Massachusetts Technology Development Corporation d/b/a MassVentures

Financial Statements

Years Ended June 30, 2024 and 2023

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Massachusetts Technology Development Corporation
d/b/a MassVentures
(a component unit of the Commonwealth of Massachusetts)
Management's Discussion and Analysis
For the Years Ended June 30, 2024 and 2023

Unaudited

The following discussion and analysis provides management's overview of the financial position of the Massachusetts Technology Development Corporation, d/b/a MassVentures (the Corporation) as of June 30, 2024 and 2023, and the results of its operations and cash flows for the years then ended. This management's discussion and analysis is unaudited and should be read in conjunction with the Corporation's audited financial statements and notes, which are attached hereto.

General Overview

The purpose of the Corporation is to provide financial and other assistance to innovative technology-based enterprises in Commonwealth of Massachusetts (the "Commonwealth") that have the potential to expand and generate new jobs and tax revenues. The Corporation seeks to: i) target technologies, regions and companies that are not adequately served by private investors; ii) complement, not compete with, private venture and angel investors and leverage the Corporation's investment dollars with private capital; and iii) nurture entrepreneurship among the citizens of the Commonwealth to stimulate long-term economic development. The Corporation seeks to realize appropriate financial returns to enable it to be self-sufficient. The Corporation is governed by a Board of Directors consisting of eleven members, eight of whom are appointed by the Governor of Massachusetts from the private sector and three of whom are public officials. In June 2012, the Corporation began doing business as MassVentures.

Enabling Legislation and Funding Sources

The Corporation was created as a body politic and instrumentality of the Commonwealth on October 19, 1978, pursuant to Chapter 497 of the Acts of 1978.

The Corporation's original investment funds were provided in 1979 by a $2,000,000 grant (including $28,000 in start-up costs) from the Economic Development Administration ("EDA"), U.S. Department of Commerce. Under this grant, the Corporation made loans from a revolving loan fund to eligible borrowers, defined as Massachusetts-based businesses with operations involving a significant amount of technology, which are located in EDA Title IV redevelopment areas and which meet the requirements of the Corporation's enabling act.

During the year ended June 30, 1981, the Corporation was awarded a $1,000,000 grant under the Corporations for Innovation Development ("CID") program of the U.S. Department of Commerce. The grant award was for the purpose of establishing a second revolving loan fund to assist in the creation and development of small, innovative high-technology companies in Massachusetts. In addition, the Commonwealth appropriated $1,000,000 to the Corporation as matching funds for the federal grant. The Commonwealth appropriation is restricted to equity investment. The CID program was cancelled during the year ended June 30, 2003. Restricted cash for investment programs of $407,839 was returned to the U.S. Department of Commerce representing their portion of the remaining grant.

Enabling Legislation and Funding Sources (continued)

Each year from fiscal years 1982 to 1988, the Commonwealth appropriated additional amounts to supplement the Corporation's investment fund. There were no geographical limitations within Massachusetts for these funds. The Commonwealth appropriated additional amounts to the Corporation's investment fund of $5,000,000 in fiscal year 2004, $2,500,000 in fiscal year 2007 and $1,000,000 in fiscal year 2015. In fiscal year 2023, The Commonwealth appropriated additional funds of $20,000,000 via the State Small Business Credit Initiative ("SSBCI") which includes up to $575,000 in administrative costs. SSBCI is a program for the US Department of the Treasury. The SSBCI program was created to strengthen state programs that support private financing to small businesses that are not getting the support they need to expand and create jobs. The cumulative amount of all appropriations received from the initial funding in 1981 through June 30, 2024 totaled $33,700,000.

Under the terms of the grants of investment funds from the federal government and the Commonwealth, principal repayments and costs recovered are returned to the Restricted for Investment Programs Fund to be reinvested in accordance with the criteria required by the grants' provisions and the Corporation's enabling legislation and policies. In addition, the Corporation has transferred $44,161,833 cumulatively through fiscal year 2024 to the Restricted for Investment Programs Fund to be reinvested in accordance with the criteria required by the Corporation's enabling legislation and policies. The transferred funds were derived from earnings and gains realized on past investments by the Corporation.

Financial Statements

The Corporation's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB).

The *Statement of Net Position* presents the financial position of the Corporation. It provides information about the nature and the amount of resources (assets), plus deferred outflows of resources (as applicable), obligations (liabilities), plus deferred inflows of resources (as applicable), and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

The *Statement of Revenues, Expenditures, and Changes in Net Position* presents information showing how the Corporation's net position changed during the fiscal year presented. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The change in net position may be useful in assessing whether the financial position improved or deteriorated for the year.

The *Statement of Cash Flows* presents the cash activities segregated by the three major cash flow categories: general support activities, capital activities, and restricted for investment program activities. This statement may be useful in determining changes in liquidity and in understanding how cash and cash equivalents were used during the years presented.

The notes to the financial statements describe significant accounting policies adopted by the Corporation and provide additional information that is essential to a full understanding of the data presented in the financial statements.

Financial Highlights

- Total assets of the Corporation increased from $58,760,286 at June 30, 2023 to $60,415,644 at June 30, 2024, primarily due to an increase in the unrealized value of the Corporation's investments.

- During the year ended June 30, 2024, the Corporation made new investments totaling $4,784,899.

- The cost of investments held increased from $12,195,021 at June 30, 2023 to $16,340,946 at June 30, 2024.

- The Corporation had $3,000,000 of grant awards during the year ended June 30, 2024 under its SBIR Targeted Technologies ("START") Program, as compared to $3,000,000 in START grant awards during the year ended June 30, 2023.

- The Corporation made $1,458,871 of grant awards during the year ended June 30, 2024 under the Catalyst Program, as comparted to $1,184,893 at June 30, 2023, which it administers under an agreement with the Massachusetts Clean Entergy Technology Center ("MassCEC") to provide support to researchers and early-stage companies looking to demonstrate initial prototypes of their clean energy technologies.

