

CATCH GLOBAL FOUNDATION
FINANCIAL STATEMENTS
and INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2015

CATCH GLOBAL FOUNDATION

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GLASS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, P.C.

Board of Directors
CATCH Global Foundation

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statement of CATCH Global Foundation (Foundation), a Texas not-for-profit corporation, which comprise the statements of financial position as of December 31, 2015, the related statements of activities and cash flows for the year 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's 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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CATCH Global Foundation as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

July 13, 2016

Glass & Company

GLASS & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

CATCH GLOBAL FOUNDATION
STATEMENT of FINANCIAL POSITION

DECEMBER 31, 2015

ASSETS

CURRENT ASSETS:

Cash	\$ 1,163,122
Accounts receivable	58,291
Pledge receivable	755,000
Grants receivable	31,574
Prepaid expenses	<u>7,414</u>
Total Current Assets	<u>2,015,401</u>

FIXED ASSETS:

Office furniture and equipment	8,557
Less accumulated depreciation	<u>(1,958)</u>
Net Fixed Assets	<u>6,599</u>
Total Assets	<u><u>\$ 2,022,000</u></u>

LIABILITIES and NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 30,807
Accrued payroll and taxes	26,311
Deferred revenue	<u>510,333</u>
Total Current Liabilities	<u>567,451</u>

NET ASSETS:

Unrestricted	1,200,684
Temporarily restricted	<u>253,865</u>
Total Net Assets	<u>1,454,549</u>
Total Liabilities and Net Assets	<u><u>\$ 2,022,000</u></u>

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

CATCH GLOBAL FOUNDATION
STATEMENT of ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES:			
Partner financial support	\$ 978,333	\$ -	\$ 978,333
Grant income	-	415,157	415,157
Program service fees	378,491	-	378,491
Donations	21,501	-	21,501
Donated services	12,425	-	12,425
Other revenue	1,038	-	1,038
Interest income	609	-	609
Net assets released from restrictions	367,178	(367,178)	-
Total Revenues	<u>1,759,575</u>	<u>47,979</u>	<u>1,807,554</u>
EXPENSES:			
Program services	733,941	-	733,941
Supporting services:			
Management and general	78,896	-	78,896
Fundraising	94,407	-	94,407
Total Expenses	<u>907,244</u>	<u>-</u>	<u>907,244</u>
CHANGE IN NET ASSETS	852,331	47,979	900,310
NET ASSETS:			
Beginning Balance	348,353	205,886	554,239
Ending Balance	<u>\$ 1,200,684</u>	<u>\$ 253,865</u>	<u>\$ 1,454,549</u>

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

CATCH GLOBAL FOUNDATION
STATEMENT of CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

OPERATING ACTIVITIES:	
Change in net assets	\$ 900,310
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>	
Depreciation	1,791
<i>Change in current assets:</i>	
Accounts receivable	(52,140)
Pledge receivable	335,000
Grants receivable	(31,574)
Prepaid expenses	(3,789)
<i>Change in liability accounts:</i>	
Accounts payable	5,303
Accrued payroll and taxes	(11,177)
Deferred revenue	(216,334)
	927,390
Net Cash Provided by Operating Activities	927,390
INVESTING ACTIVITIES:	
Fixed asset purchases	(7,287)
Net Cash Used by Investing Activities	(7,287)
NET INCREASE IN CASH	920,103
CASH:	
Beginning Balance	243,019
Ending Balance	\$ 1,163,122

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

CATCH GLOBAL FOUNDATION

DECEMBER 31, 2015

NOTES to FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The CATCH Global Foundation (Foundation) was established in 2014 as a Texas non-profit corporation, with the primary intent to improve children's health worldwide by developing, disseminating and sustaining the CATCH platform. The Foundation links underserved schools and communities to the resources necessary to create and sustain healthy change for future generations.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). The Foundation classifies net assets and revenues, expenses, gains, and losses into three categories, based on the existence or absence of donor-imposed restrictions. The categories are permanently restricted, temporarily restricted, and unrestricted net assets:

Permanently Restricted

Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. The donors of these assets permit the Foundation to use all or part of the investment return on these assets. There were no permanently restricted net assets during 2014.

Temporarily Restricted

Net assets whose use by the Foundation is subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire by the passage of time. Temporarily restricted net assets amounted to \$253,865 at December 31, 2015.

Unrestricted

Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Unrestricted net assets amounted to \$1,200,684 at December 31, 2015.

Financial support and pledge receivable

The Foundation has received a pledge of support from a founding partner on a contractual basis. The financial commitment covers a four year period. The revenue from this commitment will be recognized ratably over the term of the contract.

Pledge receivable consists of a receivable from the founding partner representing the amount allocated to the current reporting period and is carried at its net realizable value. Management of the Foundation reviews the collectability of the pledge receivable on a periodic basis. Management has determined that no reserve for doubtful accounts is necessary at December 31, 2015.

