

Audited Financial Statements

**CATCH Global Foundation**

*For the Six Month Period Ended June 30, 2022  
and the Year Ended December 31, 2021  
With Independent Auditor's Report*

# **CATCH Global Foundation**

## **Audited Financial Statements**

For the Six Month Period Ended June 30, 2022  
and the Year Ended December 31, 2021

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## Independent Auditor's Report

To the Board of Directors of  
CATCH Global Foundation  
Austin, Texas

### Opinion

We have audited the accompanying financial statements of CATCH Global Foundation (the "Foundation") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the six month period and year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CATCH Global Foundation as of June 30, 2022 and December 31, 2021, and the changes in its net assets and its cash flows for the six month period and year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 Foundation'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.



Austin, Texas  
November 21, 2022

## **Audited Financial Statements**

## CATCH Global Foundation

### Statements of Financial Position

June 30, 2022 and December 31, 2021

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 658,466	\$ 110,625
Accounts receivable	209,850	132,623
Other assets	-	1,500
Prepaid expenses	24,803	25,372
Investments	1,123,085	1,557,508
Total current assets	<u>2,016,204</u>	<u>1,827,628</u>
Grants receivable with donor restrictions	254,925	254,925
Property and equipment, net	8,128	5,214
Intangible assets, net	<u>244,469</u>	<u>253,200</u>
Total assets	<u>\$ 2,523,726</u>	<u>\$ 2,340,967</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable	\$ 44,531	\$ 13,867
Accrued liabilities	76,176	38,181
Deferred revenue	891,086	102,710
Total current liabilities	<u>1,011,793</u>	<u>154,758</u>
Note payable	<u>50,000</u>	<u>100,000</u>
Total liabilities	<u>1,061,793</u>	<u>254,758</u>
Net Assets:		
Without donor restrictions	732,555	1,333,899
With donor restrictions	729,378	752,310
Total net assets	<u>1,461,933</u>	<u>2,086,209</u>
Total liabilities and net assets	<u>\$ 2,523,726</u>	<u>\$ 2,340,967</u>

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

# CATCH Global Foundation

## Statement of Activities

*For the Six Month Period Ended June 30, 2022*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support, Revenues, and Reclassifications:			
Grants and contributions	\$ 53,210	\$ 258,334	\$ 311,544
Program service fees	430,993	-	430,993
Rent income	16,500	-	16,500
Other income (losses)	(130)	-	(130)
Investment losses	(260,854)	-	(260,854)
Total support and revenues	239,719	258,334	498,053
Net assets released from donor restrictions	281,266	(281,266)	-
Total support, revenues, and reclassifications	520,985	(22,932)	498,053
Expenses:			
Program services	911,575	-	911,575
Fundraising	116,791	-	116,791
Management and general	93,963	-	93,963
Total expenses	1,122,329	-	1,122,329
Total change in net assets	(601,344)	(22,932)	(624,276)
Net assets, beginning of the period	1,333,899	752,310	2,086,209
Net assets, end of the period	\$ 732,555	\$ 729,378	\$ 1,461,933

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

# CATCH Global Foundation

## Statement of Activities

*For the Year Ended December 31, 2021*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support, Revenues, and Reclassifications:			
Grants and contributions	\$ 367,455	\$ 1,861,834	\$ 2,229,289
Program service fees	693,104	-	693,104
Investment gains	62,841	-	62,841
Donated services	10,095	-	10,095
Rent income	10,201	-	10,201
Other income	2,026	-	2,026
Total support and revenues	<u>1,145,722</u>	<u>1,861,834</u>	<u>3,007,556</u>
Net assets released from donor restrictions	<u>1,332,103</u>	<u>(1,332,103)</u>	<u>-</u>
Total support, revenues, and reclassifications	<u>2,477,825</u>	<u>529,731</u>	<u>3,007,556</u>
Expenses:			
Program services	2,271,623	-	2,271,623
Fundraising	243,842	-	243,842
Management and general	208,446	-	208,446
Total expenses	<u>2,723,911</u>	<u>-</u>	<u>2,723,911</u>
Total change in net assets	(246,086)	529,731	283,645
Net assets, beginning of the period	<u>1,579,985</u>	<u>222,579</u>	<u>1,802,564</u>
Net assets, end of the period	<u>\$ 1,333,899</u>	<u>\$ 752,310</u>	<u>\$ 2,086,209</u>