- The Corporation made $207,500 of grant awards during the year ended June 30, 2024 as compared to $186,250 during the year ended June 30, 2023, under its Innovation Commercialization Seed Fund (aka Acorn Program), to provide support to principal investigators at Massachusetts research universities seeking to demonstrate viability of their technologies.

- During the fiscal year ending June 30, 2023, The Commonwealth appropriated additional funds of $20,000,000 via the State Small Business Credit Initiative ("SSBCI") program, which includes up to $575,000 in administrative costs. The SSBCI program was created to strengthen state programs that support private financing to small businesses that are not getting the support they need to expand and create jobs.

- During the fiscal year ended June 30, 2022, Legislation was signed that transferred Massachusetts Technology Transfer Center (MTTC) operations to MassVentures. MTTC help inventors, researchers, and entrepreneurs bring innovative technologies from academic research institutions to the market. By providing access to capital, coaching, and connections, MTTC accelerates the adoption of new technology, expedites startup activity, and expands economic impact statewide. MTTC activities include administration the Massachusetts Association of Technology Transfer Offices (MATTO), whose members are all not-for-profit research institutions in the Commonwealth.

- MassVentures is the MassCEC technical consultant for the Innovate Mass Program. Providing strategic support for clean energy startups providing pitch coaching to companies who apply to MACEC for grant funding under the program. Other support includes meeting regularly with awardees to review workplans, discuss and resolve technical and other project-related barriers, and review performance monitoring and evaluation plans, to ensure projects succeed.

Financial Analysis

Statement of Net Position

Statement of Net Position

	June 30, 2024	June 30, 2023
	Total	Total
Total Investments, at market	$ 29,170,193	$ 24,151,984
Total Assets	60,415,644	58,760,286
Total Liabilities	2,441,341	2,372,460
Total Fund Balance	57,974,303	56,387,826
Total Liabilities and Fund Balance	$60,415,644	$ 58,760,286

Total assets increased $1,655,358 in the current year, primarily due to an increase in the carrying value of the Corporation's investments.

Total liabilities increased $68,881 in the current fiscal year primarily due to an increase in accounts payable.

Total fund balance increased $1,586,477 in the current year primarily due the excess of net unrealized gains on investments and the Corporation's increased interest revenue and other income for the current fiscal year.

Investment and Grants

The Corporation provides financial assistance to innovative technology-based enterprises in Commonwealth. Financial assistance may come in the form of grants, equity investments or debt investments. During the fiscal year ended June 30, 2024, the Corporation provided a total of $ 9,451,270 in assistance consisting of $3,000,000 in START awards, $1,458,871 in Catalyst awards, $207,500 in Innovation Commercialization Seed Fund (aka Acorn) awards and $4,784,899 in equity and debt investments. Financial assistance in fiscal 2024 increased $718,163 as compared to fiscal 2023 due primarily to an increase in equity and debt investments.

Financial Analysis (continued)

Statement of Revenues, Expenditures and Changes in Net Position

Statement of Revenues, Expenditures and Changes in Net Position

	Fiscal year ended June 30	
	2024	**2023**
Programs & Sponsorships Income	$ 10,000	$ 520,370
Grant	-	20,000,000
Other income	984,329	951,562
Interest revenue	1,619,050	920,451
Total Revenue	2,613,379	22,392,383
Operating expenses	1,953,302	1,907,638
Operating gain	660,077	20,484,745
Program Grants received	4,666,371	4,371,143
Program Grants disbursed	4,666,371	4,371,143
Net grants	-	-
Net realized gains (losses) on investments	54,117	(1,651,548)
Net unrealized gains on investments	872,283	5,977,223
Total net gains	926,400	4,325,675
Increase in Fund Balance	$1,586,477	$24,810,420
Fund Balance, beginning of year	$ 56,387,826	$ 31,577,406
Fund Balance, end of year	$ 57,974,303	$ 56,387,826

The operating gain of $660,077 in the current fiscal year was primarily due an increase in interest and other income over slightly higher operating expenses.

Operating expenses include all personnel, occupancy, professional and consulting, and all other business expenses associated with the Corporation's operations.

Total net gains decreased by $3,399,275 in the current year primarily due to realized gains during the year compared to realized losses the prior year, being offset by the decrease in unrealized gains between the years.

Financial Analysis (continued)

Statement of Cash Flows

	Fiscal year ended June 30,	
	2024	**2023**
Net cash general support activities	$730,445	$20,533,922
Net cash capital activities	(8,444)	(2,328)
Net cash restricted for investment programs activities	(4,091,809)	(3,496,677)
Net increase (decrease) in cash and cash equivalents	(3,369,808)	17,034,917
Cash and cash equivalents, beginning of year	34,521,089	17,486,172
Cash and cash equivalents, end of year	$ 31,151,281	$ 34,521,089

Cash and cash equivalents were $31,151,281 at June 30, 2024 compared to $34,521,089 at June 30, 2023. This $3,369,808 decrease is due primarily to the restricted for investment program activity.

Activities from net cash restricted for investment programs activities for the year ended June 30, 2024 includes $4,784,899 in equity and debt investments made into innovative technology-based enterprises by the Corporation and costs recovered from equity investments of $382,368 and principal repayments. Activities from net cash restricted for investment programs activities for the year ended June 30, 2023, included $4,361,964 in equity and debt investments made into innovative technology-based enterprises by the Corporation.

Requests for Information

The Corporation's financial statements are designed to present readers with a general overview of the Corporation's finances. Additional financial information, including official statements relating to the Corporation's investments and programs can be found on the Corporation's website www.mass-ventures.com. Questions concerning the financial statements or requests for additional financial information should be addressed to the President, MassVentures, 1075 Main Street, Suite 100, Waltham, MA 02451

Katz, Nannis + Solomon, PC
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors
Massachusetts Technology
Development Corporation
d/b/a MassVentures
Boston, Massachusetts

We have audited the accompanying financial statements of Massachusetts Technology Development Corporation d/b/a MassVentures (the "Corporation"), which comprise the statements of net position, as of June 30, 2024 and 2023, and the related statements of activities and changes in net position and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balance of Massachusetts Technology Development Corporation d/b/a MassVentures as of June 30, 2024 and 2023, and the results of its operations, and changes in its fund balance, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through v be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Katz, Nannis & Solomon, P.C.

