of Cash, Cash Equivalents, and Restricted Cash:		
Cash and cash equivalents	\$ 765,778	\$ 1,029,183
Restricted cash	-	9,136
Total cash, cash equivalents, and restricted cash	<u>\$ 765,778</u>	<u>\$ 1,038,319</u>

The accompanying notes are an integral part of these financial statements.

CITIZENS FOR PENNSYLVANIA'S FUTURE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

1. Summary of Significant Accounting Policies

This summary of significant accounting policies of Citizens for Pennsylvania's Future (PennFuture) is presented to assist in understanding the organization's financial statements. The financial statements and notes are the representations of the organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of these financial statements.

Nature of Activities

PennFuture is a non-profit organization that engages in multi-faceted activities designed to help Pennsylvanians protect their natural resources while preserving their economic security. PennFuture advances its mission by providing citizens, organizations, and members with education, technical assistance, and legal representation. PennFuture is committed to furnish leadership, information, and technical assistance to enable government, businesses, nonprofit organizations, community groups, and individuals to develop an environmentally sensitive and prosperous economy. PennFuture's revenue comes primarily from grants and contributions.

Basis of Accounting

Assets, liabilities, revenues, and expenses are recognized on the accrual basis of accounting.

Financial Statement Presentation

Net assets, revenue, and releases from restriction are classified based on the existence or absence of donor restrictions. Accordingly, the net assets of PennFuture and the changes therein are classified and reported in two categories of net assets. The two categories are differentiated as follows:

Without Donor Restrictions - Net assets without donor restrictions consist of assets that can be used at the discretion of PennFuture to support operations.

With Donor Restrictions – Net assets with donor restrictions consist of assets that are restricted by a donor to be used for a specific purpose or in a future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with donor's instructions, or when the stipulated time has passed. Other donor-imposed restrictions on net assets are permanent in

CITIZENS FOR PENNSYLVANIA'S FUTURE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

nature. These net assets have been restricted by donors to be maintained in perpetuity. As of June 30, 2025 and 2024, PennFuture did not have any net assets with donor restrictions that were permanent in nature.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions when not donor restricted. Expirations of net assets with donor restrictions that are temporary in nature (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. Temporarily restricted revenues received and released in the same year are reported as increases in net assets with donor restrictions that are temporary in nature.

Use of Estimates

The preparation of financial statements in accordance 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, PennFuture considers all checking, savings and money market accounts held in financial institutions to be cash and cash equivalents.

Grants Receivables

Grants receivables are due in less than one year.

PennFuture provides for uncollectible grants using the allowance method, which is based on management's judgment concerning historical collectability and analysis of individual grants. Past due grants are individually analyzed for collectability and written off when all efforts at collection have been exhausted. As of June 30, 2025 and 2024, there was no allowance for uncollectible grant receivables.

CITIZENS FOR PENNSYLVANIA'S FUTURE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Investments

Investments are stated at fair value. Quoted market prices in active markets for identical assets were used as fair value when available. Investments held in common stocks, equity mutual funds, bond mutual funds, and exchange traded funds are valued at the daily closing price as reported by the asset. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities could occur in the near term and that such changes could materially affect the amounts reported in the Statements of Financial Position.

Fair Value Measurements

PennFuture has categorized its investments based on the fair value hierarchy. Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Level 1 investments held by PennFuture include common stocks, equity mutual funds, bond mutual funds, and exchange traded funds.

Investments whose values are based on quoted prices in markets that are not active, or model inputs that are observable either directly or indirectly for substantially the full term of the asset, are classified within Level 2. PennFuture has no Level 2 investments.

Investments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement are classified within Level 3. PennFuture has no Level 3 investments.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from five to forty years. PennFuture capitalizes all assets in excess of \$1,000 with a useful life extending beyond one year.

CITIZENS FOR PENNSYLVANIA'S FUTURE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Compensated Absences

Full-time employees earn paid leave based on length of service. For the year ended June 30, 2025 and 2024, employees may carry over no more than 40 hours of paid leave from one anniversary date to the next. An employee separated from employment will be paid for earned unused leave. As of June 30, 2025 and 2024, PennFuture accrued \$73,387 and \$58,891, respectively, in compensated absences.

Grants and Contributions

Grants and contributions received are evaluated using the decision tree in the Accounting Standards Codification (ASC) 958-605-55-1A to determine the applicable accounting model. Most of the grants and contributions received by PennFuture are considered to be non-exchange transactions.

A decision tree is also used to determine whether grants and contributions received are conditional or unconditional. Both barriers and right of return/release need to exist in order to designate a contribution as conditional. Once designated, the revenue is recognized when the conditions are met.

Unconditional grants and contributions are recorded as those with donor restrictions or without donor restrictions depending on the existence of donor-imposed restrictions, typically limiting purpose or timing of the grant or contribution.

