



M-2026-3059582

February 23, 2025

Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

DATE OF DEPOSIT

FEB 24 2026

PA Public Utility Commission
Secretary's Bureau

To whom it may concern:

Please find KINBER's Annual Financial Report enclosed.

COMPANY NAME: Keystone Initiative for Network Based Education and Research
PUC CERTIFICATE NO.: 3113265

If you have any questions/concerns, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "KBurd".

Kevin R Burd
Director, Finance & Administration
717-963-7490
kburd@kinber.org

DATE OF DEPOSIT

FEB 24 2026

PA Public Utility Commission
Secretary's Bureau

**Keystone Initiative for Network
Based Education and Research
and Affiliate**

Consolidated Financial Statements

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

KEYSTONE INITIATIVE FOR NETWORK BASED EDUCATION AND RESEARCH AND AFFILIATE

YEARS ENDED JUNE 30, 2025 AND 2024

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Independent Auditor's Report

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Independent Auditor's Report

Board of Directors

Keystone Initiative for Network Based Education and Research and Affiliate

Report on the Audits of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of the Keystone Initiative for Network Based Education and Research (a nonprofit organization) and its affiliate (Organization), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization 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 Consolidated financial statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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
January 26, 2026

KEYSTONE INITIATIVE FOR NETWORK BASED EDUCATION AND RESEARCH AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 and 2024

	2025	2024
Assets		
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Current assets:		
Cash and cash equivalents	\$ 606,887	\$ 521,283
Trade receivables	240,878	202,365
Grants receivables	-	20,719
Prepaid expenses	443,737	42,481
Right of use asset	48,105	76,838
Total current assets	1,339,607	863,686
Noncurrent assets:		
Investments	25,737,482	25,523,256
Fixed assets, net	105,213	129,758
Total noncurrent assets	25,842,695	25,653,014
Total Assets	\$ 27,182,302	\$ 26,516,700
Liabilities and Net Assets		
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Liabilities:		
Current liabilities:		
Accounts payable	\$ 60,259	\$ 124,965
Lease liability, current portion	32,288	28,073
Refundable advances	423,500	-
Accrued expenses	82,787	-
Total current liabilities	598,834	153,038
Lease liability	14,909	47,197
Total liabilities	613,743	200,235
Net Assets:		
Without donor restrictions	26,568,559	26,316,465
Total Net Assets	26,568,559	26,316,465
Total Liabilities and Net Assets	\$ 27,182,302	\$ 26,516,700

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

KEYSTONE INITIATIVE FOR NETWORK BASED EDUCATION AND RESEARCH AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2025 and 2024

	2025	2024
Support and Revenues:		
Network and program services revenue	\$ 1,171,840	\$ 855,455
Grant support	190,164	20,719
Investment income, net	3,043,305	3,006,218
Other income	5,932	525
Total support and revenues	4,411,241	3,882,917
Expenses:		
Program Services	2,897,317	1,815,190
Management and general	970,204	882,906
Fundraising	291,626	170,429
Total expenses	4,159,147	2,868,525
Change in Net Assets	252,094	1,014,392
Net Assets:		
Beginning of year	26,316,465	25,302,073
End of year	\$ 26,568,559	\$ 26,316,465

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

**KEYSTONE INITIATIVE FOR NETWORK BASED
EDUCATION AND RESEARCH AND AFFILIATE**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025

<u>Expenses:</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and benefits	\$ 1,365,337	\$ 563,472	\$ 238,392	\$ 2,167,201
Network services	708,834	37,307	-	746,141
Site expenses	62,214	-	-	62,214
Insurance expense	-	57,170	-	57,170
Professional fees	205,145	136,764	-	341,909
Travel expenses	67,972	26,961	-	94,933
Membership dues	43,837	27,792	-	71,629
Occupancy expenses	-	33,910	-	33,910
IT expenses	60,178	12,676	-	72,854
Office supplies	-	14,848	-	14,848
Miscellaneous	6,728	12,650	53,234	72,612
Fees and taxes	-	44,762	-	44,762
Grant expense	350,726	-	-	350,726
Depreciation	26,346	1,892	-	28,238
 Total expenses	 <u>\$ 2,897,317</u>	 <u>\$ 970,204</u>	 <u>\$ 291,626</u>	 <u>\$ 4,159,147</u>