September 23, 2024
Waltham, Massachusetts

Massachusetts Technology Development Corporation
d/b/a MassVentures
Statements of Net Position
June 30,

	2024	2023
Assets		
General Support		
Cash, cash equivalents and short-term investments	$ 12,559,723	$ 11,601,805
Prepaid expenses and deposits	29,103	27,007
Office equipment and software at cost, less accumulated depreciation and amortization of $64,234 in 2024 and $60,651 in 2023	8,425	3,564
Capitalized interest on note conversion	56,642	56,642
Internally designated - cash, cash equivalents and short-term investments	231,615	231,615
Total General Support	12,885,508	11,920,633
Restricted for Investment Programs		
Investments, at cost	16,340,946	12,195,021
Unrealized net gain on investments	12,829,247	11,956,963
Total Investments, at Market	29,170,193	24,151,984
Internally designated - cash, cash equivalents and short-term investments	18,359,943	22,687,669
Total Restricted for Investment Programs	47,530,136	46,839,653
Total Assets	$ 60,415,644	$ 58,760,286
Liabilities and Fund Balances		
General Support		
Accounts payable and accrued liabilities	$ 364,697	$ 248,316
Deferred grant revenue	575,000	622,500
Distribution payable to Commonwealth of Massachusetts	1,644	1,644
Fund balance	11,944,167	11,048,173
Total General Support	12,885,508	11,920,633
Commitments and Contingencies (Note J)	-	-
Restricted for Investment Programs		
Grant payable	1,500,000	1,500,000
Fund balance	46,030,136	45,339,653
Total Restricted for Investment Programs	47,530,136	46,839,653
Total Liabilities and Fund Balances	$ 60,415,644	$ 58,760,286

See accompanying notes.

Massachusetts Technology Development Corporation
d/b/a MassVentures
Statements of Activities and Changes in Net Position
Years Ended June 30,

	2024			2023		
	General Support	Restricted for Investment Programs	Total	General Support	Restricted for Investment Programs	Total
Revenues						
Realized gains (losses) on equity investments	$ 54,117	$ -	$ 54,117	$ 8,987	$ (1,660,535)	$ (1,651,548)
Change in unrealized net gain on investments	-	872,283	872,283	-	5,977,223	5,977,223
Grants from Commonwealth of Mass - START	-	3,000,000	3,000,000	-	3,000,000	3,000,000
Commonwealth of Mass - SSBCI	-	-	-	-	20,000,000	20,000,000
Grants - MA CEC - Catalyst Program	-	1,458,871	1,458,871	-	1,184,893	1,184,893
Grants - Acorn Program	-	207,500	207,500	-	186,250	186,250
EDA Build to Scale Program	-	-	-	500,370	-	500,370
Sponsorships & events	10,000	-	10,000	20,000	-	20,000
Interest	1,619,050	-	1,619,050	920,451	-	920,451
Management fees and other	984,329	-	984,329	951,562	-	951,562
Total Revenues	2,667,496	5,538,654	8,206,150	2,401,370	28,687,831	31,089,201
Expenditures						
Grants	-	4,666,371	4,666,371	-	4,371,143	4,371,143
General support	1,953,302	-	1,953,302	1,907,638	-	1,907,638
Total Expenditures	1,953,302	4,666,371	6,619,673	1,907,638	4,371,143	6,278,781
Excess of Revenues Over Expenditures	714,194	872,283	1,586,477	493,732	24,316,688	24,810,420
Interfund transfers	181,800	(181,800)	-	(2,860,920)	2,860,920	-
Fund balances, beginning of year	11,048,173	45,339,653	56,387,826	13,415,361	18,162,045	31,577,406
Fund Balances, End of Year	$ 11,944,167	$ 46,030,136	$ 57,974,303	$ 11,048,173	$ 45,339,653	$ 56,387,826

See accompanying notes.

Massachusetts Technology Development Corporation
d/b/a MassVentures
Statements of Cash Flows
Years Ended June 30,

