

# **Citizens for Pennsylvania's Future**

Financial Statements

Years Ended June 30, 2024 and 2023  
with Independent Auditor's Report

**MaherDuessel**

The logo for MaherDuessel features the company name in a serif font. The word "Maher" is in black, and "Duessel" is in blue. Below the text is a horizontal bar that is black on the left and blue on the right, matching the color of the text.

# CITIZENS FOR PENNSYLVANIA'S FUTURE

YEARS ENDED JUNE 30, 2024 AND 2023

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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, 2024 and 2023, 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, 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. 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  
May 9, 2025

# CITIZENS FOR PENNSYLVANIA'S FUTURE

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	2024	2023
<b>Assets</b>		
<hr/>		
Current assets:		
Cash and cash equivalents	\$ 1,029,183	\$ 998,236
Grants receivable	3,500	769,501
Other receivables	45,429	60,091
Prepaid expenses	37,397	49,764
Total current assets	1,115,509	1,877,592
Restricted cash	9,136	63,748
Investments	1,899,247	1,910,636
Property and equipment, net	491,487	509,684
Right-of-use asset (operating), net	233,911	321,363
Right-of-use asset (financing), net	4,451	4,451
Other assets:		
Security deposits	9,128	9,128
Total other assets	9,128	9,128
<b>Total Assets</b>	<b>\$ 3,762,869</b>	<b>\$ 4,696,602</b>
<b>Liabilities and Net Assets</b>		
<hr/>		
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 175,801	\$ 230,246
Deferred revenue	9,015	12,685
Health care settlement	9,136	18,272
Short-term lease liability (operating)	81,013	84,345
Short-term lease liability (financing)	965	996
Total current liabilities	275,930	346,544
Non-current liabilities:		
Long-term lease liability (operating)	142,115	229,891
Long-term lease liability (financing)	2,426	3,453
Total non-current liabilities	144,541	233,344
Total Liabilities	420,471	579,888
Net Assets:		
Without donor restrictions	1,265,901	1,374,501
With donor restrictions	2,076,497	2,742,213
Total Net Assets	3,342,398	4,116,714
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,762,869</b>	<b>\$ 4,696,602</b>

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
<b>Revenues and Other Support:</b>			
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
<b>Expenses:</b>			
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
<b>Change in Net Assets</b>	(108,600)	(665,716)	(774,316)
<b>Net Assets:</b>			
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 ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and Other Support:</b>			
Grants	\$ 11,000	\$ 3,915,731	\$ 3,926,731
Contributions	286,067	-	286,067
Membership fees	30,375	-	30,375
Special events	12,745	-	12,745
Rental income	38,963	-	38,963
Investment income, net	220,174	-	220,174
Other income	64,369	-	64,369
Net assets released from restriction	3,608,720	(3,608,720)	-
Total revenues and other support	4,272,413	307,011	4,579,424
<b>Expenses:</b>			
Program services	3,253,724	-	3,253,724
Supporting services:			
Management and general	275,013	-	275,013
Management and general - lobbying	54,705	-	54,705
Fundraising	144,710	-	144,710
Total expenses	3,728,152	-	3,728,152
<b>Change in Net Assets</b>	544,261	307,011	851,272
<b>Net Assets:</b>			
Beginning of year	830,240	2,435,202	3,265,442
End of year	\$ 1,374,501	\$ 2,742,213	\$ 4,116,714

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 and General	Management and General - Lobbying	Fundraising	Total
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	<u>\$ 2,102,806</u>	<u>\$ 765,472</u>	<u>\$ 22,410</u>	<u>\$ 128,882</u>	<u>\$ 3,019,570</u>