At June 30, 2025 and 2024, \$0 and \$0, of conditional grants were awarded to PennFuture for which cash has not been received, and barriers have not been met at year end, respectively.

Leases

PennFuture determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in ROU assets – financing and lease liability – financing in the balance sheet. ROU assets represent PennFuture's right to use an underlying asset for the lease term and lease liabilities represent PennFuture's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that PennFuture will exercise that option. Lease expense is recognized on a straight-line basis over the lease term.

CITIZENS FOR PENNSYLVANIA'S FUTURE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

PennFuture has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet. The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, PennFuture has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

PennFuture has elected not to separate non-lease components from lease components and instead accounts for each separate lease component and the non-lease component as a single lease component.

Revenue and Revenue Recognition

Membership Dues and Deferred Revenue - PennFuture receives membership fees from various sources that are not deemed to be contributions. Members receive the organization's e-publications, action alerts, and invitations to events, as well as the annual report and newsletter. PennFuture recognizes the membership dues ratably over the membership period. The membership fees revenue received for future periods has been recorded as deferred revenue.

Special Events – PennFuture records special events revenue equal to the fair value of direct benefits to donors and contribution income for the excess received when the event takes place.

Rental Income – PennFuture recognizes rental income when the performance obligations of providing space for the tenants are satisfied.

Other Income – PennFuture receives revenue for payment of legal services and reimbursement of shared service expenses.

Legal Income

PennFuture's law staff serves as a watchdog over regulatory agencies, filing comments and action letters to guarantee that Pennsylvania's environment and public health are protected to the fullest extent of the law. PennFuture also files court actions to force polluters to comply with the law. Should PennFuture win the case, the organization will recognize legal fee income in the year the case was settled, which helps to cover the costs of the attorneys' fees related to the cases.

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NOTES TO FINANCIAL STATEMENTS

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Functional Expenses

Directly identifiable expenses are charged to programs and supporting activities. Expenses related to more than one function are charged to programs and supporting services using an allocation based on employee time spent between program and supporting activities. Program expenses constitute those related to providing citizens, organizations, and members with education, technical assistance, and legal representation. Administrative expenses constitute fees and activities that are not identifiable with a single program, fundraising activity, or operational activity, but that are indispensable to the conduct of those activities and to PennFuture's existence. Fundraising expenses are those which are directly related to the development function at the organization.

Income Taxes

PennFuture qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal or state income taxes. In addition, PennFuture qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation. PennFuture follows the income tax standard for uncertain tax positions. The application of this standard has no impact on PennFuture's financial statements. PennFuture's informational tax returns are subject to review and examination by federal, state, and local authorities generally for three years after they are filed. PennFuture is not aware of any activities that would jeopardize its tax-exempt status. Further, PennFuture annually files a Form 990.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

2. Liquidity and Availability

PennFuture considers all expenditures related to its ongoing program activities, as well as the administrative and general expenditures required to support these activities, to be general operating expenditures. Historically, PennFuture receives a majority of support for operating expenditures from grants and contributions without donor restrictions and grants and contributions with donor restrictions. PennFuture also receives rental income. PennFuture regularly monitors liquidity required to meet its operating needs and other

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

contractual commitments, while also striving to maximize the investment of its available funds.

In addition to financial assets available to meet general expenditures over the next 12 months, PennFuture strives to operate with a balanced budget and in typical years anticipates collecting sufficient revenue to cover general expenditures. PennFuture also maintains a \$200,000 line of credit with Fulton Bank to manage operating expenses.

The following represents PennFuture's financial assets at June 30:

	2025	2024
Cash and cash equivalents	\$ 765,778	\$ 1,029,183
Investments	1,974,138	1,899,247
Grants receivable	536,941	3,500
Other receivable	-	45,429
 Total financial assets	 3,276,857	 2,977,359
 Less: amounts with donor restrictions	 2,152,514	 2,076,497
 Financial assets available to meet cash needs for general expenses within one year	 <u>\$ 1,124,343</u>	 <u>\$ 900,862</u>

3. Cash Concentrations

Cash and cash equivalents potentially subject PennFuture to a concentration credit risk. The balances in checking and savings accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in bank deposit accounts may exceed FDIC insurable limits.

