

**COMMUNITY CATALYST INC. AND SUBSIDIARY**



**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**Years Ended December 31, 2023 and 2022**

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Community Catalyst Inc. and Subsidiary

### **Opinion**

We have audited the accompanying consolidated financial statements of Community Catalyst Inc. and Subsidiary (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Catalyst Inc. and Subsidiary as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Community Catalyst Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

## **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as well as the supplementary information included in the consolidating statements of financial position, consolidating statements of activities, consolidating statements of functional expenses, and consolidating statements of cash flows are presented for purposes of additional analysis and are not required parts of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2024 on our consideration of Community Catalyst Inc. and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community Catalyst Inc. and Subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Catalyst Inc. and Subsidiary's internal control over financial reporting and compliance.

*Johnson O'Connor Feron & Carucci LLP*

Wakefield, Massachusetts  
June 17, 2024



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Community Catalyst Inc. and Subsidiary

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Community Catalyst Inc. and Subsidiary (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 17, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Community Catalyst Inc. and Subsidiary's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Catalyst Inc. and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of Community Catalyst Inc. and Subsidiary's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Community Catalyst Inc. and Subsidiary's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Johnson O'Connor Feron & Carucci LLP*

Wakefield, Massachusetts  
June 17, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE**

To the Board of Directors  
Community Catalyst Inc. and Subsidiary

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Community Catalyst Inc. and Subsidiary's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Community Catalyst Inc. and Subsidiary's major federal program for the year ended December 31, 2023. Community Catalyst Inc. and Subsidiary's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Community Catalyst Inc. and Subsidiary complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Community Catalyst Inc. and Subsidiary and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Community Catalyst Inc. and Subsidiary's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Community Catalyst Inc. and Subsidiary's federal program.



### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Community Catalyst Inc. and Subsidiary's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Community Catalyst Inc. and Subsidiary's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Community Catalyst Inc. and Subsidiary's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Community Catalyst Inc. and Subsidiary's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Community Catalyst Inc. and Subsidiary's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Johnson O'Connor Feron & Carucci LLP*

Wakefield, Massachusetts  
June 17, 2024

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	December 31,	
	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 15,264,584	\$ 13,879,569
Investments	29,484,029	26,964,154
Certificates of deposit	1,219,755	183,507
Accounts receivable	186,030	358,068
Other receivables	45,919	31,932
Accrued interest receivable	60,232	33,103
Contributions and grants receivable - current	14,455,960	5,966,921
Due from related parties	30,646	28,253
Prepaid expenses	192,327	70,091
Total current assets	<u>60,939,482</u>	<u>47,515,598</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>27,131</u>	<u>81,387</u>
<b>OTHER ASSETS</b>		
Right of use assets - operating leases	360,747	1,080,666
Deferred rent	37,204	37,204
Contributions and grants receivable - non-current, net	2,168,378	765,363
Deposits	3,295	3,295
Total other assets	<u>2,569,624</u>	<u>1,886,528</u>
Total assets	<u><u>\$ 63,536,237</u></u>	<u><u>\$ 49,483,513</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of operating lease liabilities	\$ 412,418	\$ 807,681
Accounts payable and accrued expenses	741,031	1,211,118
Accrued employee benefits	447,035	352,484
Grants payable	1,749,600	1,968,649
Other liability	231,472	-
Refundable advance	268,371	-
Due to related party	9,500	19,500
Total current liabilities	<u>3,859,427</u>	<u>4,359,432</u>
<b>LONG-TERM LIABILITIES</b>		
Operating lease liabilities, less current portion	-	412,418
Grants payable, noncurrent	408,000	-
Total long-term liabilities	<u>408,000</u>	<u>412,418</u>
Total liabilities	<u>4,267,427</u>	<u>4,771,850</u>
<b>NET ASSETS</b>		
Net assets without donor restrictions		
Undesignated	30,048,141	26,002,564
Board designated	3,100,000	3,100,000
Total net assets without donor restrictions	<u>33,148,141</u>	<u>29,102,564</u>
Net assets with donor restrictions	<u>26,120,669</u>	<u>15,609,099</u>
Total net assets	<u>59,268,810</u>	<u>44,711,663</u>
Total liabilities and net assets	<u><u>\$ 63,536,237</u></u>	<u><u>\$ 49,483,513</u></u>

See notes to consolidated financial statements.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**

	Year Ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>PROGRAM AND SUPPORT REVENUE</b>			
Contributions and grants	\$ 1,550,730	\$ 50,356,431	\$ 51,907,161
Consulting services	922,607	-	922,607
Recoveries on uncollectible pledges	-	-	-
Uncollectible grants receivable	-	(299,824)	(299,824)
Return of unexpended grant funds	-	(231,472)	(231,472)
Net assets released from restrictions	39,313,565	(39,313,565)	-
Total program and support revenue	41,786,902	10,511,570	52,298,472
<b>OTHER INCOME (LOSS)</b>			
Net investment income (loss)	4,373,700	-	4,373,700
Other income	67,448	-	67,448
Total other income (loss)	4,441,148	-	4,441,148
<b>TOTAL REVENUES</b>	46,228,050	10,511,570	56,739,620
<b>EXPENSES</b>			
Program services	33,060,688	-	33,060,688
Management and general	8,097,316	-	8,097,316
Fundraising	1,024,469	-	1,024,469
Total expenses	42,182,473	-	42,182,473
Change in net assets	4,045,577	10,511,570	14,557,147
<b>NET ASSETS - BEGINNING OF YEAR</b>	29,102,564	15,609,099	44,711,663
<b>NET ASSETS - END OF YEAR</b>	\$ 33,148,141	\$ 26,120,669	\$ 59,268,810

See notes to consolidated financial statements.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**

	Year Ended December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>PROGRAM AND SUPPORT REVENUE</b>			
Contributions and grants	\$ 1,067,641	\$ 31,393,141	\$ 32,460,782
Consulting services	1,008,292	-	1,008,292
Recoveries on uncollectible pledges	126,166	-	126,166
Uncollectible grants receivable	-	-	-
Return of unexpended grant funds	-	-	-
Net assets released from restrictions	40,342,526	(40,342,526)	-
Total program and support revenue	42,544,625	(8,949,385)	33,595,240
<b>OTHER INCOME (LOSS)</b>			
Net investment income (loss)	(2,369,457)	-	(2,369,457)
Other income	4,690	-	4,690
Total other income (loss)	(2,364,767)	-	(2,364,767)
<b>TOTAL REVENUES</b>	40,179,858	(8,949,385)	31,230,473
<b>EXPENSES</b>			
Program services	32,929,541	-	32,929,541
Management and general	5,342,855	-	5,342,855
Fundraising	752,428	-	752,428
Total expenses	39,024,824	-	39,024,824
Change in net assets	1,155,034	(8,949,385)	(7,794,351)
<b>NET ASSETS - BEGINNING OF YEAR</b>	27,947,530	24,558,484	52,506,014
<b>NET ASSETS - END OF YEAR</b>	\$ 29,102,564	\$ 15,609,099	\$ 44,711,663

See notes to consolidated financial statements.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

	Year Ended December 31, 2023			
		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Subgrants	\$ 19,831,079	\$ -	\$ -	\$ 19,831,079
Payroll and related costs	7,459,450	4,401,130	984,838	12,845,418
Program consulting	4,530,905	1,359,039	-	5,889,944
Meetings and travel	1,104,068	275,670	15,847	1,395,585
Professional fees	23,001	864,512	7,800	895,313
Communications	5,986	507,961	-	513,947
Occupancy	7,332	353,008	-	360,340
Subscriptions	58,912	113,468	5,935	178,315
Equipment	21,881	53,933	5,353	81,167
Supplies and office expenses	17,575	58,268	4,696	80,539
Depreciation	-	54,256	-	54,256
Insurance	499	35,756	-	36,255
License and other fees	-	18,781	-	18,781
Rebranding	-	1,125	-	1,125
Advertising	-	409	-	409
Total expenses	<u>\$ 33,060,688</u>	<u>\$ 8,097,316</u>	<u>\$ 1,024,469</u>	<u>\$ 42,182,473</u>

See notes to consolidated financial statements.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

	Year Ended December 31, 2022			
		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Subgrants	\$ 17,325,655	\$ -	\$ -	\$ 17,325,655
Payroll and related costs	7,433,947	2,885,087	590,724	10,909,758
Program consulting	7,724,681	674,369	2,070	8,401,120
Meetings and travel	221,297	99,715	1,399	322,411
Professional fees	29,896	373,499	28,147	431,542
Communications	110,464	519,406	105,867	735,737
Occupancy	25,663	386,606	-	412,269
Subscriptions	35,199	169,778	6,376	211,353
Equipment	9,339	32,302	2,547	44,188
Supplies and office expenses	2,530	58,554	4,686	65,770
Depreciation	-	54,256	-	54,256
Insurance	-	36,669	-	36,669
License and other fees	-	2,028	-	2,028
Rebranding	10,506	49,032	10,507	70,045
Advertising	364	1,554	105	2,023
Total expenses	<u>\$ 32,929,541</u>	<u>\$ 5,342,855</u>	<u>\$ 752,428</u>	<u>\$ 39,024,824</u>

