



**NATCAST, INC.**

Financial Statements and Notes to Financial Statements

Period from Inception to September 30, 2024

(With Independent Auditors' Report Thereon)

## **NATCAST, INC.**

### **Table of Contents**

Independent Auditors' Report	1-2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7-12



KPMG LLP  
Suite 900  
8350 Broad Street  
McLean, VA 22102

## **Independent Auditors' Report**

Board of Trustees  
Natcast, Inc.:

### *Opinion*

We have audited the financial statements of Natcast, Inc. (Natcast), which comprise the statement of financial position for the period from inception to September 30, 2024, and the related statements of activities and cash flows for the period then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Natcast for the period from inception to September 30, 2024 and the changes in its net assets and its cash flows for the period then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

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

### *Responsibilities of Management for the Financial Statements*

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

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

### *Auditors' Responsibilities for the Audit of the Financial Statements*

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



In performing an audit in accordance with GAAS, we:

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

*KPMG LLP*

McLean, Virginia  
August 20, 2025

**NATCAST, INC.**

Statement of Financial Position

September 30, 2024

**Assets**

Cash	\$	4,629,339
Federal agreements receivable		487,907
Accounts receivable, other		14,505
Prepaid expenses		33,922
Security deposits		<u>392,150</u>
Total Assets	\$	<u><u>5,557,823</u></u>

**Liabilities and Net Assets**

Liabilities:

Accounts payable	\$	2,534,838
Accrued expenses		650,688
Accrued employee compensation		491,542
Deferred federal agreements revenue		<u>2,017,966</u>
Total liabilities		<u>5,695,034</u>

Net assets:

Without donor restrictions		<u>(137,211)</u>
Total net assets (deficit)		<u>(137,211)</u>
Total liabilities and net assets	\$	<u><u>5,557,823</u></u>

See accompanying notes to the financial statements.

**NATCAST, INC.**

Statement of Activities

For the period from inception through September 30, 2024

Revenues:

Federal agreements	\$ 13,154,131
Programmatic events	<u>29,645</u>
Total revenues	<u>13,183,776</u>

Expenses:

Program services	6,956,935
General and administrative	6,192,629
Marketing and communications	<u>171,423</u>
Total expenses	<u>13,320,987</u>

Change in net assets	(137,211)
----------------------	-----------

Net assets (deficit):

Beginning of year	<u>—</u>
End of year	<u><u>\$ (137,211)</u></u>

See accompanying notes to the financial statements.

**NATCAST, INC.**

Statement of Cash Flows

For the period from inception through September 30, 2024

Cash flows from operating activities:

Change in Net Assets	\$ (137,211)
Adjustments to reconcile the change in net assets to net cash provided by operating activities:	
Federal agreements receivable	(487,907)
Accounts receivable, other	(14,505)
Prepaid expenses	(107,212)
Security deposits	(509,150)
Accounts payable	2,725,128
Accrued expenses	650,688
Accrued employee compensation	491,542
Deferred federal agreements revenue	<u>2,017,966</u>
Net cash provided by operating activities	<u>4,629,339</u>

Cash flows from investing activities:

Net cash provided by investing activities	<u>—</u>
---	----------

Cash flows from financing activities:

Net cash provided by financing activities	<u>—</u>
---	----------

Net increase in cash	4,629,339
----------------------	-----------

Cash:

Beginning of year	<u>—</u>
End of year	<u>\$ 4,629,339</u>

See accompanying notes to the financial statements.

**NATCAST, INC.**  
Statement of Functional Expenses  
For the period from inception through September 30, 2024

	Program Services								Total Program Services	Supporting Services		Total Supporting Services	Total Expenses
	NSTC Membership	Workforce Development	Research and Development	Packaging and Prototyping Facility	Design Collaboration Facility	Extreme Ultraviolet Lithography	Investment Fund	Long Term Research		General and Administrative	Marketing and Communications		
Employee compensation	\$ 341,655	304,415	181,771	—	—	—	—	—	827,841	1,746,073	32,718	1,778,791	2,606,632
Professional services	2,512,188	1,171,202	525,578	684,945	660,925	168,060	24,380	15,000	5,762,278	4,033,737	7,852	4,041,589	9,803,867
Programmatic events	51,645	—	138,493	—	—	—	—	—	190,138	—	119,250	119,250	309,388
Travel	27,239	8,181	24,608	7,529	23,502	643	—	—	91,702	46,280	—	46,280	137,982
Supplies	21,243	32,950	22,117	—	—	—	—	—	76,310	84,657	—	84,657	160,967
Other expenses	—	7,219	1,387	—	—	—	—	60	8,666	281,882	11,603	293,485	302,151
Total functional expenses	\$ 2,953,970	1,523,967	893,954	692,474	684,427	168,703	24,380	15,060	6,956,935	6,192,629	171,423	6,364,052	13,320,987