	2024				2023			
	General Support		Restricted for Investment		General Support		Restricted for Investment	
	Unrestricted	Internally Designated	Programs	Total	Unrestricted	Internally Designated	Programs	Total
General Support Activities								
Excess of revenues over expenses	$ 714,194	$ -	$ 872,283	$ 1,586,477	$ 493,732	$ -	$ 24,316,688	$ 24,810,420
Adjustments to reconcile excess of revenues over expenses to net cash general support activities								
Loss (gain) on sales of investments	(54,117)	-	-	(54,117)	(8,987)	-	1,660,535	1,651,548
Change in unrealized net gain on investments	-	-	(872,283)	(872,283)	-	-	(5,977,223)	(5,977,223)
Depreciation and amortization	3,583	-	-	3,583	17,801	-	-	17,801
Increase (decrease) in cash from:								
Prepaid expenses and deposits	(2,096)	-	-	(2,096)	13,868	-	-	13,868
Accounts receivable	-	-	-	-	89,500	-	-	89,500
Accrued interest on notes receivable and capitalized interest	-	-	-	-	(1,348)	-	-	(1,348)
Deferred grant revenue	(47,500)	-	-	(47,500)	73,750	-	-	73,750
Accounts payable and accrued liabilities	116,381	-	-	116,381	(144,394)	-	-	(144,394)
Net Cash General Support Activities	730,445	-	-	730,445	533,922	-	20,000,000	20,533,922
Capital Activities								
Purchase of office equipment	(8,444)	-	-	(8,444)	(2,328)	-	-	(2,328)
Net Cash Capital Activities	(8,444)	-	-	(8,444)	(2,328)	-	-	(2,328)
Restricted for Investment Programs Activities								
Purchases of investments	-	-	(4,784,899)	(4,784,899)	-	-	(4,361,964)	(4,361,964)
Interfund transfers	181,800	-	(181,800)	-	(2,860,920)	-	2,860,920	-
Proceeds from investments								
Gains	54,117	-	-	54,117	17,408	-	-	17,408
Costs recovered from equity investments	-	-	382,368	382,368	-	-	807,736	807,736
Principal repayments from fixed income investments	-	-	256,605	256,605	-	-	40,143	40,143
Net Cash Restricted for Investment Programs Activities	235,917	-	(4,327,726)	(4,091,809)	(2,843,512)	-	(653,165)	(3,496,677)
Increase (Decrease) in Cash, Cash Equivalents and Short-Term Investments	957,918	-	(4,327,726)	(3,369,808)	(2,311,918)	-	19,346,835	17,034,917
Cash, cash equivalents and short-term investments, beginning of year	11,601,805	231,615	22,687,669	34,521,089	13,913,723	231,615	3,340,834	17,486,172
Cash, Cash Equivalents and Short-Term Investments, End of Year	$ 12,559,723	$ 231,615	$ 18,359,943	$ 31,151,281	$ 11,601,805	$ 231,615	$ 22,687,669	$ 34,521,089
Supplemental Disclosure of Noncash Financing:								
Conversion of fixed income investments to equity investments	$ -	$ -	$ -	$ -	$ -	$ -	$ 75,000	$ 75,000

See accompanying notes.

A. Description of Business

Massachusetts Technology Development Corporation d/b/a MassVentures (the "Corporation") was created as a body politic and instrumentality of The Commonwealth of Massachusetts (the "Commonwealth") on October 19, 1978, pursuant to Chapter 497 of the Acts of 1978. The purpose of the Corporation is to provide financial and other assistance to innovative enterprises in Massachusetts that have the potential to expand and generate new jobs and tax revenues. The Corporation is governed by a Board of Directors consisting of eleven members, eight of whom are appointed by the Governor of Massachusetts from the private sector and three of whom are public officials. In June 2012, the Corporation began doing business as MassVentures.

B. Summary of Significant Accounting Policies

1. Basis of presentation and accounting - The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to a government unit considered to be a "proprietary fund." Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The Government Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

   Fund balances (i.e., total net assets) are segregated into General Support and Restricted for Investment Programs components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net assets.

   The accrual basis of accounting is utilized for all funds. Under this method, revenues are recorded when earned and expenses are recorded at the time the related liability is incurred.

2. Fund accounting - Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration.

3. Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as applied to government units requires management to make estimates and assumptions that affect the reported amounts of assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

4. Cash and cash equivalents - The Corporation considers all highly liquid investments purchased with an original maturity or remaining maturity at date of purchase of three months or less to be cash equivalents.

B. Summary of Significant Accounting Policies (continued)

5. Short-term investments - Short-term investments consist of banker's acceptances and certificates of deposit with original maturities in excess of three months but less than one year and are valued at amortized cost, which approximates market.

6. Office equipment, software, depreciation and amortization - Office equipment and software are stated at cost. Office equipment and software are depreciated using the straight-line method over the estimated useful lives of the related assets, ranging from three to fifteen years. Depreciation and amortization expense for the years ended June 30, 2024 and 2023, amounted to $3,583 and $17,801, respectively.

   Upon retirement or sale, the cost of the assets disposed and the related accumulated depreciation or amortization are removed from the accounts and any resulting gain or loss is included in the determination of the excess (deficiency) of revenues over expenses.

7. Investments - The Corporation's investment securities are purchased in the name of the Corporation and are maintained in a safe or electronically by the underlying company. These available for sale investments are generally in early-stage technology companies.

   The Corporation applies GASB Statement No. 31 ("GASB 31"), *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. GASB 31 requires entities to carry investments at fair value if such values are readily available. Accordingly, unrestricted publicly traded securities are carried at fair value.

   In general, the value of a private investment is adjusted up or down to conform to the price paid on an "arms-length" basis by a sophisticated new third-party investor in any subsequent round of financing. Additionally, an investment may be written down because of a lack of sustained level of performance or permanent impairment in value.

   Securities that are traded over the counter are valued at the average of the bid price at the close of business for the valuation date and the preceding three days less a discount, if any, as determined by management. Securities that are publicly traded on a stock exchange are valued at the average of the close for the valuation date and the preceding two days less a discount, if any, as determined by management. To the extent that a legal or contractual restriction is specific to (and an attribute of) the security and therefore, would transfer to a market participant, then it would be appropriate to consider such restriction in the determination of fair value of the security.

   The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Corporation's investments are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy, and its applicability to the Corporation's investments, are described below:

   Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

B. Summary of Significant Accounting Policies (continued)

7. Investments (continued) -

Level 2 - Quoted prices for similar assets or liabilities, or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data. Level 2 includes investments valued at quoted prices adjusted for legal or contractual restrictions specific to the security.

Level 3 - Pricing inputs are unobservable for the asset or liability, that is, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Level 3 includes private investments that are supported by little or no market activity. There are multiple valuation techniques that the Company would use depending on the stage of development, level of revenue and size of the company. Those valuation techniques are as follows:

- Last transaction price - If the current date is within a reasonable period of time of the acquisition date or the last round of financing date then the acquisition cost or last transaction value will be used as fair value. For the last transaction price to be a valid indicator of value, such round of financing should either be priced by a new investor or made by existing shareholders at approximated fair value. When considering if a reasonable period of time has passed the investment staff should assess whether the stage or size of the company has materially changed since the time of the financing.