See notes to consolidated financial statements.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Years Ended December 31,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 14,557,147	\$ (7,794,351)
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Noncash lease expense	719,919	719,427
Amortization of discount on contributions and grants receivable	(23,652)	(60,107)
Depreciation	54,256	54,256
Amortization of bond premium	-	12,257
Net realized and unrealized (gains) losses on investments	(2,985,565)	2,718,491
(Increase) decrease in operating assets:		
Accounts receivable	172,038	(152,192)
Other receivables	(13,987)	134,813
Accrued interest receivable	(27,129)	(33,103)
Contributions and grants receivable	(9,868,402)	1,431,432
Due from related parties	(2,393)	21,603
Prepaid expenses	(122,236)	34,463
Deferred rent	-	(37,204)
Deposits	-	63,333
Increase (decrease) in operating liabilities:		
Operating lease liabilities	(807,681)	(787,502)
Accounts payable and accrued expenses	(470,087)	344,419
Accrued employee benefits	94,551	(15,001)
Grants payable	188,951	(107,116)
Other liability	231,472	-
Refundable advance	268,371	(1,094,185)
Due to related party	(10,000)	(80,500)
Deferred rent	-	51,502
Net cash provided (used) by operating activities	<u>1,955,573</u>	<u>(4,575,265)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(5,306,695)	(36,066,447)
Purchase of certificate of deposit	(1,036,248)	(220)
Proceeds from sale of investments	5,772,385	6,375,140
Net cash used in investing activities	<u>(570,558)</u>	<u>(29,691,527)</u>
Net increase (decrease) in cash and cash equivalents	1,385,015	(34,266,792)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>13,879,569</u>	<u>48,146,361</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 15,264,584</u>	<u>\$ 13,879,569</u>

See notes to consolidated financial statements.



**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

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	Years Ended December 31,	
	2023	2022
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION</b>		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 807,681	\$ 787,781
Right of use assets obtained in exchange for new operating lease liabilities	-	1,800,093

See notes to consolidated financial statements.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**1. STATEMENT OF PURPOSE**

**Community Catalyst –**

Community Catalyst Inc. (“CCI”) is a leading non-profit national health advocacy organization dedicated to advancing a movement for health equity and justice. CCI partners with local, state and national advocates to leverage and build power so all people can influence decisions that affect their health. Health systems will not be accountable to people without a fully engaged and organized community voice. That’s why CCI works every day to ensure people’s interests are represented wherever important decisions about health and health care are made: in communities, state houses and on Capitol Hill. CCI’s primary office is located in Boston, Massachusetts with other offices in New York.

**Community Catalyst Action Fund –**

Community Catalyst Action Fund, Inc. (the “Action Fund”) was incorporated on May 12, 2011. The Action Fund was created as an organization described under IRS section 501(c)(4) (social welfare organization) to ensure that national, state, and local health care policies and delivery systems meet community and individual needs by sponsoring and promoting public education, advocacy, community participation in policy-making, and collaboration among stake-holders and others dedicated to improving the nation's health care system. The Action Fund provides support for state-based health advocacy to ensure health reform reflects people’s interests and concerns, especially those of historically excluded populations.

The by-laws of the Action Fund provide that its Board of Directors shall be appointed by the Board of Community Catalyst Inc. In addition, the Action Fund has entered into a resource sharing agreement with CCI whereby CCI employees provide programmatic and support services, including accounting, fundraising, and other administrative services. It also reimburses CCI for shared office space and office equipment use.

**Community Catalyst operates a variety of programs listed as follows:**

**The Center for Consumer Engagement in Health Innovation** works directly with advocates to increase the skills and power they must establish to create a permanent and effective voice for consumers, particularly those with complex health and social needs. Collaborating with health plans, hospitals and providers, the Center seeks to incorporate the community experience into the design of systems of care. The Center works with state and federal policymakers to make systems more responsive to communities by advocating for policies that reduce inequities and improve health.

The Center also offers fee-based consulting services to help public programs, health plans, hospitals and health systems engage communities in meaningful ways to achieve health system transformation, driving better health outcomes and better business results.

**The State Consumer Health Advocacy Program** encompasses projects aimed at supporting and expanding the capacity of consumer advocates to participate in and influence public policy on a broad range of issues such as health care access, affordability, and equity; enrollment in health insurance; private insurance reform; and Medicaid expansion. It also encompasses Southern Health Partners, which works with advocacy organizations in 12 states to apply a regional approach to state health policy issues in the region.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**1. STATEMENT OF PURPOSE (Continued)**

**Together For Medicaid** is a partnership between Community Catalyst, the Center on Budget and Policy Priorities and the Georgetown University Center for Children and Families that creates advocacy campaigns with community-based organizations and a dynamic cohort of Medicaid expansion advocates to build demand for Medicaid expansion. The project centers people most affected by the lack of Medicaid coverage in these efforts.

**The Dental Access Project** partners with community advocates to identify and implement community-based solutions. This includes supporting state and tribal partners in creating policy change that helps people get quality, affordable dental care where and when they need it, in their own communities, with particular attention to communities of color, tribal communities and low-income populations, as well as other groups who have been ignored by or intentionally excluded from the current oral health delivery system.

**The Gender Equity and Health Justice Program** works to defend coverage gains, and to improve access to a wide range of health care services for women and families. The project has a particular focus on lifting up the voices of women who are rarely represented in health policy discussions, such as young women, women of color, immigrant women, older women, low-income women, transgender people, and LGBTQ+ women.

**The Hospital Equity and Accountability Project** is an effort designed to address the negative impact of hospital and health industry consolidation on systemically excluded communities — including Asian, Black, Indigenous, Latinx, and Pacific Islander communities, immigrants, women, LGBTQ+ people, people with disabilities, older adults, and rural residents. For this project, CCI collaborates with a cross-movement, national strategic working group on religious health restrictions as well as conducts state-specific work in New York.

**The Substance Use Disorders and Justice-Involved Populations Program** works to build broad based advocacy for new and proven strategies to address addiction and other misuse of drugs and alcohol. CCI helps people lead healthier lives by improving the quality of and access to health services and community supports. These services range from prevention and treatment to housing and transportation.

**The Consumer Solutions for Health Equity Program** seeks to make local health care systems more responsive to the needs of the community by elevating the voices, stories, and priorities of people who deserve a seat at the table. With funding support from the Robert Wood Johnson Foundation, CSHE provides grassroots organizations with resources needed to increase their ability to organize members, build partnerships with other constituencies, and develop effective communication—all of which are critical to shared decision-making.

**Vaccine Equity & Access Program (VEAP)** was developed with funding from the Centers for Disease Control and Prevention (CDC) to address vaccine confidence and increase influenza and COVID-19 vaccination coverage for adults in racial and/or ethnic populations experiencing dispiriting in the United States. The goal of the Vaccine Equity and Access Program is to increase vaccination coverage for adults in racial and/or ethnic populations experiencing disparities in the U.S.

**The Restuccia Health Justice Fellowship** is dedicated to supporting the growth and reach of diverse advocacy organizations and their leadership teams situated at the intersection of health equity, racial justice, and organizational transformation. The Fellowship's primary objective is to equip diverse teams within local, state, and national health advocacy organizations with the tools, resources, and teamwork they need to transform their organizations. From this, these organizations will be able to take greater strides towards health equity and racial justice.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**1. STATEMENT OF PURPOSE (Continued)**

**Voices for Health Justice Project** is building the power of health care consumer advocates with a focus on grassroots organizing, racial justice and anti-racism. The project provides grantees across several states financial resources and technical assistance based on Community Catalyst's system of advocacy. Each of these projects emphasizes building the power of people at the grassroots level to demand and win health system policy change at the national, state and local level.

**Organizing for Outreach** is focused on building partnerships with community-based organizations to connect with people who are more likely to be or become uninsured and help make the enrollment process much easier. By teaming up with existing groups that are embedded in communities—including national, state, and local organizations that excel in power building and community outreach efforts—CCI is able to reach people who are uninsured and inadequately-insured to make sure they know what kind of coverage they may be eligible for, and help them get enrolled. CCI supports on-the-ground outreach, offers tailored messages and resources, and brings partners together from across the country to discuss organizing and education strategies, successes, and challenges.