See accompanying notes to the financial statements.



## **NATCAST, INC.**

### **Notes to Financial Statements**

For the period from inception through September 30, 2024

#### **(1) Nature of Operations**

##### **(a) Nature of Operations**

Natcast, Inc. ("Natcast"), formerly called SemiUS, Inc, was incorporated in October 2023 and commenced operations in February 2024 as a purpose-built, non-profit entity designated to operate the National Semiconductor Technology Center (NSTC) by the Department of Commerce (DOC). Established by the bipartisan CHIPS and Science Act of the U.S. government, the NSTC is a public-private consortium whose mission is to serve as a central hub for semiconductor research and engineering, enabling disruptive innovation and securing U.S. leadership in critical technologies for the future. The NSTC convenes industry, academia, and government from across the semiconductor ecosystem to address the most challenging barriers to continued technological progress in the domestic semiconductor industry, including the need for a skilled workforce. The NSTC reflects a once-in-a-generation opportunity for the U.S. to drive the pace of innovation, set standards, and secure global leadership in semiconductor design and manufacturing.

On November 7, 2023, Natcast entered into an "Other Transaction Agreement" (OTA) with the National Institute of Standards and Technology (NIST) which is a bureau within the DOC whose mission is to promote U.S. innovation and industrial competitiveness by advancing measurement science, standards, and technology in ways that enhance economic security and improve our quality of life. The initial period of performance was November 7, 2023 through May 15, 2024. The purpose of this agreement was to provide Natcast with sufficient funding to build its organizational and operational capacity to allow Natcast to develop, with DOC, an agreement that would allow continued long-term operational growth provisioned through subsequent funding order(s) to allow Natcast to focus attention on priority programmatic areas. Under this agreement, and upon the reaching of agreed upon milestones, Natcast was eligible to receive up to \$3,825,385. Natcast received \$3,059,507.

On April 30, 2024, Natcast entered into a new OTA with NIST referred to as the "Base Agreement" and the November 7, 2023, OTA was terminated. The initial Period of Performance for the Base Agreement was April 30, 2024, through March 31, 2030. The Agreement was renewable for additional periods of up to five (5) years each, subject to Natcast successfully completing agreed upon milestones and deliverables and the continued availability of appropriations. The maximum period of performance (including the initial period and any additional periods) was twenty (20) years. Under that agreement, Natcast was awarded four Early Funding Orders totaling \$141,953,286 of which \$10,124,269 was spent in the period from inception through September 30, 2024. Also under the Base Agreement, a funding order for fiscal year (FY) 2025 was awarded in September 2024 in the amount of \$66,213,198. Nothing was spent against this award in FY2024.

Subsequent to the year ended September 30, 2024, Natcast and NIST entered into a new OTA dated January 16, 2025, referred to as the "Long-Term Agreement" (Agreement) and terminated the April 30, 2024, Base Agreement. The Agreement contains the terms and conditions governing the long-term relationship between Natcast and NIST. Under this Agreement, Natcast was awarded \$6.3 billion for NSTC, including \$4.0 billion available for obligation and an additional \$2.3 billion appropriated but not yet available for obligation. Spanning 10 years, the award will federally fund the programs and activities the NSTC will undertake to meet its strategic goals consistent with the NSTC Strategic Plan released in September 2024. This includes funding for Natcast to invest in research and development, workforce development, an investment fund, the Design Enablement

## NATCAST, INC.

### Notes to Financial Statements

For the period from inception through September 30, 2024

Gateway, silicon aggregation services, technical centers, and to operate the CHIPS for America R&D flagship facilities on behalf of the NSTC. An additional \$1.1 billion was also awarded and obligated to Natcast under the Agreement to operate the advanced packaging capabilities of the CHIPS for America NSTC Prototyping and NAPMP Advanced Packaging Piloting Facility (PPF).