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

**KEYSTONE INITIATIVE FOR NETWORK BASED
EDUCATION AND RESEARCH AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2024

<u>Expenses:</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and benefits	\$ 776,015	\$ 381,431	\$ 157,833	\$ 1,315,279
Network services	529,696	27,879	-	557,575
Site expenses	7,908	-	-	7,908
Insurance expense	-	62,626	-	62,626
Professional fees	271,580	181,053	-	452,633
Travel expenses	38,871	15,418	-	54,289
Membership dues	27,149	17,213	-	44,362
Occupancy expenses	-	23,137	-	23,137
IT expenses	49,667	10,172	-	59,839
Office supplies	-	17,118	-	17,118
Miscellaneous	99,880	28,782	12,596	141,258
Fees and taxes	-	117,219	-	117,219
Grant expense	3,848	-	-	3,848
Depreciation	10,576	858	-	11,434
Total expenses	\$ 1,815,190	\$ 882,906	\$ 170,429	\$ 2,868,525

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

KEYSTONE INITIATIVE FOR NETWORK BASED EDUCATION AND RESEARCH AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities:		
Change in net assets	\$ 252,094	\$ 1,014,392
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	28,238	11,434
Amortization of operating right of use asset	28,733	11,630
Unrealized loss (gain) on investments	(3,006,976)	(2,917,784)
Realized loss (gain) on investments	889	2,697
(Increase) decrease in:		
Trade receivables	(38,513)	237,630
Grants receivable	20,719	(11,621)
Other receivable	-	1,154,444
Prepaid expenses	(401,256)	24,498
Increase (decrease) in:		
Accounts payable	(64,706)	(108,671)
Lease liability	(28,073)	(13,198)
Refundable advances	423,500	-
Accrued expenses	82,787	-
	(2,702,564)	(594,549)
Net cash provided by (used in) operating activities		
Cash Flows From Investing Activities:		
Purchase of fixed assets	(3,693)	(141,192)
Purchase of investments	(305,000)	(35,264,951)
Sale of investments	3,096,861	34,723,593
	2,788,168	(682,550)
Net cash provided by (used in) investing activities		
Net Increase (Decrease) in Cash and Cash Equivalents	85,604	(1,277,099)
Cash and Cash Equivalents:		
Beginning of year	521,283	1,798,382
End of year	\$ 606,887	\$ 521,283
Schedule of Noncash Investing and Financing Activities:		
Addition of right to use asset for operating leases	\$ -	\$ 88,468

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

KEYSTONE INITIATIVE FOR NETWORK BASED EDUCATION AND RESEARCH AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

1. Summary of Significant Accounting Policies

Organization

Keystone Initiative for Network Based Education and Research (KINBER), a non-profit organization, was incorporated in the Commonwealth of Pennsylvania on July 9, 2009. The purpose of KINBER is to provide a strategic advantage to Pennsylvania communities through collaboration and partnership to advance sustainable innovation.

On March 24, 2023, Keystone REN, LLC (Affiliate) was established to engage in services and activities for research and education in the Commonwealth of Pennsylvania and operates exclusively to perpetuate the charitable purposes of KINBER.

Basis of Consolidation

KINBER is the sole member of the Affiliate, and therefore, the Affiliate is a controlled affiliate of KINBER for purposes of financial reporting.

The accompanying consolidated financial statements include accounts of KINBER and the Affiliate (collectively, Organization). All significant intercompany account balances and transactions have been eliminated.