- Market approach - This approach determines fair value using prices and other relevant information generated by market transactions involving identical or comparable assets, including market multiples on sales/earnings of publicly traded companies or acquisition of private companies. In practice, this information may be gleaned from 409a or other company valuation studies conducted by a third party firm for determining the value of a companies' options or potential exit value.

- Income approach - This approach determines fair value using techniques to convert future cash flows or earnings to a single present amount. The measurement is based on the value indicated by current market expectations about those future amounts. The approach would be appropriate for companies in the later stage of the company's development where there is an established financial history of profitable operations.

  When utilizing these approaches if the current calculated value is not materially different from the previously calculated enterprise value and there has been no significant change to the underlying portfolio company, then no valuation adjustment is required.

  Realized gains on investments are credited against the Corporation's Unrestricted General Support Fund Balance. Realized losses are charged against the Restricted for Investment Programs Fund Balance. Unrealized net gain (loss) on investments resulting from changes in the market value of investments at balance sheet date are credited (charged) to the Restricted for Investment Programs Fund Balance.

B. Summary of Significant Accounting Policies (continued)

7. Investments (continued) - Repayments of principal and proceeds from the sale of equity investments (to the extent of the cost basis) remain in funds restricted for investment programs. Investment interest is credited to the Corporation's General Support Fund Balance when received.

8. Income taxes - The Corporation, as an instrumentality of the Commonwealth, is not subject to federal or state income taxes.

9. Postemployment benefits other than pensions - The Corporation accounts for postemployment health benefits in accordance with GASB Statement No. 45 ("GASB 45"), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Corporation has elected to calculate its actuarial accrued liability and funded status using the alternative simplified method.

10. Recently adopted accounting pronouncements - On July 1, 2023, the Company changed its method of accounting and expanded disclosure requirements for measuring credit losses due to the adoption of Accounting Standards Update 2016-13, Financial Instruments-Credit Losses ("ASC 326"): Measurement of Credit Losses on Financial Instruments, using a modified retrospective approach. ASC 326 replaces the incurred loss impairment methodology with a forward-looking expected credit loss model for financial assets held at amortized cost, and includes the Company's accounts receivable and contract assets. The adoption of ASC 326 was not material to the financial statements and related disclosures.

C. Investment Program

1. Source of funds - The Corporation's original investment funds were provided in 1979 by a $2,000,000 grant (including $28,000 in start-up costs) from the Economic Development Administration ("EDA"), U.S. Department of Commerce. Under this grant, the Corporation makes loans from a revolving loan fund to eligible borrowers, defined as Massachusetts-based businesses with operations involving a significant amount of technology, which are located in EDA Title IV redevelopment areas and which meet the requirements of the Corporation's enabling act.

   During the year ended June 30, 1981, the Corporation was awarded a $1,000,000 grant under the Corporations for Innovation Development ("CID") program of the U.S. Department of Commerce. The grant award was for the purpose of establishing a second revolving loan fund to assist in the creation and development of small, innovative high-technology companies in Massachusetts. In addition, the Commonwealth appropriated $1,000,000 to the Corporation as matching funds for the federal grant.

C. Investment Program (continued)

1. Source of funds - The Commonwealth appropriation is restricted to equity investments. The CID program was cancelled during the year ended June 30, 2003. Restricted cash for investment programs of $407,839 was returned to the U.S. Department of Commerce representing their portion of the remaining grant.

   Each year from fiscal years 1982 to 1988, the Commonwealth appropriated additional amounts to supplement the Corporation's investment fund. There were no geographical limitations within Massachusetts for these funds. The Commonwealth appropriated additional amounts to the Corporation's investment fund of $5,000,000 in fiscal year 2004, $2,500,000 in fiscal year 2007 and $1,000,000 in fiscal year 2015.

   In fiscal year 2023, The Commonwealth appropriated additional funds of $20,000,000 via the State Small Business Credit Initiative ("SSBCI") program, which includes up to $575,000 in administrative costs. SSBCI is a program for the US Department of the Treasury. The SSBCI program was created to strengthen state programs that support private financing to small businesses that are not getting the support they need to expand and create jobs.

   The cumulative amount of all appropriations received from the initial funding in 1981 through June 30, 2024 totaled $33,700,000.

   During the fiscal year ended June 30, 2021, the Corporation received award in the amount of $500,000 from the Economic Development Administration, funded under the CARES Act, to capitalize a revolving loan fund (RLF). The purpose of this RLF is to aid in alleviating sudden and severe economic dislocation caused by the coronavirus pandemic, to provide permanent resources to support economic resiliency, and to further the long-term economic adjustment objectives within the region served.

   Under the terms of the grants of investment funds from the federal government and the Commonwealth, principal repayments and costs recovered are returned to the Restricted for Investment Programs Fund to be reinvested in accordance with the criteria required by the grants' provisions and the Corporation's enabling legislation and policies. In addition, the Corporation has transferred $44,161,833 cumulatively through fiscal year end 2024 to the Restricted for Investment Programs Fund to be reinvested in accordance with the criteria required by the Corporation's enabling legislation and policies. The transferred funds were derived from earnings and gains realized on past investments by the Corporation.

C. Investment Program (continued)

1. Source of funds - The total funds since inception of the Corporation that have been made available for investments are as follows:

Economic Development Administration of the U.S. Department of Commerce, net of start-up costs		$ 3,472,000
Commonwealth of Massachusetts		33,700,000
Realized gains on sales of equity securities allocated to General Support Fund	$ 85,854,066	
Portion of gains used for General Support Activities	(41,692,234)	
Transfers to the Restricted for Investment Programs Fund		$ 44,161,833
Total funds made available for investments		$ 81,333,833
Realized losses on investments		(47,725,104)
Distributions to U.S. Department of Commerce		(407,839)
Unrealized net gain on investments		12,829,246
Restricted for Investment Programs Fund Balance		$ 46,030,136

C. Investment Program (continued)

2. Massachusetts Technology Development Corporation Commonwealth Fund - Section 105 of Chapter 110, MGL Acts of 1993 was enacted to authorize the Board of Directors to establish the MTDC Commonwealth Fund. The investments made by MTDC through the Commonwealth Fund are included in the Restricted for Investment Programs Fund Balance. Pursuant to the guidelines of the Chapter, the investment criteria for funds managed under the Commonwealth Fund are less restrictive than those of the Corporation's traditional programs.