## (2) Basis of Presentation and Summary of Significant Accounting Policies

### (a) *Basis of Presentation and Accounting*

The financial statements are prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) under Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 958, Not-For-Profit Presentation of Financial Statements*. Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Natcast and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions** – Net assets that are not subject to any donor-imposed stipulations.

**Net Assets With Donor Restrictions** – Net assets subject to donor-imposed restrictions on their use that may be met either by actions of Natcast or the passage of time or other legal restrictions requiring that the principal be maintained permanently by Natcast. Generally, the donors permit Natcast to use all or part of the income earned for either general or donor-specified purposes.

### (b) *Cash*

Natcast maintains its cash in bank deposits at major financial institutions which may, at times, exceed federally insured limits. Natcast has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

### (c) *Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### (d) *Tax Exempt Status*

Natcast is a 501(c)(3) organization created specifically to operate the NSTC. As a 501(c)(3), Natcast is a tax-exempt organization dedicated to charitable, scientific, or educational purposes. Natcast has no unrelated business income as of September 30, 2024.

### (e) *Revenue Recognition*

#### (i) *Federal Agreements*

Natcast recognizes federal agreements revenue in accordance with ASC 958-605 – Not-for-Profit Entities: Revenue Recognition, as amended by ASU 2018-08. Natcast recognizes contributions as revenue when they are received or unconditionally promised. Contributions are considered nonreciprocal transfers where the resource provider does not receive commensurate value in exchange.

## **NATCAST, INC.**

### Notes to Financial Statements

For the period from inception through September 30, 2024

Unconditional contributions are recognized immediately and classified as either net assets with or without donor restrictions, depending on the existence and nature of any donor-imposed restrictions. There were no contributions with donor restrictions for the period from inception through September 30, 2024.

Conditional contributions are recognized as revenue only when the conditions on which they depend are substantially met or explicitly waived. A contribution is considered conditional if it includes both:

1. A barrier that must be overcome, and
2. A right of return of assets transferred or a right of release of the promisor's obligation to transfer assets.

The federal agreements with the DOC have been determined to be conditional contributions. Conditional contributions that have not yet been recognized as revenue where cash has been received are recorded as deferred revenue in the Statement of Financial Position.

#### *(ii) Programmatic Events*

Programmatic event revenue consists of amounts earned from activities such as event registration fees, training sessions, and interest income. Natcast recognizes programmatic events revenue in accordance with ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*.

Revenue from contracts with customers, such as programmatic events, is recognized when control of the promised goods or services is transferred to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Natcast follows a five-step model to determine the appropriate revenue recognition for each contract:

1. Identify the contract with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to performance obligations.
5. Recognize revenue when (or as) the performance obligations are satisfied.

Revenue is recognized at the point in time when the services are delivered, or the event occurs. Contract assets are recorded when revenue is recognized in advance of billings. Contract liabilities are recorded when billings exceed revenue recognized and are generally referred to as deferred revenue.

## NATCAST, INC.

### Notes to Financial Statements

For the period from inception through September 30, 2024

(iii) *Simultaneous Release Policy*

Natcast has elected the simultaneous release option under ASC 958-605-45-4A, whereby donor-restricted contributions that are released from restriction in the same reporting period in which the revenue is recognized are classified as net assets without donor restrictions.

(f) **Federal Agreement Receivable**

Natcast draws funds from the United States government's Automated Standard Application for Payments (ASAP) system in keeping with the advanced draw down rules set forth in Natcast's OTA with the DOC. When eligible expenses are incurred in advance of receiving the corresponding draw down, a receivable is recorded. This receivable represents amounts due to Natcast under the terms of the OTA and is expected to be collected in full in the subsequent draw-down.

(g) **Related Parties**

Natcast has implemented procedures to identify and assess potential related party relationships and transactions in accordance with Financial Accounting Standards Board (FASB) ASC 850, *Related Party Disclosures*, and applicable not-for-profit guidance under ASC 958. Related parties include entities or individuals with the ability to exercise control or significant influence over Natcast, and vice versa. During the period from inception through September 30, 2024, Natcast evaluated all known transactions and relationships and concluded that no related party transactions existed that required disclosure under ASC 850.