CITIZENS FOR PENNSYLVANIA'S FUTURE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

4. Investments and Interest in Other Organization

The following table sets forth by level, within the fair value hierarchy, the investments at fair value and cost as of June 30:

	Level	2025		2024	
		Fair Value	Cost	Fair Value	Cost
Common stocks:					
Materials	1	\$ 35,613	\$ 21,638	\$ 37,514	\$ 24,514
Information technology	1	132,921	42,951	124,018	30,169
Consumer discretionary	1	61,566	44,854	198,741	72,435
Consumer staples	1	43,290	7,060	6,833	4,941
Industrials	1	37,465	29,326	58,762	33,395
Financials	1	7,348	5,778	4,251	2,714
Healthcare	1	16,854	14,656	17,197	11,073
Real estate	1	105,958	83,085	110,266	79,321
Telecom service	1	37,617	12,185	42,939	15,907
Equity mutual funds:					
Large cap	1	254,369	207,255	276,371	224,457
Small/mid cap	1	361,350	305,784	315,104	298,342
Foreign large blend	1	102,440	91,077	103,617	91,077
Bond mutual funds:					
Multi-sector	1	136,800	151,499	133,704	151,596
Intermediate-term bond	1	195,374	210,246	185,307	204,021
Exchange traded funds:					
Large blend	1	258,814	176,648	125,852	85,645
Industrials	1	61,849	29,116	54,843	28,860
Miscellaneous sector	1	124,511	112,231	103,929	85,588
Total investments		\$ 1,974,138	\$ 1,545,389	\$ 1,899,247	\$ 1,444,053

CITIZENS FOR PENNSYLVANIA'S FUTURE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Investment income consisted of the following for the years ended June 30:

	2025	2024
Dividends and interest	\$ 55,607	\$ 37,933
Realized gain (loss) on sale of investments	41,326	43,298
Unrealized gain (loss) on investments	113,626	92,299
Investment expense	(12,467)	(12,174)
Investment income (loss), net	<u>\$ 198,092</u>	<u>\$ 161,356</u>

PennFuture has a 39.8625% equity interest in PaceControls, LLC. The investment in PaceControls, LLC is accounted for under the equity method of accounting. The investment was carried at a zero value at June 30, 2025 and 2024.

A member of PennFuture's management was on the Board of Directors at PaceControls, LLC. through October 2017.

5. Property and Equipment

Property and equipment consisted of the following at June 30:

	2025	2024
Land	\$ 70,000	\$ 70,000
Buildings and improvements	802,239	802,239
Computer equipment	13,175	13,175
Website	<u>49,741</u>	<u>49,741</u>
	935,155	935,155
Less: accumulated depreciation	<u>478,019</u>	<u>443,668</u>
Net property and equipment	<u>\$ 457,136</u>	<u>\$ 491,487</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$34,351 and \$34,556, respectively.

CITIZENS FOR PENNSYLVANIA'S FUTURE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

6. Line of Credit

During the year ended June 30, 2023, PennFuture obtained a line of credit with a local bank, providing credit in the amount of \$200,000 with interest at the bank's prime rate. The line of credit was secured by real estate and had no outstanding balance as of June 30, 2025 and 2024. The line of credit renews annually.

7. Revenue from Contracts with Customers

The following table provides information about significant changes in the contract liabilities for the year ended June 30:

	2025	2024
Deferred membership dues, beginning of year	\$ 9,015	\$ 12,685
Revenue recognized that was included in deferred membership dues at the beginning of the year	(9,015)	(12,685)
Increase in deferred revenue due to cash received	<u>5,385</u>	<u>9,015</u>
Deferred membership dues, end of year	<u><u>\$ 5,385</u></u>	<u><u>\$ 9,015</u></u>

8. Health Care Settlement

In April 2020, PennFuture received a healthcare group financial settlement due to the overpayment of deductibles for the period of December 2018 through November 2019. The use of these funds is limited to future employee benefits. As of June 30, 2025 and 2024, the amount to be used was \$0 and \$9,136, respectively. This amount is shown as restricted cash on the statements of financial position.

CITIZENS FOR PENNSYLVANIA'S FUTURE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

9. Net Assets With Donor Restrictions

Net assets with donor restrictions as of June 30, 2025 and 2024 are available for the following purposes:

	2025	2024
WPF Illegal Dumping	\$ 353,967	\$ -
Philadelphia Fdtn	58,442	-
Energy Foundation 2025	31,620	-
WPF Youth Voter Engagement 2025	177,694	-
Green in '18	-	8,605
NWF CCWC 2024	-	18,322
Heinz Civic Engagement 2024	-	80,882
Park Foundation 24	6,088	8,646
Energy Foundation	-	45,499
Bucks County Environmental Organizing Project	-	28,824
Legal Internships	7,990	15,589
To hire and equip an organizer in Chester County to expand the existing program to educate local officials through constituent engagement and continue building a sustainable volunteer advocacy program in strategic regions of the state	11,483	11,483
Heinz 2025-26	407,775	-
Kentfields 2025	79,980	-
CEFA BSI 2025	25,000	-
Provide support for NWF's Natural Climate Solutions Federal Policy Platform	-	3,490
LCV Democracy	10,000	-
Nicholson Leaf Grant 2025	100,000	-
NRDC	2,104	2,104
NWF CDRW	-	3,573
NWF CCWC	-	815
Campbell CVPA 23-24	48,410	64,341
WPG Green Living Plan 23-24	-	162,709
Bloomberg Beyond Petrochemical 23-24	-	45,042
Chesapeake Bay Trust 23-24	-	6,567
LCVEF C3 Judicial Grant 23-24	12,839	14,725
Otto Haas Legal Intern 24-25	26,649	23,534
NWF Hydrogen	-	13,583
Campbell CVPA Civic Eng	27,625	37,216
Campbell CVPA DEIJ	5,000	5,000
NWF CAC 24	44,301	12,706
George Martin 2024	-	8,623
BuildUS 24-25	64,216	97,032