**The Community Benefit and Economic Stability Project** works with state and local partners to develop community-driven financial assistance practices and billing and collection policies. CCI is also involved in community engagement in health needs assessment to help hospitals better serve their communities and promote economic justice. This includes efforts to improve community benefit programming, hospital policies on financial assistance, and to end predatory billing and collection practices. CCI also provides a platform for people who have medical debt to share their experiences, which helps to shape policies aimed at reducing and eliminating medical debt.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of Consolidation –**

The members of the Board of Directors of CCI appoint the members of the Board of Directors of the Action Fund (referred to as CCI's Subsidiary in these consolidated financial statements).

Accordingly, these consolidated financial statements include the accounts of Community Catalyst Inc. and Subsidiary (collectively, the Organization). All significant inter-Organization balances and transactions have been eliminated in consolidation.

**Basis of Presentation –**

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting. Accordingly, assets are recorded when the Organization obtains the rights of ownership or is entitled to claim receipt, and liabilities are recorded when the obligation is incurred.

**Use of Estimates –**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Date of Management's Review –**

Subsequent events have been evaluated by management through June 17, 2024, the date the consolidated financial statements were available to be issued.

**Cash and Cash Equivalents –**

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

**Investments –**

Investments are reported at fair value based on quoted market prices. Dividend income is recorded as received or, in the case of dividends which are reinvested, at the time of reinvestment. Interest income is recorded as earned. Realized and unrealized gains or losses are included in the change in net assets without donor restrictions.

**Fair Value of Financial Instruments –**

The Organization follows ASC 820-10, *Fair Value Measurements*, which applies to reported balances that are required or permitted to be measured at fair market value under an existing accounting pronouncement. ASC 820-10 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the assets and liabilities, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fair Value of Financial Instruments (Continued) –**

ASC 825-10, *Financial Instruments*, permits an entity to measure many financial instruments and certain other assets and liabilities at fair value on an instrument-by-instrument basis. The Organization has not adopted any of the additional fair value options allowed in the standard. Management has determined that the fair value of its financial instruments not carried at fair value, including cash, prepaid expenses, payables, and accrued expenses, are substantially equivalent to their carrying values as of December 31, 2023 and 2022 because of their relatively short-term nature.

**Certificates of Deposit –**

Certificates of deposit are reported at face value plus accrued interest. The Organization's certificates of deposit bear interest at rates ranging from .18% to 4.655% and mature between March and May 2024.

**Accounts Receivable –**

Accounts receivable are recorded at the invoiced amount and do not bear interest. Accounts receivable are presented in the consolidated statements of financial position net of estimated credit losses. An allowance for expected credit losses is provided for accounts receivable considered to be uncollectible based upon consideration of disaggregated historical collection data, current conditions and reasonable and supportable forecasts regarding future conditions. Credit losses are written off against the allowance for credit losses when identified. There was no allowance for expected credit losses at December 31, 2023. There was no allowance for doubtful accounts at December 31, 2022.

**Contributions and Grants Receivable –**

Unconditional contributions and grants receivable that are expected to be collected within one year are recorded at net realizable value.

Unconditional contributions and grants expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contributions and grants revenue in the consolidated statements of activities.

The Organization determines the allowance for uncollectible contributions and grants receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions and grants receivable are written off when deemed uncollectable. At December 31, 2023 and 2022, contributions and grants receivable was determined to be fully collectible. As a result, there was no allowance for uncollectible contributions and grants receivable at December 31, 2023 and 2022.

**Property and Equipment –**

Property and equipment are recorded at cost if purchased or fair value if contributed. Routine maintenance and repairs are expensed as incurred. The Organization has a policy of capitalizing assets with a cost basis of \$5,000 or more. The Organization provides for depreciation of leasehold improvements using the straight-line method over the estimated life of the lease term or ten years, whichever is shorter.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Leases –**

The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Right-of-use (ROU) assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when it is readily determinable. Since most of the Organization's leases do not provide an implicit rate, to determine the present value of lease payments, management uses a risk-free discount rate at the commencement date. ROU assets also include any prepaid lease payments made and exclude any lease incentives. Lease expense for lease payments on operating leases is recognized on a straight-line basis over the lease term.

**Grants Payable –**

Grants authorized but unpaid at year-end are reported as liabilities. Grants to be paid more than one year after the financial statement date are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. In subsequent years, amortization of the discount is included in subgrants in the statements of functional expenses. Discounts are ratably amortized over the life of the grant utilizing the straight-line method. Grants payable at December 31, 2023 totaled \$2,157,600 with \$1,749,600 due in 2024 and \$408,000 due in 2025. At December 31, 2022, all grants payable were due within one year.

**Net Assets –**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition –**

Consulting service income is recognized as consulting and presentation services are performed, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for the services. Fees received in advance are deferred to the applicable period in which the related services are performed.

*Contract assets and liabilities* – The timing of revenue recognition may differ from the timing of invoicing to customers, and these timing differences result in receivables, contract assets (unbilled receivables), or contract liabilities (deferred revenue) on the Organization's consolidated statements of financial position.

For certain agreements that specify invoicing terms, the Organization records a contract asset related to revenue recognized upon transfer of control because it has an unconditional right to invoice and receive payment in the future related to those services. The Organization records deferred revenue when cash is received but the revenue has not been earned.

Accounts receivable were as follows:

	December 31,		January 1,
	2023	2022	2022
Accounts receivable	\$ 186,030	\$ 358,068	\$ 205,876

*Disaggregation of Revenue from Contracts with Customers* – Revenue totaling \$922,607 and \$1,008,292 for the years ended December 31, 2023 and 2022, respectively, was recognized over time.

**Employee Retention Tax Credits –**

The Employee Retention Tax Credit (ERTC) is a fully refundable tax credit for qualified wages (including qualified health plan expenses) that eligible employers pay their employees. The maximum amount of qualified wages taken into account with respect to each employee for all 2020 calendar quarters is \$10,000, of which 50% is eligible for the ERTC for a total maximum credit of \$5,000 per employee. The Consolidated Appropriations Act of 2021 (CAA) substantially and retroactively expanded the ERTC, allowing some employers not previously eligible under the CARES Act to now be eligible under the CAA and retroactively claim the credit on qualified wages. Changes under the CAA also included modifying and extending the ERTC for six months through June 30, 2021. As a result of the new legislation, eligible employers can now claim a refundable tax credit against the employer share of Social Security tax equal to 70% of the qualified wages (limited to \$10,000 per employee per calendar quarter in 2021) they pay to employees after December 31, 2020, through June 30, 2021. The American Rescue Plan Act of 2021 further extended the ERTC through December 31, 2021 but the Infrastructure Investment and Jobs Act ended the ERTC as of September 30, 2021. The maximum ERTC available is \$7,000 per employee per calendar quarter, for a total of \$21,000 for 2021.



**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Employee Retention Tax Credits (Continued) –**

During the year ended December 31, 2023, the Organization retroactively applied for the ERTC for qualified wages paid during the first and second quarters of 2020 and the first and second quarters of 2021 totaling \$1,430,000. The Organization has elected to account for the ERTC as a conditional grant in accordance with FASB ASC 958: *Not-for Profit Entities*. The Organization has determined that the conditions were met when the 941-X IRS forms were filed by the Organization in 2023, and therefore has recognized contribution and grant revenue totaling \$1,430,000 in the consolidated statements of activities for the year ended December 31, 2023. The Organization has also recognized a contribution and grant receivable totaling \$1,430,000 as of December 31, 2023 in the consolidated statements of financial position representing the amount of the ERTC not yet received.

**Income Taxes –**

CCI is organized as a Massachusetts nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3). The Action Fund was created as an organization described under IRS section 501(c)(4) (social welfare organization) in order to assist with the implementation of the Affordable Care Act (ACA).

The Organization is also exempt from Massachusetts state taxes. However, the Organization remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption.

The Organization regularly reviews and evaluates its tax positions taken in its filed returns and recognizes the benefit from a tax position only if it is more likely than not that the position would be sustained upon audit based solely on the technical merits of the tax position.

The Organization files federal and Massachusetts tax returns. The statute of limitations for these jurisdictions is generally three years. The Organization has no returns under examination as of December 31, 2023.

**Functional Expenses –**

The Organization allocates expenses on a functional basis among its programs and supporting services. Supporting services are those related to operating and managing the Organization and its programs on a day-to-day basis and are composed of the following:

*Management and general* – includes all activities related to the Organization’s internal management and accounting for program services.