   Also pursuant to this Chapter, the Corporation established the Commonwealth Fund Investment Program I ("Program I"). During fiscal year 1995, two financial institutions agreed to participate in the Program, committing $1,000,000 each. Program I has since then been fully liquidated. During fiscal year 2001, two financial institutions agreed to participate in the Commonwealth Fund Investment Program II ("Program II"), one committing $2,000,000 and the other $1,000,000. Funds from co-investors are separately maintained and these funds are not included in MTDC's Restricted for Investment Programs Fund Balance. Program II has since then been fully liquidated.

   Pursuant to an agreement between the Corporation and the Commonwealth of Massachusetts, a share of the net realized gains from the Corporation's investments in the Commonwealth Funds shall be distributed to the General Fund of the Commonwealth of Massachusetts. As of June 30, 2024 and 2023, the Corporation had an accrued liability to the Commonwealth of Massachusetts in the amount of $1,644 relating to net realized gains from the previous years. The cumulative amount paid to the General Fund at June 30, 2024, under the agreement is $853,916.

3. Investments - During the years ended June 30, 2024 and 2023, the Corporation made debt and equity investments in aggregate amounts of $4,784,899 and $4,361,964, respectively. The notes in the portfolio of investments have interest rates of 5% to 10% per year. The terms of certain notes include an equity participation feature such as rights to convert to stock at a predetermined price or warrants to purchase common stock. Repayment of principal is generally due on demand, in a balloon payment, or in monthly installments ranging from twelve to sixty months. Such principal payments, however, are generally subordinated to the payment of senior debt of the borrowers. The Corporation does not recognize interest income on the notes until it is collected or an event has occurred which ensures collectability. Interest on the notes that has been accrued and fully reserved against during the years ended June 30, 2024 and 2023, totaled $100,839 and $21,852, respectively.

C. Investment Program (continued)

3. Investments (continued) - A summary of investment activity is as follows:

	Notes receivable	Equity investments	Total
Investments made 1980 through 2022	$ 39,403,798	$ 57,547,850	$ 96,951,648
2023	500,000	3,861,964	4,361,964
2024	2,030,000	2,754,899	4,784,899
Total investments	41,933,798	64,164,713	106,098,511
Conversion of loan principal to equity	(18,177,259)	18,177,259	-
Loan principal repayments and equity investments cost recovered	(13,271,023)	(28,761,436)	(42,032,459)
Realized gains on equity investments' sales 1982 through 2024	-	85,854,066	85,854,066
Allocation of realized gains to general support fund	-	(85,854,066)	(85,854,066)
Realized losses on investments 1983 through 2024	(7,422,264)	(40,302,841)	(47,725,105)
Unrealized net gain on investments	-	12,829,247	12,829,247
Investment balance, June 30, 2024	$ 3,063,252	$ 26,106,941	$ 29,170,193

As of June 30, 2024, the investment portfolio consisted of the following types of securities as a percentage of the General Support and Restricted for Investment Program Fund Balances ("Fund Balance"): common stock 1.85%, preferred stock 42.99%, and notes receivable 5.28%.

At June 30, 2024, MTDC had the following investments, at market, which represents more than 5% of the Fund Balance:

FairmarkIT	10.88 %

C. Investment Program (continued)

3. Investments (continued) - As of June 30, 2024 and 2023, there were pending loans and equity investments approved by the Board of Directors totaling $2,570,000 and $500,000, respectively.

4. START Program - In 2012, the Corporation entered into an agreement with The Massachusetts Growth Capital Association ("MGCA") to administer the SBIR Targeted Technologies ("START") Program. The START program is designed to assist in the commercialization of technologies that were previously awarded federal SBIR grants. Under the terms of the initial agreement MGCA will fund the program with $6,300,000 ("Initial Funds"), with a portion of that amount to be used by MTDC for administrative costs. The Initial Funds were dispersed in three phases. In 2012, MTDC was awarded $1,000,000 in Phase I grant awards, in 2013, MTDC was awarded $1,000,000 of Phase I and $1,000,000 of additional Phase II grant awards, and in 2014, MTDC was awarded $1,000,000 of Phase I, $1,000,000 Phase II and $1,000,000 Phase III grant awards. In each year between of 2014 and 2020, the agreement was amended to provide for additional Phase I, Phase II and Phase III grants awards as well as additional amounts to be used by MTDC for administrative costs as direct technical assistance to award winners. In both 2024 and 2023, MTDC was awarded $1,000,000 of Phase I, $1,000,000 Phase II and $1,000,000 Phase III grant awards. For the years ended June 30, 2024 and 2023, $1,500,000 was paid out to grant recipients, with the remaining $1,500,000 to be paid out after fiscal year end.

5. Catalyst Program - During the years ended June 30, 2024 and 2023, the Corporation entered into a services agreements with the Massachusetts Clean Energy Technology Center to administer the Catalyst Program. The Catalyst Program provides grants of up to $75,000 to researchers and early-stage companies looking to demonstrate initial prototypes of their clean energy technologies. This program seeks to advance innovation of clean energy technologies and help to transform new discoveries from the research stage into commercially viable technologies, through grant awards and business mentoring. Funding for the program is provided by MassCEC for a fall and spring cohort each year and distributed to grantees in three traches with a portion of that funding to be used by MTDC for administrative costs. During the years ended June 30, 2024 and 2023, the Company received $1,423,870 and $1,249,893 to fund the program, respectively. During the years ended June 30, 2024 and 2023 $1,458,871 and $1,184,893 were paid out, respectively. Any undistributed grant funds are recorded as part of deferred revenue and total $525,000 and $560,000 as of June 30, 2024 and 2023, respectively.