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



## CATCH Global Foundation

### Statement of Functional Expenses

*For the Six Month Period Ended June 30, 2022*

	<b>Program Services</b>			<b>Total Program</b>	<b>Fundraising</b>	<b>Management and General</b>	<b>Total</b>
	<b>In-School</b>	<b>Out-of-School</b>	<b>International</b>				
Salary and benefits	\$ 431,039	\$ 131,503	\$ 43,835	\$ 606,377	\$ 94,975	\$ 29,223	\$ 730,575
Contracted services	58,108	17,800	29,099	105,007	7,300	12,000	124,307
Office expenses	39,750	11,347	4,571	55,668	14,516	25,814	95,998
Program services	51,606	18,292	11,368	81,266	-	-	81,266
Travel and meeting	32,940	-	-	32,940	-	1,180	34,120
Occupancy	-	-	-	-	-	24,564	24,564
Grants and direct assistance	8,886	-	12,700	21,586	-	-	21,586
Amortization	8,731	-	-	8,731	-	-	8,731
Depreciation	-	-	-	-	-	1,182	1,182
<b>Total expenses</b>	<b>\$ 631,060</b>	<b>\$ 178,942</b>	<b>\$ 101,573</b>	<b>\$ 911,575</b>	<b>\$ 116,791</b>	<b>\$ 93,963</b>	<b>\$ 1,122,329</b>
Percentage of total expenses	<b>56%</b>	<b>16%</b>	<b>9%</b>	<b>81%</b>	<b>11%</b>	<b>8%</b>	<b>100%</b>

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

## CATCH Global Foundation

### Statement of Functional Expenses

*For the Year Ended December 31, 2021*

	<b>Program Services</b>				<b>Fundraising</b>	<b>Management and General</b>	<b>Total</b>
	<b>In-School</b>	<b>Out-of-School</b>	<b>International</b>	<b>Total Program</b>			
Salary and benefits	\$ 659,207	\$ 212,312	\$ 68,150	\$ 939,669	\$ 192,716	\$ 69,460	\$ 1,201,845
Contracted services	761,420	218,060	119,720	1,099,200	34,192	36,177	1,169,569
Office expenses	54,872	16,103	7,002	77,977	16,934	44,895	139,806
Program services	48,017	13,719	6,859	68,595	-	-	68,595
Grants and direct assistance	54,819	2,000	8,000	64,819	-	-	64,819
Occupancy	-	-	-	-	-	56,675	56,675
Travel and meeting	12,632	-	-	12,632	-	-	12,632
Amortization	8,731	-	-	8,731	-	-	8,731
Depreciation	-	-	-	-	-	1,239	1,239
<b>Total expenses</b>	<b>\$ 1,599,698</b>	<b>\$ 462,194</b>	<b>\$ 209,731</b>	<b>\$ 2,271,623</b>	<b>\$ 243,842</b>	<b>\$ 208,446</b>	<b>\$ 2,723,911</b>
Percentage of total expenses	59%	17%	8%	84%	9%	7%	100%

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

## CATCH Global Foundation

### Statements of Cash Flows

*For the Six Month Period Ended June 30, 2022 and the Year Ended December 31, 2021*