*Fundraising* – includes activities related to maintaining contributor information, writing grant proposals, distribution of materials and other similar projects related to the procurement of funds for the Organization’s programs.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Functional Expenses (Continued) –**

Expenses that can be identified with a specific program or supporting service are allocated directly to those classifications. The consolidated financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. These expenses include personnel salaries, benefits, and payroll taxes. The allocation of these expenses between program services and management and general expenses are based on actual asset usage and estimates of time and effort. Allocations of functional expenses are based on management's discretion and estimates. These variables may change from year to year. As a result, there may be fluctuations in the comparative presentation of data from year to year.

**Advertising Expense –**

The Organization's policy is to expense advertising costs as incurred. Advertising expense for the years ended December 31, 2023 and 2022 was \$409 and \$2,023, respectively.

**Subgrants –**

Subgrants are recorded as expense when the disbursement is authorized by management or the Board of Directors depending on the nature of the grant award.

**Recently Adopted Accounting Pronouncements –**

In June 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The FASB also subsequently issued additional ASUs amending certain aspects of ASU 2016-13. ASU 2016-13 revises the accounting requirements related to the measurement of credit losses by shifting from the incurred loss model to the expected loss model whereby entities are required to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the consolidated financial statements at the net amount expected to be collected. Under the standard, disclosures are required to provide users of the consolidated financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were accounts receivable.

On January 1, 2023, the Organization adopted the new accounting standard and all of the related amendments using the modified retrospective method. The impact of the adoption was not considered material to the consolidated financial statements.

**Reclassifications –**

Certain amounts in the prior year's consolidated financial statements have been reclassified for comparative purposes to conform to the presentation in the current year's consolidated financial statements. These reclassifications have no effect on previously reported change in net assets

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**3. CONCENTRATIONS OF CREDIT AND MARKET RISK**

The Organization's financial instruments that are exposed to concentrations of credit and market risk consist primarily of cash and cash equivalents, investments and contributions and grants receivable.

**Cash and Cash Equivalents –**

The Organization maintains cash accounts at various Massachusetts banks. The Federal Deposit Insurance Corporation (FDIC) insures balances up to \$250,000. At certain times during the year, cash balances may exceed the insured amounts. On a regular basis, management monitors the financial condition of the financial institutions, along with their balances, to keep this potential risk to a minimum. To date, the Organization has not experienced losses in any of these accounts.

**Investments –**

The Organization invests in securities which are exposed to market and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes on the value of such investments, it is at least reasonably possible that changes in the near term could materially affect investment balances and the amounts reported in the consolidated financial statements.

**Contributions and Grants Receivable –**

Credit risk associated with contributions and grants receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the mission. At December 31, 2023 and 2022, approximately 86% and 55% of the Organization's contributions and grants receivable were due from one and two donors. Contributions from two funders comprised approximately 90% and 80% of the Organization's contributions and grants revenue during the years ended December 31, 2023 and 2022, respectively.

**4. LIQUIDITY AND FUNDS AVAILABLE**

The following table reflects the Organization's consolidated financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, contributions restricted by donors beyond one year, or specified purpose, or assets held for others.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**4. LIQUIDITY AND FUNDS AVAILABLE (Continued)**

	December 31,	
	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 15,264,584	\$ 13,879,569
Investments	29,484,029	26,964,154
Certificates of deposit	1,219,755	183,507
Accounts receivable	186,030	358,068
Other receivables	45,919	31,932
Accrued interest receivable	60,232	33,103
Contributions and grants receivable	16,624,338	6,732,284
Due from related parties	30,646	28,253
Financial assets, at year end	<u>62,915,533</u>	<u>48,210,870</u>
Less those unavailable for general expenditure within one year, due to:		
Board designated net assets	3,100,000	3,100,000
Donor restricted net assets for time and purpose	23,021,335	13,547,889
Donor restricted net assets for purpose	274,334	361,210
	<u>26,395,669</u>	<u>17,009,099</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 36,519,864</u>	<u>\$ 31,201,771</u>

The Organization receives significant contributions and grants restricted by donors and grantors, and considers contributions and grants restricted for programs which are ongoing and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. As part of the Organization's liquidity management plan, the Organization invests cash in excess of annual requirements in certificate of deposits and has access to two lines of credit with a combined funding limit of \$4,500,000, if necessary, to meet cash flow demands of operations, as disclosed in Note 9.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**5. INVESTMENTS**

Investments consisted of the following:

	December 31,	
	2023	2022
Equities	\$ 14,557,605	\$ 15,520,506
U.S. treasury securities	4,310,750	6,924,369
Fixed income	3,802,027	-
Mutual funds	3,800,081	567,793
Exchange traded funds	2,254,240	1,953,825
U.S. corporate bonds	401,343	1,788,599
Real estate investment trusts	357,983	209,062
	<u>\$ 29,484,029</u>	<u>\$ 26,964,154</u>

Net investment income (loss) consists of the following:

	December 31,	
	2023	2022
Net unrealized gain (loss)	\$ 3,023,970	\$ (2,334,560)
Interest and dividend income	1,554,480	464,619
Net realized loss	(38,405)	(383,931)
Less: Investment advisory fees	(166,345)	(115,585)
Total net investment income (loss)	<u>\$ 4,373,700</u>	<u>\$ (2,369,457)</u>

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**6. FAIR VALUE MEASUREMENTS**

The following tables summarize the Organization's fair value hierarchy for its financial assets measured at fair value on a recurring basis, using quoted prices in active market for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

Description of Assets	Assets at Fair Value as of December 31, 2023			
	Total	Level 1	Level 2	Level 3
Equities	\$ 14,557,605	\$ 14,557,605	\$ -	\$ -
U.S. treasury securities	4,310,750	4,310,750	-	-
Fixed income	3,802,027	3,802,027	-	-
Mutual funds	3,800,081	3,800,081	-	-
Exchange traded funds	2,254,240	2,254,240	-	-
U.S. corporate bonds	401,343	401,343	-	-
Real estate investment trusts	357,983	357,983	-	-
Total assets measured at fair value	<u>\$ 29,484,029</u>	<u>\$ 29,484,029</u>	<u>\$ -</u>	<u>\$ -</u>

Description of Assets	Assets at Fair Value as of December 31, 2022			
	Total	Level 1	Level 2	Level 3
Equities	\$ 15,520,506	\$ 15,520,506	\$ -	\$ -
U.S. treasury securities	6,924,369	6,924,369	-	-
Fixed income	-	-	-	-
Mutual funds	567,793	567,793	-	-
Exchange traded funds	1,953,825	1,953,825	-	-
U.S. corporate bonds	1,788,599	1,788,599	-	-
Real estate investment trusts	209,062	209,062	-	-
Total assets measured at fair value	<u>\$ 26,964,154</u>	<u>\$ 26,964,154</u>	<u>\$ -</u>	<u>\$ -</u>

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**7. CONTRIBUTIONS AND GRANTS RECEIVABLE**

Contributions and grants receivable are due to be collected as follows:

	December 31,	
	2023	2022
Unconditional contributions and grants receivable	\$ 16,708,254	\$ 6,763,453
Less: Unamortized discount	83,916	31,169
Contributions and grants receivable, net	<u>\$ 16,624,338</u>	<u>\$ 6,732,284</u>
Amount due in:		
Less than one year	\$ 14,455,960	\$ 5,966,921
One to five years	2,252,294	796,532
Less: Unamortized discount	83,916	31,169
	<u>\$ 16,624,338</u>	<u>\$ 6,732,284</u>

Amounts as of December 31, 2023 and 2022 were discounted to their present value using a rate of 3.87%.

**8. PROPERTY AND EQUIPMENT, NET**

Property and equipment, net consist of the following:

	December 31,	
	2023	2022
Leasehold improvements	\$ 499,815	\$ 499,815
Less: Accumulated depreciation	472,684	418,428
	<u>\$ 27,131</u>	<u>\$ 81,387</u>

Depreciation expense totaled \$54,256 for each of the years ended December 31, 2023 and 2022.

**9. LINES OF CREDIT**

The Organization has a revolving line of credit agreement with a bank. The agreement provides for borrowings up to \$500,000. Borrowings under the line of credit shall bear interest floating monthly at the Wall Street Journal Prime Rate minus 1.00%, as published from time to time, per annum subject to an interest rate floor of 3.50%. There was no outstanding balance on the line of credit at December 31, 2023 and 2022.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**9. LINES OF CREDIT (Continued)**

The Organization entered into a demand line of credit agreement with a bank during the year ended December 31, 2023. The agreement provides for borrowings up to \$4,000,000. Borrowings under the line of credit shall bear interest at the Wall Street Journal Prime Rate minus 2.00%, as published from time to time, per annum subject to an interest rate floor of 3.25%. There was no outstanding balance on the line of credit at December 31, 2023.