Contributions

Contributions, including unconditional promises to give, are recognized as support and assets in the period received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The Foundation provides an allowance for doubtful promises to give equal to the estimated losses that are expected to

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (Continued)

be incurred in their collection. The allowance is based on historical collection experience and a review by management of the current status of the existing promises to give. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Grants Receivable

Unconditional grants receivable are recognized as support in the period pledged and as assets, decreases of liabilities, or expenses depending on the form of the benefit received. Unconditional grants receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional grants receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Conditional grants receivable are recognized when the conditions upon which the grants depend are substantially met. An allowance is provided for amounts management estimates to be uncollectible.

Accounts Receivable

Accounts receivable consists of amounts due to the Foundation and, which were not received by the Foundation at year-end. Management of the Foundation reviews the collectability of the accounts receivable on a periodic basis. Management has determined that no reserve for doubtful accounts is necessary at December 31, 2015.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investment instruments purchased with an initial maturity of three months or less to be cash equivalents.

Fixed Assets and Depreciation

Fixed assets consist of office furniture and equipment. Fixed assets are recorded at cost and are depreciated over the estimated useful lives of three to five years using the straight-line method.

Deferred Revenues

Revenues for training seminars and financial support received in the current period, but which are contingent upon future services to be provided by the Foundation, are deferred in the accompanying financial statements and recognized ratably over the term of the agreement in accordance with generally accepted accounting principles.

Use of Estimates

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

Federal Income Tax Status

The Foundation has been granted exemption from Federal income taxes by the United States Treasury Department under section 501(c)(3) of the Internal Revenue Code. The Foundation qualifies for the charitable contribution deduction under Section 170 and has also been classified as an entity that is not a private foundation within the meaning of Section 509(a).

Management has evaluated the Foundation's tax positions and concluded the Foundation had taken no uncertain tax positions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Subsequent events have been evaluated through July 13, 2016 the date on which these financial statements were available to be issued.

2. DONATED SERVICES

The Foundation recognizes donated services that create or enhance non-financial assets or that require specialized skills, and would typically need to be purchased if not provided by donation. The amount of these contributed services was \$12,425 in 2015.

3. CONCENTRATIONS OF CREDIT

Cash

The Foundation maintains its cash with one financial institution of high credit quality who is a member of the National Credit Union Administration (NCUA). Occasionally, amounts on deposit exceed the \$250,000 insured limit. However, management believes there is no significant uninsured risk related to cash and has not incurred any credit risk losses.

Revenues

The Foundation's primary source of revenue come from one of the Foundation's founding partners. This support provides funding for infrastructure and operations, curriculum development and dissemination, and program and technology support. This founding partner may terminate their relationship with the Foundation upon thirty day written notice to the Foundation. Management does not believe significant credit risk exists at December 31, 2015.

4. PLEDGE RECEIVABLE

On December 9, 2014, the Foundation received a pledge from a founding partner to receive \$3,300,000 over a four year period. The Foundation is scheduled to receive \$1,290,000 in year 1, \$855,000 in year 2, \$555,000 in year 3, and \$600,000 in year 4. Of the total commitment, \$300,000 is contingent on the Foundation getting project specific approval for these funds. Contingent funds will be recognized in the period when the conditions upon which the contract depends are substantially met.

5. GRANTS RECEIVABLE

On December 8, 2014, the Foundation received a conditional grant to receive \$100,000 over a two year period. The Foundation has received \$85,000 as of December 31, 2015. The remaining funds are conditional on the Foundation attaining specific project milestones. As of December 31, 2015, those milestones haven't been met; therefore, no receivable is outstanding at December 31, 2015.

On December 10, 2014, the Foundation received a conditional grant to receive \$1,146,129 over a three year period. The Foundation can receive up to \$333,333 per year. The Foundation has received \$453,996 as of December 31, 2015. The remaining funds are conditional on the Foundation attaining specific project milestones. As of December 31, 2015, those milestones haven't been met; therefore, no receivable is outstanding at December 31, 2015.

On December 18, 2015, the Foundation received an unconditional grant to receive \$31,574. As of December 31, 2015, the Foundation hadn't received the funds. Management expects to collect the funds within one year; therefore, the receivable is recorded at net realizable value.

6. COMMITMENTS AND CONTINGENCIES

Operating Lease

The Foundation leases its office space under a non-cancellable operating lease. Lease expense for this operating lease amounted to \$24,573 for the year ended December 31, 2015. Future minimum lease payments due under the non-cancellable operating lease are as follows:

Years ending December 31,	
2016	\$ 33,402
2017	<u>8,404</u>
Total	<u><u>\$ 41,806</u></u>

CATCH GLOBAL FOUNDATION
SCHEDULE of FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
EXPENSES:				
Contracted services	\$ 205,067	\$ 17,685	\$ 11,580	\$ 234,332
Salary and benefits	290,900	23,895	81,381	396,176
Other program services	137,018	-	-	137,018
Office expenses	45,719	10,587	1,110	57,416
Travel and meeting	55,237	365	336	55,938
Rent	-	24,573	-	24,573
Depreciation	-	1,791	-	1,791
Total Expenses	<u>\$ 733,941</u>	<u>\$ 78,896</u>	<u>\$ 94,407</u>	<u>\$ 907,244</u>