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

# CITIZENS FOR PENNSYLVANIA'S FUTURE

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

	Program Services	Management and General	Management and General - Lobbying	Fundraising	Total
Payroll	\$ 1,682,431	\$ 18,672	\$ 36,707	\$ 36,884	\$ 1,774,694
Payroll taxes and other fringe benefits	374,182	3,127	8,871	18,384	404,564
Advertising and communications	4,001	1,544	-	2,468	8,013
Amortization (ROU asset)	-	786	-	-	786
Bank and credit card charges	(53)	4,223	-	69	4,239
Consultants and contract labor	794,155	16,227	456	7,965	818,803
Conferences and meetings	15,709	150	55	29,424	45,338
Depreciation	25,523	278	931	5,451	32,183
Dues, subscriptions, and membership fees	12,462	7,015	409	2,393	22,279
Insurance	15,400	15,516	-	-	30,916
Interest expense (lease liability)	-	111	-	-	111
Internet and computer expenses	39,029	27,147	106	360	66,642
Occupancy costs	138,099	7,218	828	1,615	147,760
Office equipment leases and maintenance	170	2,733	-	-	2,903
Postage	352	1,020	-	6,347	7,719
Printing and publications	6,594	6,327	-	28,402	41,323
Professional fees	30,655	150,473	-	-	181,128
Grants paid	35,000	-	-	-	35,000
Research and other	10,323	3,607	-	-	13,930
Supplies	6,555	4,206	-	467	11,228
Telephone	11,232	472	122	410	12,236
Travel and meals	51,905	4,161	6,220	4,071	66,357
Total expenses	<u>\$ 3,253,724</u>	<u>\$ 275,013</u>	<u>\$ 54,705</u>	<u>\$ 144,710</u>	<u>\$ 3,728,152</u>

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

# CITIZENS FOR PENNSYLVANIA'S FUTURE

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ (774,316)	\$ 851,272
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation	34,556	32,183
Amortization of right-of-use asset	87,452	92,101
Realized (gain) loss on sale of investments	(43,298)	(96,584)
Unrealized (gain) loss on investments	(92,299)	(95,287)
Loss on disposal of assets	-	(2,246)
(Increase) decrease in assets:		
Grants receivable	766,001	(734,592)
Other receivables	14,662	(14,468)
Prepaid expenses	12,367	18,073
Lease liability (finance)	(121)	(111)
Lease liability (operating)	(91,108)	(98,442)
Security deposits	-	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(54,445)	(3,569)
Deferred revenue	(3,670)	(1,815)
Health Care Settlement	(9,136)	(9,137)
Net cash and cash equivalents provided by (used in) operating activities	(153,355)	(62,622)
<b>Cash Flows From Investing Activities:</b>		
Proceeds from sale of investments	168,217	633,012
Purchase of investments	(21,231)	(9,175)
Acquisition of property and equipment	(16,359)	(58,967)
Net cash and cash equivalents provided by (used in) investing activities	130,627	564,870
<b>Cash Flows From Financing Activities:</b>		
Payments on finance leases	(937)	(677)
Net cash and cash equivalents provided by (used in) financing activities	(937)	(677)
<b>Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash</b>	(23,665)	501,571
<b>Cash, Cash Equivalents, and Restricted Cash:</b>		
Beginning of year	1,061,984	560,413
End of year	\$ 1,038,319	\$ 1,061,984
<b>Composition of Cash, Cash Equivalents, and Restricted Cash:</b>		
Cash and cash equivalents	\$ 1,029,183	\$ 998,236
Restricted cash	9,136	63,748
Total cash, cash equivalents, and restricted cash	\$ 1,038,319	\$ 1,061,984

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

# CITIZENS FOR PENNSYLVANIA'S FUTURE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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### 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, 2024 AND 2023

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nature. These net assets have been restricted by donors to be maintained in perpetuity. As of June 30, 2024 and 2023, 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, 2024 and 2023, there was no allowance for uncollectible grant receivables.

# CITIZENS FOR PENNSYLVANIA'S FUTURE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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### 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, 2024 AND 2023

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### Compensated Absences

Full-time employees earn paid leave based on length of service. For the year ended June 30, 2024 and 2023, 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, 2024 and 2023, PennFuture accrued \$58,891 and \$59,282, 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, 2024 and 2023, \$0 and \$75,000, of conditional grants were awarded to PennFuture for which cash has not been received, and barriers have not been met at year end, respectively. Earning these funds are conditioned on hiring an additional employee.