	<b>Six Month Period Ended June 30, 2022</b>	<b>Year Ended December 31, 2021</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (624,276)	\$ 283,645
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	1,182	1,239
Amortization	8,731	8,731
Unrealized (gains) losses	270,643	(41,150)
Loss on disposal of property and equipment	132	-
(Increase) decrease in operating assets:		
Accounts receivable	(77,227)	(29,448)
Other assets	1,500	(1,500)
Prepaid expenses	569	6,451
Grants receivable with donor restrictions	-	(254,925)
Increase (decrease) in operating liabilities:		
Accounts payable	30,664	2,358
Accrued liabilities	37,995	(8,414)
Deferred revenue	788,376	8,957
Net cash provided by (used in) operating activities	<b>438,289</b>	<b>(24,056)</b>
<b>Cash flows from investing activities</b>		
Sales of investments, net	163,780	224,449
Purchase of property and equipment	(4,228)	(5,456)
Purchase of intangible assets	-	(161,931)
Net cash provided by investing activities	<b>159,552</b>	<b>57,062</b>
<b>Cash flows from financing activities</b>		
Repayments of note payable	(50,000)	-
Net cash used in financing activities	<b>(50,000)</b>	<b>-</b>
Net change in cash and cash equivalents	547,841	33,006
Cash and cash equivalents, beginning of the period	110,625	77,619
Cash and cash equivalents, end of the period	<b>\$ 658,466</b>	<b>\$ 110,625</b>
<b>Non-cash investing and financing activities:</b>		
Portion of intangible assets purchase financed by note payable	<b>\$ -</b>	<b>\$ 100,000</b>

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

# CATCH Global Foundation

## Notes to Financial Statements

*For the Six Month Period Ended June 30, 2022  
and the Year Ended December 31, 2021*

### **Note 1 – Summary of Significant Accounting Policies**

#### **Nature of Activities**

The CATCH Global Foundation (the “Foundation”) was established in 2014 as a Texas nonprofit corporation with the primary intent to improve children’s health worldwide by developing, disseminating, and sustaining the Coordinated Approach to Child Health (CATCH) platform. The Foundation links underserved schools and communities to the resources necessary to create and sustain healthy change for future generations.

In June 2022, the Foundation’s Governance Committee voted to change the Foundation’s fiscal year-end to June 30<sup>th</sup> from December 31<sup>st</sup>.

#### **Basis of Presentation**

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Financial statement presentation follows the recommendations of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC 958). Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions – These types of net assets are not subject to donor-imposed stipulations. This also includes net assets with Board designations for specific purposes, since these Board designations may be reversed by the Board of Directors at any time in the future.

Net assets with donor restrictions – These types of net assets are subject to donor-imposed stipulations, which limit their use by the Foundation, either permanently or temporarily, to a specific purpose and/or the passage of time. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions.

#### **Basis of Accounting**

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred.

# **CATCH Global Foundation**

## **Notes to Financial Statements (continued)**

*For the Six Month Period Ended June 30, 2022  
and the Year Ended December 31, 2021*

### **Note 1 – Summary of Significant Accounting Policies (continued)**

#### **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

#### **Federal Income Taxes**

CATCH Global Foundation is a nonprofit organization exempt from Federal income taxes on its operating income under Section 501(c)(3) of the Internal Revenue Code, except to the extent of unrelated business income, if any.

The most significant tax positions of the Foundation are its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business income tax (UBIT). Management has determined that the Foundation had no activity subject to UBIT during the six month period ended June 30, 2022 and the year ended December 31, 2021. All significant tax positions have been considered by management and it has determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities.

The Foundation is required to file Form 990 (Return of Organization Exempt from Income Tax), which is subject to examination by the Internal Revenue Service (IRS) generally up to three years from the later of the original due date or the date the tax return was filed. The Forms 990 for the years ended December 31, 2020, 2019, and 2018 are open to examination by the IRS as of June 30, 2022.

#### **Cash and Cash Equivalents**

The Foundation considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

#### **Investments**

Investments are stated as fair value. Realized and unrealized gains and losses are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

# **CATCH Global Foundation**

## **Notes to Financial Statements (continued)**

*For the Six Month Period Ended June 30, 2022  
and the Year Ended December 31, 2021*

### **Note 1 – Summary of Significant Accounting Policies (continued)**

#### **Accounts and Grants Receivable**

Accounts and grants receivable are stated at the amount that the Foundation expects to collect from outstanding balances. The Foundation has not set up an allowance for uncollectible receivables as of June 30, 2022 and December 31, 2021, because management estimates that the receivables are collectible, and write-offs are historically unusual and small.

#### **Property and Equipment**

Property and equipment are stated at cost, if purchased, and at fair market value at date of gift, if received by donation. The Foundation capitalizes assets of \$1,000 or more with a useful life of more than one year. Provision has been made for depreciation of property and equipment using the straight-line method over an estimated useful life of three to five years. Upon the sale or retirement of depreciable assets, the related cost and accumulated depreciation are removed from the account. Any gain or loss on the sale or retirement is recognized in current operations.