**10. NET ASSETS WITH DONOR RESTRICTIONS**

Net asset with donor restrictions consisted of the following balances:

	Year Ended December 31, 2023		
	Community Catalyst	Action Fund	Total
Subject to the passage of time and expenditure for specified purpose:			
Voices for Health Justice Project	\$ 12,752,187	\$ -	\$ 12,752,187
Coverage and Care	6,396,967	-	6,396,967
Pathways to Affordable Coverage	1,578,435	-	1,578,435
The Center for Consumer Engagement in Health Innovation	1,159,190	-	1,159,190
The State Consumer Health Advocacy Program	103,424	199,018	302,442
Hospital Equity and Accountability Project	268,088	-	268,088
Gender Equity and Health Justice Program	210,853	-	210,853
The Dental Access Project	190,053	-	190,053
The Substance Use Disorders and Justice-Involved Populations Program	163,120	-	163,120
The Consumer Solutions for Health Equity Program	-	-	-
Together for Medicaid	-	-	-
Restuccia Health Justice Fellowship	-	-	-
	<u>22,822,317</u>	<u>199,018</u>	<u>23,021,335</u>
Subject to expenditure for a specified purpose:			
The State Consumer Health Advocacy Program	<u>-</u>	<u>274,334</u>	<u>274,334</u>
Subject to the passage of time:			
General operating	<u>2,825,000</u>	<u>-</u>	<u>2,825,000</u>
Total net assets with donor restrictions	<u>\$ 25,647,317</u>	<u>\$ 473,352</u>	<u>\$ 26,120,669</u>



**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**10. NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

	Year Ended December 31, 2022		
	Community Catalyst	Action Fund	Total
Subject to the passage of time and expenditure for specified purpose:			
Voices for Health Justice Project	\$ 501,935	\$ -	\$ 501,935
Coverage and Care	-	-	-
Pathways to Affordable Coverage	598,378		598,378
The Center for Consumer Engagement in Health Innovation	3,316,363	-	3,316,363
The State Consumer Health Advocacy Program	3,899,957	115,751	4,015,708
Hospital Equity and Accountability Project	378,796	-	378,796
Gender Equity and Health Justice Program	595,662	-	595,662
The Dental Access Project	428,286	-	428,286
The Substance Use Disorders and Justice-Involved Populations Program	555,602		555,602
The Consumer Solutions for Health Equity Program	2,091,633	-	2,091,633
Together for Medicaid	705,911	-	705,911
Restuccia Health Justice Fellowship	359,615		359,615
	<u>13,432,138</u>	<u>115,751</u>	<u>13,547,889</u>
Subject to expenditure for a specified purpose:			
The State Consumer Health Advocacy Program	<u>10,100</u>	<u>351,110</u>	<u>361,210</u>
Subject to the passage of time:			
General operating	<u>1,700,000</u>	<u>-</u>	<u>1,700,000</u>
Total net assets with donor restrictions	<u>\$ 15,142,238</u>	<u>\$ 466,861</u>	<u>\$ 15,609,099</u>

Certain assets with donor restrictions were released from restriction during the years ended December 31, 2023 and 2022 by satisfaction of the restricted purpose specified by the donor, by the occurrence of the passage of time, or both, and were reclassified as net assets without donor restrictions as follows:

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**10. NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

	Year Ended December 31, 2023		
	Community Catalyst	Action Fund	Total
Releases from purpose and time restrictions:			
Voices for Health Justice Project	\$ 6,649,748	\$ -	\$ 6,649,748
Coverage and Care	5,493,033	-	5,493,033
Pathways to Affordable Coverage	3,781,233	-	3,781,233
The Center for Consumer Engagement in Health Innovation	2,229,784	-	2,229,784
The Consumer Solutions for Health Equity Program	1,620,337	-	1,620,337
The State Consumer Health Advocacy Program	1,499,554	116,733	1,616,287
The Dental Access Project	838,809	-	838,809
Together for Medicaid	705,911	-	705,911
The Substance Use Disorders and Justice-Involved Populations Program	392,482	-	392,482
Hospital Equity and Accountability Project	322,165	-	322,165
Restuccia Health Justice Fellowship	299,615	-	299,615
Gender Equity and Health Justice Program	173,352	-	173,352
Total releases from purpose and time restrictions	<u>24,006,023</u>	<u>116,733</u>	<u>24,122,756</u>
Releases from purpose restrictions:			
Vaccine Equity & Access Program	12,279,850	-	12,279,850
Voices for Health Justice Project	500,000	-	500,000
The State Consumer Health Advocacy Program	10,100	76,776	86,876
The Dental Access Project	66,000	-	66,000
The Substance Use Disorders and Justice-Involved Populations Program	50,000	-	50,000
The Center for Consumer Engagement in Health Innovation	33,083	-	33,083
Total releases from purpose restrictions	<u>12,939,033</u>	<u>76,776</u>	<u>13,015,809</u>
Releases from time restrictions:			
General operations	2,175,000	-	2,175,000
Total releases from time restrictions	<u>2,175,000</u>	<u>-</u>	<u>2,175,000</u>
Total net assets released	<u>\$ 39,120,056</u>	<u>\$ 193,509</u>	<u>\$ 39,313,565</u>

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**10. NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

	Year Ended December 31, 2022		
	Community Catalyst	Action Fund	Total
Releases from purpose and time restrictions:			
Voices for Health Justice Project	\$ 2,547,223	\$ -	\$ 2,547,223
Coverage and Care	-	-	-
Pathways to Affordable Coverage	1,490,123	-	1,490,123
The Center for Consumer Engagement in Health Innovation	2,269,784	-	2,269,784
The Consumer Solutions for Health Equity Program	1,142,356	-	1,142,356
The State Consumer Health Advocacy Program	9,575,231	255,479	9,830,710
The Dental Access Project	1,402,907	-	1,402,907
Together for Medicaid	4,731,334	-	4,731,334
The Substance Use Disorders and Justice-Involved Populations Program	500,626	-	500,626
Hospital Equity and Accountability Project	194,397	-	194,397
Restuccia Health Justice Fellowship	522,858	-	522,858
Gender Equity and Health Justice Program	304,291	-	304,291
Total releases from purpose and time restrictions	<u>24,681,130</u>	<u>255,479</u>	<u>24,936,609</u>
Releases from purpose restrictions:			
Vaccine Equity & Access Program	13,186,584	-	13,186,584
Voices for Health Justice Project	-	-	-
The State Consumer Health Advocacy Program	-	40,220	40,220
The Dental Access Project	60,000	-	60,000
The Substance Use Disorders and Justice-Involved Populations Program	-	-	-
The Center for Consumer Engagement in Health Innovation	-	-	-
Total releases from purpose restrictions	<u>13,246,584</u>	<u>40,220</u>	<u>13,286,804</u>
Releases from time restrictions:			
	<u>2,119,113</u>	<u>-</u>	<u>2,119,113</u>
Total releases from time restrictions	<u>2,119,113</u>	<u>-</u>	<u>2,119,113</u>
Total net assets released	<u>\$ 40,046,827</u>	<u>\$ 295,699</u>	<u>\$ 40,342,526</u>

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**11. NET ASSETS WITHOUT DONOR RESTRICTIONS – BOARD DESIGNATED**

During the year ended December 31, 2022, the board of directors established a reserve fund designated for general operations. At December 31, 2023 and 2022, the reserve fund totaled \$3,100,000, respectively. The reserve can only be drawn upon with authorization from the board of directors.

**12. CONDITIONAL CONTRIBUTIONS**

During the years ended December 31, 2023 and 2022, the Organization received federal grants from the Department of Health and Human Services' Centers for Disease Control and Prevention in the amounts of \$11,329,313 and \$12,471,619, respectively. The federal grants are subject to conditions of spending the funds on allowable expenses and other costs. Amounts considered conditional and not recognized on these grants at December 31, 2023 and 2022 totaled \$2,113,683 and 3,064,220, respectively.

During the year ended December 31, 2023, the Organization applied for and obtained a federal grant from the Department of Health and Human Services' Administration for Community Living in the amount of \$1,333,333. The federal grant is subject to conditions of spending the funds on allowable expenses and other costs. Amounts considered conditional and not recognized on this grant at December 31, 2023 totaled \$1,300,250.

During the years ended December 31, 2023 and 2022, the Organization was awarded various grants which were subject to conditions that based on the Organization meeting certain criteria in accordance with the respective grant agreements totaling \$315,351 and \$1,225,328, respectively. Amounts considered conditional and not recognized on these grants at December 31, 2023 and 2022 totaled \$63,428 and \$112,647, respectively.

**13. RETIREMENT PLAN**

The Organization maintains a 401(k)-plan covering substantially all of its employees who meet certain eligibility requirements. The plan is funded by voluntary employee contributions and allows for employer contributions of up to 5% of each employee's annual salary (3% non-elective employer safe harbor contribution plus 2% elective employer profit sharing contribution).