### 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.

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# CITIZENS FOR PENNSYLVANIA'S FUTURE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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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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# CITIZENS FOR PENNSYLVANIA'S FUTURE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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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

# CITIZENS FOR PENNSYLVANIA'S FUTURE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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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:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,029,183	\$ 998,236
Investments	1,899,247	1,910,636
Grants receivable	3,500	769,501
Other receivable	<u>45,429</u>	<u>60,091</u>
Total financial assets	2,977,359	3,738,464
Less: amounts with donor restrictions	<u>2,076,497</u>	<u>2,742,213</u>
Financial assets available to meet cash needs for general expenses within one year	<u>\$ 900,862</u>	<u>\$ 996,251</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, 2024 AND 2023

### 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	2024		2023	
		Fair Value	Cost	Fair Value	Cost
Common stocks:					
Materials	1	\$ 37,514	\$ 24,514	\$ 31,257	\$ 26,186
Information technology	1	124,018	30,169	107,232	52,879
Consumer discretionary	1	198,741	72,435	203,846	77,071
Consumer staples	1	6,833	4,941	14,996	13,891
Industrials	1	58,762	33,395	82,229	48,084
Financials	1	4,251	2,714	34,833	26,242
Healthcare	1	17,197	11,073	48,784	37,887
Utilities	1	-	-	3,445	3,324
Real estate	1	110,266	79,321	118,918	75,798
Telecom service	1	42,939	15,907	42,796	23,110
Equity mutual funds:					
Large cap	1	276,371	224,457	238,355	221,237
Small/mid cap	1	315,104	298,342	297,222	294,783
Foreign large blend	1	103,617	91,077	93,779	102,304
Bond mutual funds:					
Multi-sector	1	133,704	151,596	133,525	151,596
Intermediate-term bond	1	185,307	204,021	179,587	198,790
Exchange traded funds:					
Large blend	1	125,852	85,645	106,995	83,059
Industrials	1	54,843	28,860	51,475	28,399
Miscellaneous sector	1	103,929	85,588	121,362	84,864
Total investments		<u>\$ 1,899,247</u>	<u>\$ 1,444,053</u>	<u>\$ 1,910,636</u>	<u>\$ 1,549,505</u>

# CITIZENS FOR PENNSYLVANIA'S FUTURE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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

	<u>2024</u>	<u>2023</u>
Dividends and interest	\$ 37,933	\$ 42,352
Realized gain (loss) on sale of investments	43,298	96,584
Unrealized gain (loss) on investments	92,299	95,287
Investment expense	<u>(12,174)</u>	<u>(14,049)</u>
Investment income (loss), net	<u>\$ 161,356</u>	<u>\$ 220,174</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, 2024 and 2023.

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:

	<u>2024</u>	<u>2023</u>
Land	\$ 70,000	\$ 70,000
Buildings and improvements	802,239	787,796
Computer equipment	13,175	11,259
Website	<u>49,741</u>	<u>49,741</u>
	935,155	918,796
Less: accumulated depreciation	<u>443,668</u>	<u>409,112</u>
Net property and equipment	<u>\$ 491,487</u>	<u>\$ 509,684</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$34,556 and \$32,183, respectively.

# CITIZENS FOR PENNSYLVANIA'S FUTURE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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### 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, 2024 and 2023.

### 7. Revenue from Contracts with Customers

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

	<u>2024</u>	<u>2023</u>
Deferred membership dues, beginning of year	\$ 12,685	\$ 14,500
Revenue recognized that was included in deferred membership dues at the beginning of the year	(12,685)	(14,500)
Increase in deferred revenue due to cash received	<u>9,015</u>	<u>12,685</u>
Deferred membership dues, end of year	<u>\$ 9,015</u>	<u>\$ 14,500</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, 2024 and 2023, the amount to be used was \$9,136 and \$18,272, 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, 2024 AND 2023

### 9. Net Assets With Donor Restrictions

Net assets with donor restrictions as of June 30, 2024 and 2023 are available for the following purposes:

	2024	2023
Coal-Tar Based Sealcoat Reduction Campaign	\$ -	\$ -
Mt. Pleasant Township Substantive Validity Challenge	-	-
Work Under the Climate Action Campaign	-	-
Outreach and Advocacy Work to Reform the Renewable Fuel Standard	-	10,000
Green in '18	8,605	-
NWF CCWC 2024	18,322	-
Heinz Civic Engagement 2024	80,882	-
Park Foundation 24	8,646	-
Energy Foundation	45,499	-
Bucks County Environmental Organizing Project	28,824	18,540
Legal Internships	15,589	27,942
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
To advance sustainability, protect the environment, and foster community in Western PA	-	-
Clean energy issues at the state level	-	-
To help create a BMP Cost Share Program in PA	-	-
Provide support for NWF's Natural Climate Solutions Federal Policy Platform	3,490	3,490
Campbell 2020	-	-
Serve as the coalition for Delaware River Watershed's state lead in PA	-	-
Mott Foundation 2020	-	-
NRDC	2,104	2,669
NRDC Action Fund	-	-
Martin Legal intern Year 2	-	16,860
NWF Federal Climate	-	-
Foundation for PA Watershed	-	3
NWF CDRW	3,573	-
Comm Fdtn for Alleghenies	-	-
NWF CCWC	815	-
Campbell CVPA 23-24	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	14,725	-
Otto Haas Legal Intern 24-25	23,534	-
NWF Hydrogen	13,583	-
Campbell CVPA Civic Eng	37,216	45,763
NWF CCWC State Lead	-	-
Campbell CVPA DEIJ	5,000	5,000
NWF CAC 24	12,706	-
George Martin 2024	8,623	-
BuildUS 24-25	97,032	-

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# CITIZENS FOR PENNSYLVANIA'S FUTURE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Oak Hill 2022	-	-
LCV Bridge Funding	-	-
Community Foundation for Alleghenies (High Tide)	-	21,871
LCVEF NPVP	-	-
NWF CAC 2022	112	20,257
Heinz 2024-2025	290,116	-
Energy Foundation '22-23	-	-
PA Voice 2023	9,202	10,406
Rockefeller Wyalusing 22-23	-	35,448
Campbell-CVPA Civic Eng.	36,720	47,326
Mott Foundation 22-24	17,637	101,496
NWF Farm Bill	65,918	107,457
LCVEF NPVP	803	25,817
NWF CCWC 2023	-	17,489
Kentfields	75,000	66,119
Nicholson for Erie	13,892	23,780
William Penn Clean Water	807,842	1,446,290
NWF CAC 2022	-	27,057
Campbell	-	5,000
Rockefeller	8,398	45,793
Alderfer - Bucks County	3,000	3,000
NWF Great Lakes	-	1,447
Heinz	49	355,039
Foundation for PA watershed	13,949	14,941
Energy Foundation 23-24	-	126,466
Oak Hill 23-24	234	59,257
DFAD	-	5,000
NRDC Lehigh Valley	1,643	8,707
LCVEF CEFA BSI	13,073	25,000
Total	<u>\$ 2,076,497</u>	<u>\$ 2,742,213</u> (concluded)

During the years ended June 30, 2024 and 2023, net assets with donor restrictions that are purpose restrictions in nature of \$2,110,216 and \$3,608,720, 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, 2024 AND 2023

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

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 95,501	\$ 95,501
Short term lease cost	7,028	9,909
Finance lease cost:		
Amortization of right to use assets	1,047	786
Interest on lease liabilities	121	111
Total finance lease costs	<u>\$ 1,168</u>	<u>\$ 897</u>

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

	<u>2024</u>	<u>2023</u>
Supplemental Cash Flows information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 92,395	\$ 101,775
Operating cash flows from finance leases	121	111
Financing cash flows from finance leases	996	789
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	-	-
Finance leases	-	-
Weighted average remaining lease term:		
Operating leases	2.7 years	3.7 years
Finance leases	3.1 years	4.1 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, 2024 AND 2023

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>
2025	\$ 93,325	\$ 1,117	\$ 94,442
2026	92,962	1,117	94,079
2027	45,491	1,117	46,608
2028	7,582	279	7,861
Thereafter	-	-	-
Total lease payments	239,360	3,630	242,990
Less present value discounts	(16,232)	(239)	(16,471)
Total lease obligations	<u>\$ 223,128</u>	<u>\$ 3,391</u>	<u>\$ 226,519</u>

### 11. Economic Dependency

PennFuture is dependent upon grants from various foundations to fund program expenses. For the years ended June 30, 2024 and 2023, PennFuture received 50% and 54%, 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, 2024 and 2023.