6. Innovation Commercialization Seed Fund (aka Acorn Program) - In 2021, the Corporation entered into a contract with the University of Massachusetts to administer the Acorn program and during fiscal year 2022 assumed management of the program. The Acorn Innovation Grant supports principal investigators at Massachusetts research universities who seek to demonstrate the viability of their technology. Awards could be used to further develop a prototype, gather additional data to demonstrate proof of concept, or to obtain data that show how the technology compares to existing technologies and what its competitive advantages are. Beginning in 2024, the Acorn program was funded directly by the Commonwealth to the Company. Awards are up to $32,500 each for up to 6 companies and designed to fund small, rapidly accomplishable projects that will enable researchers to obtain further funding for additional proof of concept or commercialization plus an additional amount to be used by MTDC for administrative costs. During the years ended June 30, 2024 and 2023, the Company received $195,000 and $195,000 to fund the program, respectively.

C. Investment Program (continued)

6. Innovation Commercialization Seed Fund (aka Acorn Program) (continued) - During the years ended June 30, 2024 and 2023, $207,500 and $186,250 were paid out, respectively. Any undistributed grant funds are recorded as part of deferred revenue in the accompanying statements of net positions and total $50,000 and $62,500 as of June 30, 2024 and 2023, respectively.

D. Sponsorships, Other Grants and Services

Innovate Mass - During the fiscal years ended June 30, 2024 and 2023, the Corporation entered into a services agreement with the Massachusetts Clean Energy Technology Center to provide technical evaluation, development support and project management services under the Innovate Mass program, which supports the development of new clean energy technologies. For the years ended June 30, 2024 and 2023, the Corporation received management fees of $100,000 and $106,500, respectively.

Build to Scale - During the fiscal year ended June 30, 2021, the Corporation received an award from the Economic Development Administration (EDA) under its Build to Scale (B2S) program and focused on an expansion of the START program. The award provides reimbursement of certain operating and other expenses associated with expansion of the START program up to a total of $1,000,688 and which concluded June 30, 2023. For the fiscal year ended June 30, 2023 the Corporation received $500,370.

Clean Energy Workforce Development - In fiscal year 2022 MTDC entered into an agreement with the Massachusetts Clean Energy Technology Center with a program focusing on providing resources and networking and other activities to support workforce development in clean technology and clean energy sectors in the Commonwealth and for the future clean energy economy. In fiscal year 2024 and 2023 MTDC received management fees of $103,800 and $91,200, respectively.

EDA RLF - In fiscal year 2021 the Corporation received funding of $500,000 from the Economic Development Administration, funded under the CARES Act to capitalize a revolving loan fund (RLF). As of June 30, 2024, the Corporation had two current outstanding loans with a remaining principal balance of $371,849. As of June 30, 2023, the Corporation had one current outstanding loan with a remaining principal balance of $209,857. During the years ended June 30, 2024 and 2023, total EDA RLF interest income was $66,083 and $34,441, respectively. In 2024, $29,557 of interest income was used for administrative expenses with $36,526 added back to the capital base. In 2023, $34,441 of interest income was used for administrative expenses. There were no additional grant funds for administrative expenses as of June, 30 2024 and 2023.

The EDA RLF program cash available for reinvestment as of June 30, 2024 and 2023 was $164,677 and $290,143, respectively.

Other RLF - The Corporation also provides RLF loans from previously de-federalized RLF funds. At the fiscal year ended June 30, 2024, the Corporation had two current outstanding loans with a remaining principal balance of $ 661,403. At fiscal yearend 2023, the Corporation had one current outstanding loan with a remaining principal balance of $450,000.

D. Sponsorships, Other Grants and Services (continued)

Massachusetts Life Sciences Innovation (MALSI) event - MALSI is the Commonwealth's flagship event connecting scientific innovators, entrepreneurs, business leaders, and investors to celebrate the many ways Massachusetts leads the nation in bringing translational science to the market. The conference is led by MTDC and facilitates the conference's organization and logistics with an agreement with Innovation Studio, Inc.

E. Cash, Cash Equivalents and Short-Term Investments

The Corporation maintains operating cash accounts and other short-term investment securities to fund operations and provide appropriate reserves for the Corporation's investment programs. The Corporation's short-term investment securities include certificates of deposit, money market accounts, banker's acceptances, commercial paper, treasury bills, repurchase agreements and government agencies.

As of June 30, 2024, the carrying amount of all of the Corporation's cash, cash equivalents and short-term investments, which includes the General Support and Restricted for Investment Programs cash balances, totaled $31,151,281 all held in financial institutions. Of that total, $25,833,890 was insured or collateralized under various federal, state and private insurance programs and through Insured Cash Sweep accounts at financial institutions.

F. Office Equipment and Software

Office equipment and software consist of the following at June 30:

		2024		2023
Office equipment, net	$	27,276	$	18,832
Leasehold improvements		30,174		30,174
Software		15,209		15,209
Total		72,659		64,215
Less accumulated depreciation and amortization		(64,234)		(60,651)
Net office equipment and software	$	8,425	$	3,564

G. General Support Expenditures

The General Support expenditures for the years ended June 30, 2024 and 2023, were as follows:

	2024	2023
Personnel costs	$ 1,654,245	$ 1,469,840
Occupancy costs	35,182	49,117
Professional expenses	33,192	33,570
Post-retirement benefits - health	(2,384)	10,052
Office services and supplies	16,267	32,878
Technology systems expense	34,192	32,854
Business development and travel	14,343	18,825
Public relations, publications and advertising	6,338	6,149
Depreciation and amortization	3,583	17,801
Miscellaneous	25,808	25,938
START program administrative costs	-	5,976
Consultants	132,536	204,638
Total expenditures	$ 1,953,302	$ 1,907,638