During the years ended December 31, 2023 and 2022, the Organization made contributions to the plan totaling \$372,071 and \$335,136, respectively.

**14. LEASES**

The Organization leases certain office space and equipment. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization subleases certain office space to third parties. The Organization's sublease portfolio consists of operating leases with four tenants for space within the office.

Subsequent to year end, the Organization entered into an operating office lease that will commence in July 2024 and terminate in November 2029 with total lease payment obligations of \$1,309,780 due over the 65-month lease period.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**14. LEASES (Continued)**

The following summarizes the line items in the consolidated statements of functional expenses which include the components of lease expense:

Lease Cost	Years Ended December 31,	
	2023	2022
Operating lease expense (a)	\$ 844,472	\$ 760,561
Sublease income	(385,451)	(349,857)
Net lease cost	<u>\$ 459,021</u>	<u>\$ 410,704</u>

(a) Includes short-term lease costs of \$18,409 and \$24,636 for the years ended December 31, 2023 and 2022, respectively, and variable lease costs of \$12,482 for the years ended December 31, 2023 and 2022, respectively.

The following summarizes the weighted average remaining lease term discount rate:

	December 31,	
	2023	2022
Weighted-Average Remaining Lease Term (Years)		
Operating leases	0.5	1.5
Weighted-Average Discount Rate		
Operating leases	0.00%	0.00%

The maturities of operating lease liabilities as of December 31, 2023 were as follows:

<u>Year Ending December 31,</u>	
2024	\$ 412,418
Total future lease commitments	412,418
Less: imputed interest	-
Present value of lease liabilities	412,418
Less: current portion of lease liabilities	412,418
Lease liabilities, net of current portion	<u>\$ -</u>

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**15. RELATED PARTY TRANSACTIONS**

CCI and Health Care For All, Inc. (HCFA) signed a partnership agreement in December 1999, under which the two organizations share operations and financial infrastructure; divide work and funding in their mutual field of health care reform between them; and continue together to build a movement for health care reform. The terms of that agreement also state the Executive Directors of HCFA and CCI will each serve on the Board of Directors of the partner organization.

CCI shares certain administrative and other operational costs with HCFA and Health Law Advocates, Inc (HLA), a subsidiary of HCFA. Costs incurred on behalf of HCFA and HLA during the year ended December 31, 2023 totaled \$15,809 and \$5,028, respectively, which are reflected in the accompanying consolidated statements of activities as a reduction of other income. Costs incurred on behalf of HCFA and HLA during the year ended December 31, 2022 totaled \$28,467 and \$20,803, respectively, which are reflected in the accompanying consolidated statements of activities as a reduction of other income. Funds received from HCFA and HLA as reimbursement for these costs during the years ended December 31, 2023 and 2022 totaled \$16,503 and \$36,110, respectively.

The amount due to CCI from HCFA totaled \$29,778 and \$22,809 as of December 31, 2023 and 2022, respectively. The amount due to CCI from HLA totaled \$868 and \$5,444 as of December 31, 2023 and 2022, respectively. These amounts are included in due from related parties on the consolidated statements of financial position.

The Organization also made subgrants to HCFA during the years ended December 31, 2023 and 2022 totaling \$344,705 and \$185,500, respectively. The amounts due from CCI to HCFA totaled \$9,500 and \$19,500 as of December 31, 2023 and 2022, respectively. These amounts are included in due to related party on the consolidated statements of financial position.

**16. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Determination of the federal major program was made using a risk-based approach. For the years ended December 31, 2023 and 2022, CCI did not qualify as a low-risk auditee. The major program tested is disclosed as such in the Schedule of Findings and Questioned Costs.

**COMMUNITY CATALYST INC. AND SUBSIDIARY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**(1) Summary of Auditors' Results**

**Consolidated Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiencies identified? ☐ Yes ☒ No

Noncompliance material to consolidated financial statements noted? ☐ Yes ☒ No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiencies identified? ☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance 2 CFR section 200.516(a)? ☐ Yes ☒ No

**Major programs:**

<u>Assistance listing #:</u>	<u>Name of federal program:</u>
93.185	Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

**COMMUNITY CATALYST INC. AND SUBSIDIARY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**(2) Findings – Financial Statement Audit**

None

**(3) Findings and Questioned Costs – Major Federal Program**

None

**(4) Status of Prior Year Findings**

None



## **SUPPLEMENTARY INFORMATION**

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2023**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures(\$)</i>
<b>Other Programs</b>				
Department of Health and Human Services				
Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects				
Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects - Year Two	93.185	Community Catalyst Vaccine Equity and Access Program -- 5 NH23IP922653-02-00	\$ 1,098,250	\$ 3,064,220
Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects - Year Three	93.185	Community Catalyst Vaccine Equity and Access Program -- 5 NH23IP922653-03-00	6,533,625	9,215,630
Total Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects				12,279,850
National Family Caregiver Support				
National Family Caregiver Support	93.052	Amplifying the Power of Family Caregiver Voices: A National Call to Action -- 90CGPS0001-01-00	-	33,083
Total National Family Caregiver Support				33,083
Total Department of Health and Human Services				12,312,933
<b>Total Other Programs</b>				12,312,933
<b>Total Expenditures of Federal Awards</b>			\$ 7,631,875	\$ 12,312,933

The accompanying notes are an integral part of this schedule.

See independent auditors' report.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2023**

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**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Community Catalyst, Inc. (the Organization) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, Cost Principles for Non-Profit Organizations, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. INDIRECT COST RATE**

The Organization executed a Negotiated Indirect Cost Rate Agreement during the year ended December 31, 2023 and, therefore, did not utilize the 10% de minimis indirect cost rate on its federal award during the year ended December 31, 2023.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

	December 31, 2023			
	Community Catalyst, Inc	Community Catalyst Action Fund, Inc	Elimination	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 14,595,143	\$ 669,441	\$ -	\$ 15,264,584
Investments	29,484,029	-	-	29,484,029
Certificates of deposit	1,219,755	-	-	1,219,755
Accounts receivable	186,030	-	-	186,030
Other receivables	45,919	-	-	45,919
Accrued interest receivable	60,232	-	-	60,232
Contributions and grants receivable - current	14,455,460	500	-	14,455,960
Due from related parties	850,562	-	(819,916)	30,646
Prepaid expenses	192,327	-	-	192,327
Total current assets	<u>61,089,457</u>	<u>669,941</u>	<u>(819,916)</u>	<u>60,939,482</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>27,131</u>	<u>-</u>	<u>-</u>	<u>27,131</u>
<b>OTHER ASSETS</b>				
Right of use assets - operating leases	360,747	-	-	360,747
Deferred rent	37,204	-	-	37,204
Contributions and grants receivable - non - current, net	2,168,378	-	-	2,168,378
Deposits	3,295	-	-	3,295
Total other assets	<u>2,569,624</u>	<u>-</u>	<u>-</u>	<u>2,569,624</u>
Total assets	<u>\$ 63,686,212</u>	<u>\$ 669,941</u>	<u>\$ (819,916)</u>	<u>\$ 63,536,237</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Current portion of operating lease liabilities	\$ 412,418	\$ -	\$ -	\$ 412,418
Accounts payable and accrued expenses	732,053	8,978	-	741,031
Accrued employee benefits	447,035	-	-	447,035
Grants payable, current	1,749,600	-	-	1,749,600
Other liability	231,472	-	-	231,472
Refundable advance	268,371	-	-	268,371
Due to related party	788,043	41,373	(819,916)	9,500
Total current liabilities	<u>4,628,992</u>	<u>50,351</u>	<u>(819,916)</u>	<u>3,859,427</u>
<b>LONG-TERM LIABILITIES</b>				
Operating lease liabilities, less current portion	-	-	-	-
Grants payable, noncurrent	408,000	-	-	408,000
Total long-term liabilities	<u>408,000</u>	<u>-</u>	<u>-</u>	<u>408,000</u>
Total liabilities	<u>5,036,992</u>	<u>50,351</u>	<u>(819,916)</u>	<u>4,267,427</u>
<b>NET ASSETS</b>				
Net assets without donor restrictions				
Undesignated	29,901,903	146,238	-	30,048,141
Board designated	3,100,000	-	-	3,100,000
Total net assets without donor restrictions	<u>33,001,903</u>	<u>146,238</u>	<u>-</u>	<u>33,148,141</u>
Net assets with donor restrictions	<u>25,647,317</u>	<u>473,352</u>	<u>-</u>	<u>26,120,669</u>
Total net assets	<u>58,649,220</u>	<u>619,590</u>	<u>-</u>	<u>59,268,810</u>
Total liabilities and net assets	<u>\$ 63,686,212</u>	<u>\$ 669,941</u>	<u>\$ (819,916)</u>	<u>\$ 63,536,237</u>