Basis of Accounting

The Organization maintains its accounting records on the accrual basis; accordingly, revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. There were no net assets with donor restrictions for the years ended June 30, 2025 and 2024.

Management's 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

KEYSTONE INITIATIVE FOR NETWORK BASED EDUCATION AND RESEARCH AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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.

Cash and Cash Equivalents

The Organization considers cash in operating bank accounts with an initial maturity of three months or less to be cash equivalents, this also includes all money market accounts.

Receivables

A trade receivable is recorded when the Organization has a right to consideration in exchange for services provided to the entity. Trade receivables of \$240,878 and \$202,365 for the years ended June 30, 2025 and 2024, respectively, consist of services provided prior to year end. Trade receivable of \$439,995 as of July 1, 2023 consisted of services provided prior to June 30, 2023. For the trade receivables, the Organization has considered factors impacting the need for an allowance for credit losses. Given historical experience, current conditions, as well as reasonable and supportable forecasts, the Organization has determined the ending allowance estimate to be \$0 at June 30, 2025 and 2024.

Grants receivable represent consideration from state agencies, of which the Organization has an unconditional right to receive. Grants receivable is stated at the amount management expects to be collected from the outstanding balance. Management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Prepaid Expenses

The Organization records expenses when incurred. Amounts paid in advance of their use or consumption are recorded as prepaid expenses.

KEYSTONE INITIATIVE FOR NETWORK BASED EDUCATION AND RESEARCH AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Fixed Assets, Net

Fixed assets are recorded at cost, estimated cost, or a fair value on the date of the gift, if donated. The Organization capitalizes fixed assets with a cost or fair value exceeding \$5,000. Fixed assets are depreciated on a straight-line basis according to the following useful lives:

Furniture and fixtures	5 years
Computer equipment	5 years

Accumulated depreciation was \$39,672 and \$11,434, respectively, for the years ended June 30, 2025 and 2024.

Refundable Advance

The refundable advance represents funds received in advance for services or programs to be provided in future periods. The refundable advance is recognized in the statements of activities as services are rendered and related expenses are incurred. As of June 30, 2025 and 2024 refundable advance totaled \$423,500 and \$0, respectively, which primarily represents unearned grant revenue to be recognized as program activities are carried out.

Support and Revenues

Grants

Grant support is deemed to be earned and recognized as support when received if it does not have a barrier and a right of return. 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 met. For financial statement purposes, support that is conditional is reported as an increase in net assets without donor restrictions if the condition is met in the same period.

The Organization's support derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

KEYSTONE INITIATIVE FOR NETWORK BASED EDUCATION AND RESEARCH AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Network and Program Services Revenue

Network services revenue is earned from certain high-speed network services provided by FirstLight to various colleges, universities and organizations pursuant to an agreement. The agreement states that 25% of research and education revenue, less any direct expenditures, will be returned to the Organization. This revenue is recognized as services are provided.

Network services revenue is also earned from certain high-speed network services provided by KeystoneREN to a few universities pursuant to an agreement. This revenue is recognized as services are provided.

Program revenue represents amounts earned from services that further the Organization's mission, including educational workshops, training sessions, and related activities. Revenue is recognized at the point in time when the services are delivered.

Amounts received in advance of service delivery are recorded as unearned revenue until the related services are performed. Program revenue is presented net of any discounts or refunds.

Net Assets

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Organizations are required to report information regarding financial position and activities as follows:

Without donor restrictions – Net assets which may be used for any purpose of the Organization. Net assets without donor restrictions are not restricted by donor-imposed stipulations.

With donor restrictions – Amounts received from donors who have imposed restrictions on how the funds are to be utilized or in what time frame the funds are to be used or amounts where use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

KEYSTONE INITIATIVE FOR NETWORK BASED EDUCATION AND RESEARCH AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Income Taxes

KINBER is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation. KINBER annually files a Form 990. The form filed is subject to examination by the Internal Revenue Service generally for three years after it is filed.