#### **Intangible Assets**

Intangible assets are stated at cost and are amortized on the straight-line method over the estimated useful life. The Foundation continually reviews intangible assets to evaluate whether events or changes have occurred that would suggest an impairment of carrying value. An impairment loss would be recognized when expected future operating cash flows are lower than the carrying value.

#### **Contributions**

Contributions, including promises to give, are recorded as made. All contributions are available for use without donor restrictions unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. When donor restrictions expire, that is, when a stipulated time restriction ends or donor restricted purpose is accomplished, the related net assets with donor restrictions are reclassified to net assets without donor restrictions. This is reported in the statements of activities as net assets released from donor restrictions.

Conditional contributions are recorded as a refundable advance liability under FASB ASC 958-605 until the conditions are substantially met or explicitly waived. Once the conditions have been substantially met or explicitly waived, the refundable advance will be reduced and contribution income will be recognized.

# CATCH Global Foundation

## Notes to Financial Statements (continued)

*For the Six Month Period Ended June 30, 2022  
and the Year Ended December 31, 2021*

### **Note 1 – Summary of Significant Accounting Policies (continued)**

#### **Donated Services**

The Foundation records donated services at their respective fair values of the services received.

#### **Functional Allocation of Expenses**

FASB ASC 958 also requires that nonprofit organizations provide information about expenses by functional classification. Thus, the costs of providing the Foundation's various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses which cannot be specifically identified have been allocated based on management's best estimate of usage. Salary and benefits are allocated based on estimated time spent by the employees for each function. Occupancy costs are allocated based on the estimated space usage for each function. Depreciation and amortization are allocated on estimated usage in each function.

#### **Fair Value of Financial Instruments**

The Foundation follows FASB ASC 820, *Fair Value Measurements and Disclosures*, which relates to the Foundation's financial assets and liabilities carried at fair value and the associated fair value disclosures. FASB ASC 820 defines fair value, expands related disclosure requirements, and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measures. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

There are three levels of inputs to fair value measurements – Level 1, meaning the use of quoted prices for identical instruments in active markets; Level 2, meaning the use of quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active or are directly or indirectly observable; and Level 3, meaning the use of unobservable inputs.

The Foundation's financial instruments consist principally of cash and cash equivalents, accounts receivable, investments, grants receivable with donor restrictions, accounts payable, accrued liabilities, and note payable. The Foundation believes all of the financial instruments' recorded values approximate current market values.

# CATCH Global Foundation

## Notes to Financial Statements (continued)

*For the Six Month Period Ended June 30, 2022  
and the Year Ended December 31, 2021*

### Note 1 – Summary of Significant Accounting Policies (continued)

#### Date of Management’s Review

These financial statements considered subsequent events through November 21, 2022, the date the financial statements were available to be issued.

#### Note 2 – Concentrations

Financial instruments which potentially subject the Foundation to credit risk principally consist of cash and cash equivalents and investments. To minimize the risk, the Foundation places its temporary cash investments with high credit quality financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC). Effective January 1, 2013, deposit insurance coverage by the FDIC changed to \$250,000 per bank per entity for all interest bearing and non-interest bearing accounts. Securities are protected by the SIPC which currently protects brokerage accounts of each entity up to \$500,000 in securities. Additional coverage is frequently offered by brokerage accounts for amounts in excess of the \$500,000 SIPC limit. As of June 30, 2022 and December 31, 2021, the Foundation had \$1,010,717 and \$1,057,508 of uninsured cash or investment balances. The Foundation has not experienced any losses in these accounts in the past.

#### Note 3 – Investments

As of June 30, 2022 and December 31, 2021, investments consisted of equity securities (all measured at Level 1 inputs) totaling \$1,123,085 and \$1,557,508, respectively.

#### Note 4 – Property and Equipment

As of June 30, 2022 and December 31, 2021, property and equipment consisted of the following:

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Furniture, fixtures, and equipment	\$ 14,993	\$ 23,288
Less: accumulated depreciation	(6,865)	(18,074)
Property and equipment, net	<u>\$ 8,128</u>	<u>\$ 5,214</u>

Depreciation expense totaled \$1,182 and \$1,239 for the six month period ended June 30, 2022 and the year ended December 31, 2021, respectively.