See independent auditors' report.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

	December 31, 2022			
	Community Catalyst, Inc	Community Catalyst Action Fund, Inc	Elimination	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 13,219,698	\$ 659,871	\$ -	\$ 13,879,569
Investments	26,964,154	-	-	26,964,154
Certificates of deposit	183,507	-	-	183,507
Accounts receivable	358,068	-	-	358,068
Other receivables	31,932	-	-	31,932
Accrued interest receivable	33,103	-	-	33,103
Contributions and grants receivable - current	5,966,921	-	-	5,966,921
Due from related parties	471,435	-	(443,182)	28,253
Prepaid expenses	70,091	-	-	70,091
Total current assets	<u>47,298,909</u>	<u>659,871</u>	<u>(443,182)</u>	<u>47,515,598</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>81,387</u>	<u>-</u>	<u>-</u>	<u>81,387</u>
<b>OTHER ASSETS</b>				
Right of use assets - operating leases	1,080,666	-	-	1,080,666
Deferred rent	37,204	-	-	37,204
Contributions and grants receivable - non - current, net	765,363	-	-	765,363
Deposits	3,295	-	-	3,295
Total other assets	<u>1,886,528</u>	<u>-</u>	<u>-</u>	<u>1,886,528</u>
Total assets	<u>\$ 49,266,824</u>	<u>\$ 659,871</u>	<u>\$ (443,182)</u>	<u>\$ 49,483,513</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Current portion of operating lease liabilities	\$ 807,681	\$ -	\$ -	\$ 807,681
Accounts payable and accrued expenses	1,196,209	14,909	-	1,211,118
Accrued employee benefits	352,484	-	-	352,484
Grants payable, current	1,968,649	-	-	1,968,649
Other liability	-	-	-	-
Refundable advance	-	-	-	-
Due to related party	439,774	22,908	(443,182)	19,500
Total current liabilities	<u>4,764,797</u>	<u>37,817</u>	<u>(443,182)</u>	<u>4,359,432</u>
<b>LONG-TERM LIABILITIES</b>				
Operating lease liabilities, less current portion	412,418	-	-	412,418
Grants payable, noncurrent	-	-	-	-
Total long-term liabilities	<u>412,418</u>	<u>-</u>	<u>-</u>	<u>412,418</u>
Total liabilities	<u>5,177,215</u>	<u>37,817</u>	<u>(443,182)</u>	<u>4,771,850</u>
<b>NET ASSETS</b>				
Net assets without donor restrictions				
Undesignated	25,847,371	155,193	-	26,002,564
Board designated	3,100,000	-	-	3,100,000
Total net assets without donor restrictions	<u>28,947,371</u>	<u>155,193</u>	<u>-</u>	<u>29,102,564</u>
Net assets with donor restrictions	<u>15,142,238</u>	<u>466,861</u>	<u>-</u>	<u>15,609,099</u>
Total net assets	<u>44,089,609</u>	<u>622,054</u>	<u>-</u>	<u>44,711,663</u>
Total liabilities and net assets	<u>\$ 49,266,824</u>	<u>\$ 659,871</u>	<u>\$ (443,182)</u>	<u>\$ 49,483,513</u>

See independent auditors' report.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**

Year Ended December 31, 2023								
	Community Catalyst, Inc.			Community Catalyst Action Fund, Inc.			Elimination	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
<b>PROGRAM AND SUPPORT REVENUE</b>								
Contributions and grants	\$ 1,550,230	\$ 50,156,431	\$ 51,706,661	\$ 500	\$ 200,000	\$ 200,500	\$ -	\$ 51,907,161
Consulting services	922,607	-	922,607	-	-	-	-	922,607
Recoveries on uncollectible pledges	-	-	-	-	-	-	-	-
Uncollectible grants receivable	-	(299,824)	(299,824)	-	-	-	-	(299,824)
Return of unexpended grant funds	-	(231,472)	(231,472)	-	-	-	-	(231,472)
Net assets released from restrictions	39,120,056	(39,120,056)	-	193,509	(193,509)	-	-	-
Total program and support revenue	41,592,893	10,505,079	52,097,972	194,009	6,491	200,500	-	52,298,472
<b>OTHER INCOME (LOSS)</b>								
Net investment income (loss)	4,356,127	-	4,356,127	17,573	-	17,573	-	4,373,700
Other income	67,448	-	67,448	-	-	-	-	67,448
Total other income (loss)	4,423,575	-	4,423,575	17,573	-	17,573	-	4,441,148
<b>TOTAL REVENUES</b>	<b>46,016,468</b>	<b>10,505,079</b>	<b>56,521,547</b>	<b>211,582</b>	<b>6,491</b>	<b>218,073</b>	<b>-</b>	<b>56,739,620</b>
<b>EXPENSES</b>								
Program services	32,956,232	-	32,956,232	104,456	-	104,456	-	33,060,688
Management and general	7,983,127	-	7,983,127	114,189	-	114,189	-	8,097,316
Fundraising	1,022,577	-	1,022,577	1,892	-	1,892	-	1,024,469
Total expenses	41,961,936	-	41,961,936	220,537	-	220,537	-	42,182,473
Change in net assets	4,054,532	10,505,079	14,559,611	(8,955)	6,491	(2,464)	-	14,557,147
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>28,947,371</b>	<b>15,142,238</b>	<b>44,089,609</b>	<b>155,193</b>	<b>466,861</b>	<b>622,054</b>	<b>-</b>	<b>44,711,663</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 33,001,903</b>	<b>\$ 25,647,317</b>	<b>\$ 58,649,220</b>	<b>\$ 146,238</b>	<b>\$ 473,352</b>	<b>\$ 619,590</b>	<b>\$ -</b>	<b>\$ 59,268,810</b>

See independent auditors' report.

# COMMUNITY CATALYST INC. AND SUBSIDIARY

## CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended December 31, 2022								
	Community Catalyst, Inc.			Community Catalyst Action Fund, Inc.			Elimination	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
<b>PROGRAM AND SUPPORT REVENUE</b>								
Contributions and grants	\$ 1,067,641	\$ 31,193,141	\$ 32,260,782	\$ -	\$ 200,000	\$ 200,000	\$ -	\$ 32,460,782
Consulting services	1,008,292	-	1,008,292	-	-	-	-	1,008,292
Recoveries on uncollectible pledges	126,166	-	126,166	-	-	-	-	126,166
Uncollectible grants receivable	-	-	-	-	-	-	-	-
Return of unexpended grant funds	-	-	-	-	-	-	-	-
Net assets released from restrictions	40,046,827	(40,046,827)	-	295,699	(295,699)	-	-	-
Total program and support revenue	42,248,926	(8,853,686)	33,395,240	295,699	(95,699)	200,000	-	33,595,240
<b>OTHER INCOME (LOSS)</b>								
Net investment income (loss)	(2,370,391)	-	(2,370,391)	934	-	934	-	(2,369,457)
Other income	4,690	-	4,690	-	-	-	-	4,690
Total other income (loss)	(2,365,701)	-	(2,365,701)	934	-	934	-	(2,364,767)
<b>TOTAL REVENUES</b>	<b>39,883,225</b>	<b>(8,853,686)</b>	<b>31,029,539</b>	<b>296,633</b>	<b>(95,699)</b>	<b>200,934</b>	<b>-</b>	<b>31,230,473</b>
<b>EXPENSES</b>								
Program services	32,697,110	-	32,697,110	232,431	-	232,431	-	32,929,541
Management and general	5,206,592	-	5,206,592	136,263	-	136,263	-	5,342,855
Fundraising	738,530	-	738,530	13,898	-	13,898	-	752,428
Total expenses	38,642,232	-	38,642,232	382,592	-	382,592	-	39,024,824
Change in net assets	1,240,993	(8,853,686)	(7,612,693)	(85,959)	(95,699)	(181,658)	-	(7,794,351)
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>27,706,378</b>	<b>23,995,924</b>	<b>51,702,302</b>	<b>241,152</b>	<b>562,560</b>	<b>803,712</b>	<b>-</b>	<b>52,506,014</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 28,947,371</b>	<b>\$ 15,142,238</b>	<b>\$ 44,089,609</b>	<b>\$ 155,193</b>	<b>\$ 466,861</b>	<b>\$ 622,054</b>	<b>\$ -</b>	<b>\$ 44,711,663</b>

See independent auditors' report.