(continued)

CITIZENS FOR PENNSYLVANIA'S FUTURE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
LCV State Voting 2024	67,684	-
CVPA C3 24-25	5,680	-
COGO 24-25	561	-
LCV CEFA BSI 2024	24,371	-
NWF CAC 2022	-	112
Heinz 2024-2025	-	290,116
Mott Foundation 24-26	67,474	-
PA Voice 2023	-	9,202
Energy Foundation Solar Siting 2025	71,030	-
Campbell-CVPA Civic Eng.	32,368	36,720
Mott Foundation 22-24	-	17,637
NWF Farm Bill	59,715	65,918
LCVEF NPVP	-	803
LCVEF CVPA	49,742	-
Kentfields	-	75,000
Nicholson for Erie	125,569	13,892
William Penn Clean Water	(49)	807,842
CEFA Clean Energy Regulations	43,194	-
Cybersecurity Advancement	7,000	-
Rockefeller	-	8,398
Alderfer - Bucks County	3,000	3,000
Judicial Education Event	7,334	-
Heinz	49	49
Foundation for PA watershed	-	13,949
Heinz Endowment	49,631	-
Oak Hill 23-24	-	234
NWF CCWC 2025	24,838	-
NRDC Lehigh Valley	-	1,643
LCVEF CEFA BSI	12,140	13,073
Total	\$ 2,152,514	\$ 2,076,497

(concluded)

During the years ended June 30, 2025 and 2024, net assets with donor restrictions that are purpose restrictions in nature of \$2,573,865 and \$2,110,216, respectively, were released by incurring expenses pursuant to donor stipulations.

10. Leases

PennFuture leases its Philadelphia, Pittsburgh, and East Stroudsburg facilities under non-cancellable operating leases which expire from 2024 through 2028. PennFuture also leases several pieces of office equipment which are considered either operating or financing leases, expiring from 2026 through 2028.

CITIZENS FOR PENNSYLVANIA'S FUTURE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

The components of lease expense were as follows as of June 30:

	2025	2024
Operating lease cost	\$ 93,324	\$ 95,501
Short term lease cost	6,440	7,028
Finance lease cost:		
Amortization of right to use assets	1,047	1,047
Interest on lease liabilities	91	121
Total finance lease costs	<u>\$ 1,138</u>	<u>\$ 1,168</u>

Other information related to leases was as follows as of June 30:

	2025	2024
Supplemental Cash Flows information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 91,600	\$ 92,395
Operating cash flows from finance leases	91	121
Financing cash flows from finance leases	996	996
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	-	-
Finance leases	-	-
Weighted average remaining lease term:		
Operating leases	2.2 years	2.7 years
Finance leases	2.1 years	3.1 years
Weighted average discount rate:		
Operating leases	2.92%	2.92%
Finance leases	3.04%	3.04%

CITIZENS FOR PENNSYLVANIA'S FUTURE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Future maturities of lease liabilities are presented in the following table, for the fiscal years ending June 30:

	<u>Operating</u>	<u>Finance</u>	<u>Total</u>
2026	92,962	1,117	94,079
2027	45,491	1,117	46,608
2028	7,582	279	7,861
Thereafter	-	-	-
Total lease payments	146,035	2,513	148,548
Less present value discounts	(15,652)	(212)	(15,864)
Total lease obligations	<u>\$ 130,383</u>	<u>\$ 2,301</u>	<u>\$ 132,684</u>

11. Economic Dependency

PennFuture is dependent upon grants from various foundations to fund program expenses. For the years ended June 30, 2025 and 2024, PennFuture received 48% and 50%, respectively, from three granting agencies. Discontinuation of, or reductions of such grants would force the curtailment of many program services.

12. Contingency

Under the terms of an agreement between PaceControls, LLC and two individuals, PennFuture has a right to receive a licensing fee of \$150,000 and a consulting fee of \$30,000 plus simple interest from May 2007 at 8% per annum. Payment is contingent upon PaceControls, LLC achieving certain levels of capital funding as outlined in the terms of the agreement, such as full funding of a working capital reserve equal to six months of operating expenses and payment of principal and interest on outstanding notes. PaceControls, LLC did not achieve those levels of capital funding for the years ended June 30, 2025 and 2024.