# CATCH Global Foundation

## Notes to Financial Statements (continued)

*For the Six Month Period Ended June 30, 2022  
and the Year Ended December 31, 2021*

### **Note 5 – EduMotion, LLC Acquisition**

On June 16, 2021, the Foundation entered into an asset purchase agreement with EduMotion, LLC to purchase and assume EduMotion, LLC’s assets and liabilities in addition to the former owner entering into an employment agreement with the Foundation. The purchase price was \$250,000 which was to be paid in three payments with the first \$150,000 being paid at closing. The remaining \$100,000 to be paid is contingent on the former owner still being employed at the Foundation and will be paid over the following terms: (1) \$50,000 on the 18-month anniversary of closing and (2) the final \$50,000 on the 30-month anniversary. As of June 30, 2022 and December 31, 2021, the note payable balance was \$50,000 and \$100,000, respectively. As part of the purchase agreement, the Foundation incurred \$11,931 in legal costs that are also included in intangible assets with the total purchase price.

As of June 30, 2022 and December 31, 2021, intangible assets consisted of the following:

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
EduMotion	\$ 261,931	\$ 261,931
Less: accumulated amortization	(17,462)	(8,731)
Intangible assets, net	<u>\$ 244,469</u>	<u>\$ 253,200</u>

The intangible assets are being amortized straight-line over a 15-year life. Amortization expense totaled \$8,731 and \$8,731 for the six month period ended June 30, 2022 and the year ended December 31, 2021, respectively. Amortization expense is estimated to be \$17,462 annually for the fiscal years ended June 30, 2023, 2024, 2025, 2026, and 2027.

### **Note 6 – Risks and Uncertainties**

On March 13, 2020, the Government of the United States declared the COVID-19 Pandemic (“COVID-19”) as a national emergency. COVID-19 has caused a significant impact on the United States economy affecting various businesses in different ways. COVID-19 may have an impact on future programming and future grants and contributions are uncertain. The Foundation does not have insurance to cover the loss of revenues from these events in the case of a Pandemic. However, no adjustments have been made to these financial statements as a result of this uncertainty. See Note 7 for disclosure of the Refundable Advance/PPP Grant received in response to COVID-19.

## CATCH Global Foundation

### Notes to Financial Statements (continued)

*For the Six Month Period Ended June 30, 2022  
and the Year Ended December 31, 2021*

#### Note 7 – Refundable Advance / PPP Grant

In March 2021, the Foundation was granted a note from University Federal Credit Union in the aggregate amount of \$185,235, pursuant to the Paycheck Protection Program (“PPP”) under the Coronavirus Aid, Relief and Economic Security (“CARES”) Act, which was enacted on March 27, 2020. Funds from the loan were only to be used for payroll costs, rent, utilities, and interest on other debt obligations incurred over a specified period (either eight or twenty-four weeks). The Foundation used the entire advance amount for qualifying expenses and accounted for it under FASB ASC 958-605 as a refundable advance. Under the terms of the PPP program, certain amounts of the note would be forgiven if they were used for qualifying expenses as described in the CARES Act and the Paycheck Protection Flexibility Act, which was enacted on June 5, 2020 and modified certain provisions of the CARES Act. As of December 31, 2021, the Foundation had used the entire amount of \$185,235 towards qualifying expenses meeting the conditions and recognized grant income of \$185,235 on the statements of activities. As of December 31, 2021, the refundable advance balance was \$0. The Refundable Advance/PPP Grant of \$185,235 was fully forgiven by the Small Business Administration (SBA) on December 28, 2021.