For the year ended June 30, 2024 compensation paid to the officers of the Corporation was as follows:

President	$ 284,484
Managing Director	$ 267,258
Vice President	$ 217,350
Vice President	$ 211,916

H. Postemployment Benefit Plan (Other Than Pension)

During fiscal year 1998 the Board of Directors voted to designate General Support funds to establish a Post Retirement Health and Dental Insurance Plan ("The Plan"). The Plan is designed to provide postretirement health care benefits to all employees who retire from the Corporation on or after attaining age 59 ½ and who have been employed continuously by the Corporation, or its predecessor organization, the Massachusetts Science and Technology Foundation, for a combined total of at least 20 years. The Corporation will pay a portion of the premiums for health and dental insurance plans of the retiree's choice. The initial annual benefit payment upon adoption of the plan was $2,500 annually, per eligible retiree. That amount is indexed for inflation each year in an amount equal to the change in the Consumer Price Index ("CPI"). The annual benefit payment for the years ended June 30, 2024 and 2023 was $3,785.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future.

H. Postemployment Benefit Plan (Other Than Pension) (continued)

Examples include assumptions about future employment, mortality, and changes to the CPI. Amounts determined regarding the funded status of the Plan and the annual required contributions of the Corporation, if any, are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Methods and assumptions: Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and plan members) and include the type of benefit provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The following simplifying assumptions were made:

Retirement age for active employees: Active members are assumed to retire at age 59 ½.

Marital status: marital status is not a factor in determining eligibility for, or the amount of, benefits.

Mortality: Life expectancies are based on mortality tables maintained by the National Center for Health Statistics. The 2006 United States Life Tables for males and the United States Life Tables for females were used. Life expectancies that included partial years were rounded to the nearest whole year. The calculation of postemployment health insurance coverage for each year is based on the assumption that all participants will live until their expected age displayed in the mortality tables.

Turnover: Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active employees a probability of remaining employed until the assumed retirement and eligibility dates and for developing an expected future lifetime assumption for purposes of allocating to future periods the present value of total benefits to be paid.

Healthcare cost trend rate: Under the provisions of the Plan, increases in future benefit payments are limited to changes in the CPI. A rate of 3.0%, based on a five year average of the CPI, has been used.

Health insurance premiums: The 2024 benefit amount for retirees of $3,785 was used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate: An inflation rate of 3.0% was used.

Discount rate: Based on the historical and expected returns of the Corporation's short-term investment portfolio, a discount rate of 4.18% was used.

Funding progress: As of June 30, 2024, the actuarial accrued liability (simplified entry age) was $96,468 which is included in the Corporation's liabilities on the accompanying statements of net position. The Plan is being funded with amounts designated by the Corporation and related interest income. As of June 30, 2024 and 2023, the Board of Directors approved funding commitment is $231,615, of which $231,615 has been reserved through fiscal year 2024, resulting in an overfunded liability of $135,147.

I. Internally Designated - General Support

The following table represents the components of the Internally Designated General Support cash, cash equivalents and short-term investments balance at June 30:

		2024		2023
Post-retirement health and dental insurance plan	$	231,615	$	231,615
General Support Internally Designated cash, cash equivalents and short-term investments	$	231,615	$	231,615

J. Commitments and Contingencies

Operating lease and services agreement

The Corporation entered into a Services Agreement effective September 1, 2022, with Massachusetts Life Science Service Center to provide access and use of office space located at 1075 Main Street, Waltham, MA and the Services agreement automatically renews each year unless cancelled in advance by the parties.

Occupancy expense for the years ended June 30, 2024 and 2023, was $33,000 and $46,339, respectively.

Other Contingencies

From time to time, the Corporation is subject to legal proceedings and claims in the ordinary course of business. As of June 30, 2024, there are no claims or contingencies.

K. Related Party Transactions

MassVentures is the Managing Member of the Commonwealth Fund III ("CF3 Fund") and manages their investments and provides certain administrative services as defined in their Operating Agreement. The Company is paid a fee equal to 1.00% of the Capital Commitments of all Members, payable quarterly in advance, until the last day of the Investment Period. Thereafter, the fee is equal to 1.00% of the Capital Commitments of all Members less the proceeds received from the realization of portfolio investments that are distributed to Members. Payments for partial periods shall be prorated accordingly. The Managing Member has the right to waive, reduce or adjust the management fee of any or all members. During the year ended June 30, 2024 and 2023 the Company was paid $30,529 and $30,529 by the CF3 Fund, respectively.

K. Related Party Transactions (continued)

MassVentures is the Managing Member of the Commonwealth Fund IV ("CF4 Fund") and manages their investments and provides certain administrative services as defined in their Operating Agreement. The Company is paid a fee equal to 3.00% of the Capital Commitments of all Members, payable quarterly in advance, until the last day of the Investment Period. Thereafter, the fee is equal to 1.00% of the Capital Commitments of all Members less the proceeds received from the realization of portfolio investments that are distributed to Members. Payments for partial periods shall be prorated accordingly. The Managing Member has the right to waive, reduce or adjust the management fee of any or all members. During the year ended June 30, 2024 and 2023 the Company was paid $150,000 and $128,333 by the CF4 Fund, respectively.

L. Employee Retirement Plan

The Corporation provides retirement benefits for substantially all employees through a simplified employee pension plan ("SEP"). The Corporation makes contributions to individual retirement accounts ("IRAs") of employees in amounts equal to 20% of an employee's gross annual salary, not to exceed the maximum amount allowable by federal law. Quarterly contributions are distributed to the eligible employees' IRA at Fidelity Investments. The Corporation has no fiduciary responsibility for these investments. Contribution expenses for fiscal years 2024 and 2023 were $226,579 and $247,490, respectively.

M. Subsequent Events

The Company has evaluated all subsequent events through September 23, 2024, the date the financial statements were available to be issued, and determined that no subsequent events had occurred that required recognition or disclosure in these financial statements.