The Affiliate is a limited liability company and as such is treated as a disregarded entity for income tax purposes. All taxable income and expenses are reported by the single owner-member, KINBER.

Functional Allocation of Expenses

The costs of providing various programs and other activities and the related supporting activities have been classified by function through estimates by management based upon personnel time allocations.

Leases

Right of use (ROU) assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The risk free rate is used, which is based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that they will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

KEYSTONE INITIATIVE FOR NETWORK BASED EDUCATION AND RESEARCH AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Pending Accounting Standards Updates

The Financial Accounting Standard Board (FASB) has issued Accounting Standard Update (ASU) that will become effective in the future year outlined below. Management has not yet determined the impact of this update on the financial statements.

ASU 2025-05, *“Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets,”* is effective for fiscal years beginning after December 15, 2025. The amendments in this update provide for a practical expedient and accounting policy election when estimating expected credit losses on current accounts receivable and/or current contract assets arising from transactions under Topic 606, including those assets acquired in a transaction accounted for under Topic 805, Business Combinations.

Reclassification

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

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.

KEYSTONE INITIATIVE FOR NETWORK BASED EDUCATION AND RESEARCH AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

2. Investments

The fair value of investments as of June 30, 2025 and 2024 are presented in the accompanying financial statements as follows:

	2025	2024
Commonfund Global Equity Fund	\$ 18,133,351	\$ 16,406,266
Commonfund Multi-Strategy Bond Fund	6,923,880	6,783,008
Commonfund Capital Partners IX, LP	659,287	312,862
U.S. Treasuries	-	245,335
Fixed Income	20,964	-
Certificate of deposits	-	1,775,785
	\$ 25,737,482	\$ 25,523,256

Investment income as of June 30, 2025 and 2024 consists of the following:

	2025	2024
Interest and dividends	\$ 50,807	\$ 125,165
Net unrealized gain (loss) on investments	3,006,976	2,917,784
Investment Fees	(13,589)	(34,034)
Net realized gain (loss) on investment	(889)	(2,697)
	\$ 3,043,305	\$ 3,006,218

3. Fair Value Measurements of Investments

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 — Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active

KEYSTONE INITIATIVE FOR NETWORK BASED EDUCATION AND RESEARCH AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 — Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for which quoted prices are available, but traded less frequently, and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3 — Securities that have little to no pricing observability as of the report date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Organization. The Organization considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Organization's perceived risk of that instrument.

U.S. Treasuries and fixed incomes are considered Level 1 investments. Certificate of deposits are considered Level 2 investments.

Investments Measured Using the Net Asset Value (NAV) per Share Practical Expedient

In accordance with ASC 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy.

Commonfund Global Equity and Multi-Strategy Funds: Commonfund utilizes the NAV to report KINBER's share of these funds. Commonfund obtains pricing from Interactive Data Corp. and Reuters as its primary source for pricing information. Pricing sources can differ

KEYSTONE INITIATIVE FOR NETWORK BASED EDUCATION AND RESEARCH AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

due to the underlying standards employed, particularly in the case of fixed income securities or securities for which market quotations are not readily available. Commonfund also considers variables such as the actual market exchange and/or trade quotations provided by third parties. The redemption term for all is within 6 business days of notice received. There is no unfunded commitment.

Commonfund Capital Partners IX, LP: Commonfund Capital Partner IX, LP (Partnership) utilizes the NAV to report KINBER's share of these funds. The Partnership is valued at fair value as determined by the General Partner. The General Partner's determination of fair value is based upon the best available information provided by the investment funds and may incorporate management assumptions and best estimates after considering a variety of internal and external factors. The NAV is provided by the investment managers as a practical expedient. Generally, the partnership may not transfer, or withdraw, its investments in investment funds prior to their termination. Most investment funds have an original term of ten years, with the right to extend the term of the investment funds up to two to four years. As of June 30, 2025 and 2024, KINBER had an unfunded commitment to the Partnership of \$922,500 and \$1,207,500 respectively. The commitment is for the duration of the term of the fund which is 12 years plus 1 three-year extension.