(3) **Liquidity and Availability of Resources**

Financial assets available for general expenditures, that is, without restrictions limiting their use, within one year of the statements of financial position dates consist of the following at September 30, 2024:

Cash	\$	4,629,339
Federal agreements receivable		487,907
Accounts receivable, other		<u>14,505</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>5,131,751</u></u>

Natcast maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(4) **Accounts Receivable, Other**

At September 30, 2024, accounts receivable, other consists of uncollected event registration fees of \$14,505. The amount relates to a single customer and Natcast expects to collect the receivable in full.

(5) **Accrued Employee Compensation and Classification of Net Assets**

During the period from inception through September 30, 2024, Natcast accrued employee compensation totaling \$137,211, which was not allocable to purposes specified under existing federal award restrictions. As such, this amount has been recorded as an expense against net assets without

## **NATCAST, INC.**

### **Notes to Financial Statements**

For the period from inception through September 30, 2024

donor restrictions in accordance with U.S. GAAP under ASC 958, *Not-For-Profit Presentation of Financial Statements*.

On September 30, 2024, Natcast had no net assets without donor restrictions, and therefore the accrual of these costs resulted in a deficit in that net asset class. Management has evaluated the nature of these costs and determined they are not directly attributable to restricted programmatic activities governed by the federal award with the DOC or other donor-restricted resources.

Management continues to monitor cost allocation methodologies to ensure that all expenditures are appropriately classified and consistent with donor stipulations. Any expenses not meeting the criteria for donor-restricted use are charged to operations net assets without donor restriction and funded through internal liquidity management. Subsequent to year-end, Natcast began to recognize membership revenue related to the NSTC which is classified as revenue without donor restrictions. The new revenue stream will offset the deficit in net assets without donor restrictions reported at September 30, 2024.

#### **(6) Retirement Benefits**

Natcast provides retirement benefits to all eligible employees. Natcast offers a 401(k) plan and a 401(k) match up to 4% of the employee's salary. All benefits are fully vested. Contributions to the Natcast Retirement Plan were \$42,098 for the period from inception through September 30, 2024.

#### **(7) Concentration of Credit Risk**

All of Natcast's fiscal year 2024 revenue is derived from its OTA with the NIST, a bureau of the DOC. This reliance on a single government customer and funding source presents a concentration risk; any delay, reduction, or termination in funding of the federal agreements could materially affect Natcast's financial results and operational continuity. Furthermore, any shifts in federal budget priorities, agency-specific funding, or policy direction could reduce or eliminate future funding opportunities, limiting Natcast's ability to maintain or grow its operations.

Management is actively monitoring legislative and executive branch developments and has contingency plans in place to adjust programming and expenditures should any material changes in funding occur.

#### **(8) Commitments and Contingencies**

##### **(a) Government Contracting Matters**

Contracts with the U.S. Government are subject to extensive legal and regulatory requirements and, from time to time and in the ordinary course of business, agencies of the U.S. government investigate whether Natcast's operations are conducted in accordance with these requirements and terms of the relevant contracts. Given the inherent complexities in administering federal awards, it is possible that the aforementioned matters could result in disallowances which could be material.

**NATCAST, INC.**

Notes to Financial Statements

For the period from inception through September 30, 2024

**(9) Subsequent Events**

Natcast has evaluated subsequent events through August 20, 2025, the date on which the financial statements were available to be issued and has identified the following items to disclose:

**(a) *New Other Transaction Agreement***

As discussed in Note 1, Natcast entered into the Long-Term Agreement with NIST on January 16, 2025.

**(b) *New Revenue Stream***

A key goal of Natcast's charter was to establish a semiconductor membership ecosystem to strengthen and expand U.S. leadership in semiconductor research, design, engineering, and advanced manufacturing. This initiative fosters collaboration between public and private stakeholders to better align research, development, and workforce efforts across the semiconductor ecosystem, enhancing economic and national security. In fiscal year 2024, Natcast developed the membership model, which the DOC approved in October 2024.

Membership applications opened in October 2024, with initial members onboarded in November 2024. Natcast now has 172 active members. Natcast follows ASC 606 revenue recognition for membership revenues.