#### Note 8 – Net Assets With Donor Restrictions

The Foundation had the following net assets with donor restrictions activity for the six month period ended June 30, 2022:

	Beginning Balance	Additions	Releases from Donor Restrictions	Ending Balance
CVS Foundation	\$ 47,820	\$ -	\$ (47,820)	\$ -
Delta Dental Community Care Foundation	179,962	233,334	(119,684)	293,612
Kynett Phase 2	13,424	-	(13,424)	-
Ensworth Foundation	13,620	-	(13,620)	-
Michigan Health Endowment Fund – Activation	438,719	-	(75,630)	363,089
Michigan Health Endowment Fund – Restart Smart	40,840	-	(8,088)	32,752
PEX (GO Dough Cards)	162	-	-	162
Scattergood Foundation	-	25,000	-	25,000
Raul Tijerina Jr. Foundation	13,775	-	-	13,775
Superior Health Foundation	3,000	-	(3,000)	-
Valley Baptist Legacy Foundation	988	-	-	988
<b>Total</b>	<b>\$ 752,310</b>	<b>\$ 258,334</b>	<b>\$ (281,266)</b>	<b>\$ 729,378</b>

## CATCH Global Foundation

### Notes to Financial Statements (continued)

*For the Six Month Period Ended June 30, 2022  
and the Year Ended December 31, 2021*

#### Note 8 – Net Assets With Donor Restrictions (continued)

The Foundation had the following net assets with donor restrictions activity for the year ended December 31, 2021:

	Beginning Balance	Additions	Releases from Donor Restrictions	Ending Balance
Aetna – Hartford Phase 2	\$ -	\$ 42,500	\$ (42,500)	\$ -
CVS Foundation	25,820	1,050,000	(1,028,000)	47,820
Delta Dental Community Care Foundation	-	233,334	(53,372)	179,962
Edna Kynett Foundation	10,382	-	(10,382)	-
Kynett Phase 2	-	40,000	(26,576)	13,424
Ensworth Foundation	-	15,000	(1,380)	13,620
Michigan Health Endowment Fund – Planning	53,640	-	(53,640)	-
Michigan Health Endowment Fund – Activation	-	481,000	(42,281)	438,719
Michigan Health Endowment Fund – Restart Smart	71,460	-	(30,620)	40,840
PEX (GO Dough Cards)	5,532	-	(5,370)	162
Raul Tijerina Jr. Foundation	13,775	-	-	13,775
Superior Health Foundation	6,000	-	(3,000)	3,000
Valley Baptist Legacy Foundation	35,970	-	(34,982)	988
<b>Total</b>	<b>\$ 222,579</b>	<b>\$ 1,861,834</b>	<b>\$ (1,332,103)</b>	<b>\$ 752,310</b>

#### Note 9 – Operating Leases

The Foundation entered into an operating lease agreement for office space with an expiration date of July 31, 2022. The lease was not renewed after expiration. Rent expense totaled \$24,565 and \$57,806 for the six month period ended June 30, 2022 and the year ended December 31, 2021, respectively. Future minimum payments under this agreement of \$2,541 are due during the fiscal year ended June 30, 2023

The Foundation subleased office space to Pocketful of Quarters, Inc with an expiration date of July 29, 2022. The sublease was not renewed after expiration. Revenues from the sublease for the six month period ended June 30, 2022 and the year ended December 31, 2021 totaled \$16,500 and \$8,250, respectively.

## CATCH Global Foundation

### Notes to Financial Statements (continued)

*For the Six Month Period Ended June 30, 2022  
and the Year Ended December 31, 2021*

#### **Note 10 – Liquidity and Availability of Financial Assets**

The Foundation's working capital and cash flows have seasonal variations during the fiscal year attributable to the timing of receipts of grants and contributions and program service fees.

The following reflects the Foundation's financial assets as of the statements of financial position date, reduced by amounts not available for general use within one year of the statements of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Foundation's Board of Directors approves that action. As part of the Foundation's liquidity plan, excess cash without donor restrictions is invested in short-term investments such as money market accounts or is transferred to the Foundations operating investment portfolio used to support the program and supporting services of the Foundation.

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Cash and cash equivalents	\$ 658,466	\$ 110,625
Accounts receivable	209,850	132,623
Grants receivable with donor restrictions	254,925	254,925
Investments	1,123,085	1,557,508
Total financial assets	2,246,326	2,055,681
Less: With donor restrictions	(729,378)	(752,310)
Financial Assets Available to Meet Cash Needs For Expenditures Within One Year	<u>\$ 1,516,948</u>	<u>\$ 1,303,371</u>