The preceding method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although KINBER believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

4. Concentration of Credit Risk

The Organization maintains cash and cash equivalents at financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2025 and 2024, the Organization had cash and money market accounts of \$356,887 and \$271,283, respectively, in excess of FDIC insured limits. The certificates of deposit shown as investments are insured by the FDIC.

KEYSTONE INITIATIVE FOR NETWORK BASED EDUCATION AND RESEARCH AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

5. Retirement Plan

The Organization established a 403(b) retirement savings plan, effective July 1, 2013. All full-time employees are automatically enrolled and will contribute at least 5% of their monthly earnings. The Organization will contribute 9% of the employee's monthly earnings. Employer contributions to the plan totaled \$162,990 and \$92,103 for the years ended June 30, 2025 and 2024.

6. Liquidity and Availability

The Organization manages its liquid resources by focusing on program efforts to ensure the entity has adequate network service income and site expense income to cover the programs that are being conducted.

At June 30, 2025, the Organization has \$847,765 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of cash and cash equivalents of \$606,887 and trade receivables of \$240,878.

At June 30, 2024, the Organization has \$744,367 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of cash and cash equivalents of \$521,283, trade receivables of \$202,365 and grant receivables of \$20,719.

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.

7. Risk and Uncertainties

Investments are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near-term would materially affect investment assets reported in the consolidated statement of financial position.

KEYSTONE INITIATIVE FOR NETWORK BASED EDUCATION AND RESEARCH AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

8. Commitments

On June 3, 2024, KINBER entered into an agreement with Tech2Elevate, Inc, a Pennsylvania nonprofit corporation, for the creation and implementation of the KINBER Digital Resource Centers and their programmatic activities. The agreement extends through the fiscal year ending June 30, 2026, with funds not to exceed the 14-month budgeted amount of \$662,190.

9. Leases

The right-of-use asset (ROU) represents the Organization's right to use the underlying asset for the lease term, and the lease liability represents the Organization's obligation to make lease payments arising from this lease. The ROU asset and lease liability, all of which arise from an operating lease for office space entered into in February 2024, were calculated based on the present value of future lease payments over the lease term. The Organization has made an accounting policy election to use the risk free rate to discount future lease payments.

As of June 30, 2025, the weighted-average remaining lease term for the Organization's operating lease was approximately 1.6 years. Cash paid for operating leases for the year ended June 30, 2025 was \$30,750. The lease expense for the year ended June 30, 2025 was \$33,910. The weighted average discount rate applied to calculate the lease liability as of June 30, 2025 was 4.27%, which was the risk free rate.

As of June 30, 2024, the weighted-average remaining lease term for the Organization's operating lease was approximately 2.6 years. Cash paid for operating leases for the year ended June 30, 2024 was \$19,820. The lease expense for the year ended June 30, 2024 was \$18,252. The weighted average discount rate applied to calculate the lease liability as of June 30, 2024 was 4.27%, which was the risk free rate.

KEYSTONE INITIATIVE FOR NETWORK BASED EDUCATION AND RESEARCH AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Future maturities of lease liabilities are presented in the following table, for the year ended June 30, 2025:

<u>Years Ending June 30,</u>	<u>Operating Lease</u>
2026	\$ 32,156
2027	16,669
Total minimum lease payments	<u>48,825</u>
Less present value	<u>(1,628)</u>
	<u>\$ 47,197</u>



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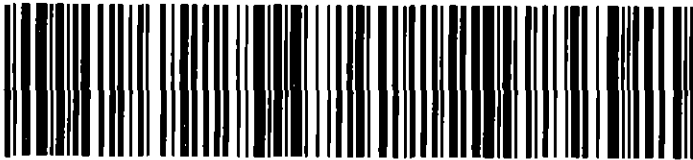
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