**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2023									
	Community Catalyst, Inc.				Community Catalyst Action Fund, Inc.				
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total	
Subgrants	\$ 19,801,079	\$ -	\$ -	\$ 19,801,079	\$ 30,000	\$ -	\$ -	\$ 30,000	\$ 19,831,079
Payroll and related costs	7,452,266	4,347,931	984,838	12,785,035	7,184	53,199	-	60,383	12,845,418
Program consulting	4,466,493	1,359,039	-	5,825,532	64,412	-	-	64,412	5,889,944
Meetings and travel	1,101,208	275,670	15,847	1,392,725	2,860	-	-	2,860	1,395,585
Professional fees	23,001	852,991	7,800	883,792	-	11,521	-	11,521	895,313
Communications	5,986	507,961	-	513,947	-	-	-	-	513,947
Occupancy	7,332	353,008	-	360,340	-	-	-	-	360,340
Subscriptions	58,912	104,013	5,935	168,860	-	9,455	-	9,455	178,315
Equipment	21,881	53,933	5,353	81,167	-	-	-	-	81,167
Supplies and office expenses	17,575	38,160	2,804	58,539	-	20,108	1,892	22,000	80,539
Depreciation	-	54,256	-	54,256	-	-	-	-	54,256
Insurance	499	35,756	-	36,255	-	-	-	-	36,255
License and other fees	-	-	-	-	-	18,781	-	18,781	18,781
Rebranding	-	-	-	-	-	1,125	-	1,125	1,125
Advertising	-	409	-	409	-	-	-	-	409
Total expenses	<u>\$ 32,956,232</u>	<u>\$ 7,983,127</u>	<u>\$ 1,022,577</u>	<u>\$ 41,961,936</u>	<u>\$ 104,456</u>	<u>\$ 114,189</u>	<u>\$ 1,892</u>	<u>\$ 220,537</u>	<u>\$ 42,182,473</u>

See independent auditors' report.



**COMMUNITY CATALYST INC. AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2022										
	Community Catalyst, Inc.				Community Catalyst Action Fund, Inc.				Eliminations	Total
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total		
Subgrants	\$ 17,202,766	\$ -	\$ -	\$ 17,202,766	\$ 122,889	\$ -	\$ -	\$ 122,889	\$ -	\$ 17,325,655
Payroll and related costs	7,408,011	2,841,725	587,333	10,837,069	25,936	43,362	3,391	72,689	-	10,909,758
Program consulting	7,651,581	674,369	2,070	8,328,020	73,100	-	-	73,100	-	8,401,120
Meetings and travel	221,297	98,784	1,399	321,480	-	931	-	931	-	322,411
Professional fees	29,896	358,334	28,147	416,377	-	15,165	-	15,165	-	431,542
Communications	110,464	519,406	105,867	735,737	-	-	-	-	-	735,737
Occupancy	25,663	386,606	-	412,269	-	-	-	-	-	412,269
Subscriptions	35,199	164,033	6,376	205,608	-	5,745	-	5,745	-	211,353
Equipment	9,339	32,302	2,547	44,188	-	-	-	-	-	44,188
Supplies and office expenses	2,530	38,554	4,686	45,770	-	20,000	-	20,000	-	65,770
Depreciation	-	54,256	-	54,256	-	-	-	-	-	54,256
Insurance	-	36,669	-	36,669	-	-	-	-	-	36,669
License and other fees	-	-	-	-	-	2,028	-	2,028	-	2,028
Rebranding	-	-	-	-	10,506	49,032	10,507	70,045	-	70,045
Advertising	364	1,554	105	2,023	-	-	-	-	-	2,023
Total expenses	<u>\$ 32,697,110</u>	<u>\$ 5,206,592</u>	<u>\$ 738,530</u>	<u>\$ 38,642,232</u>	<u>\$ 232,431</u>	<u>\$ 136,263</u>	<u>\$ 13,898</u>	<u>\$ 382,592</u>	<u>\$ -</u>	<u>\$ 39,024,824</u>

See independent auditors' report.

# COMMUNITY CATALYST INC. AND SUBSIDIARY CONSOLIDATING STATEMENT OF CASH FLOWS

	Year Ended December 31, 2023			
	Community Catalyst, Inc	Community Catalyst Action Fund, Inc	Elimination	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Change in net assets	\$ 14,559,611	\$ (2,464)	\$ -	\$ 14,557,147
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:				
Noncash lease expense	719,919	-	-	719,919
Amortization of discount on contributions and grants receivable	(23,652)	-	-	(23,652)
Depreciation	54,256	-	-	54,256
Amortization of bond premium	-	-	-	-
Net realized and unrealized (gains) losses on investments	(2,985,565)	-	-	(2,985,565)
(Increase) decrease in operating assets:				
Accounts receivable	172,038	-	-	172,038
Other receivables	(13,987)	-	-	(13,987)
Accrued interest receivable	(27,129)	-	-	(27,129)
Contributions and grants receivable	(9,867,902)	(500)	-	(9,868,402)
Due from related parties	(379,127)	-	376,734	(2,393)
Prepaid expenses	(122,236)	-	-	(122,236)
Deferred rent	-	-	-	-
Deposits	-	-	-	-
Increase (decrease) in operating liabilities:				
Operating lease liability	(807,681)	-	-	(807,681)
Accounts payable and accrued expenses	(464,156)	(5,931)	-	(470,087)
Accrued employee benefits	94,551	-	-	94,551
Grants payable	188,951	-	-	188,951
Other liability	231,472	-	-	231,472
Refundable advance	268,371	-	-	268,371
Due to related party	348,269	18,465	(376,734)	(10,000)
Deferred rent	-	-	-	-
Net cash provided (used) by operating activities	<u>1,946,003</u>	<u>9,570</u>	<u>-</u>	<u>1,955,573</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(5,306,695)	-	-	(5,306,695)
Purchase of certificate of deposit	(1,036,248)	-	-	(1,036,248)
Proceeds from sale of investments	<u>5,772,385</u>	<u>-</u>	<u>-</u>	<u>5,772,385</u>
Net cash used in investing activities	<u>(570,558)</u>	<u>-</u>	<u>-</u>	<u>(570,558)</u>
Net increase (decrease) in cash and cash equivalents	1,375,445	9,570	-	1,385,015
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>13,219,698</u>	<u>659,871</u>	<u>-</u>	<u>13,879,569</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 14,595,143</u>	<u>\$ 669,441</u>	<u>\$ -</u>	<u>\$ 15,264,584</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION</b>				
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	\$ 807,681	\$ -	\$ -	\$ 807,681
Right of use assets obtained in exchange for new operating lease liabilities	-	-	-	-

See independent auditors' report.

# COMMUNITY CATALYST INC. AND SUBSIDIARY CONSOLIDATING STATEMENT OF CASH FLOWS

	Year Ended December 31, 2022			
	Community Catalyst, Inc	Community Catalyst Action Fund, Inc	Elimination	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Change in net assets	\$ (7,612,693)	\$ (181,658)	\$ -	\$ (7,794,351)
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:				
Noncash lease expense	719,427	-	-	719,427
Amortization of discount on contributions and grants receivable	(60,107)	-	-	(60,107)
Depreciation	54,256	-	-	54,256
Amortization of bond premium	12,257	-	-	12,257
Net realized and unrealized (gains) losses on investments	2,718,491	-	-	2,718,491
(Increase) decrease in operating assets:				
Accounts receivable	(152,192)	-	-	(152,192)
Other receivables	82,396	52,417	-	134,813
Accrued interest receivable	(33,103)	-	-	(33,103)
Contributions and grants receivable	1,431,432	-	-	1,431,432
Due from related parties	(375,672)	-	397,275	21,603
Prepaid expenses	34,463	-	-	34,463
Deferred rent	(37,204)	-	-	(37,204)
Deposits	63,333	-	-	63,333
Increase (decrease) in operating liabilities:				
Operating lease liability	(787,502)	-	-	(787,502)
Accounts payable and accrued expenses	343,790	629	-	344,419
Accrued employee benefits	(15,001)	-	-	(15,001)
Grants payable	(104,616)	(2,500)	-	(107,116)
Other liability	-	-	-	-
Refundable advance	(1,094,185)	-	-	(1,094,185)
Due to related party	339,774	(22,999)	(397,275)	(80,500)
Deferred rent	51,502	-	-	51,502
Net cash provided (used) by operating activities	<u>(4,421,154)</u>	<u>(154,111)</u>	<u>-</u>	<u>(4,575,265)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(36,066,447)	-	-	(36,066,447)
Purchase of certificate of deposit	(220)	-	-	(220)
Proceeds from sale of investments	<u>6,375,140</u>	<u>-</u>	<u>-</u>	<u>6,375,140</u>
Net cash used in investing activities	<u>(29,691,527)</u>	<u>-</u>	<u>-</u>	<u>(29,691,527)</u>
Net increase (decrease) in cash and cash equivalents	(34,112,681)	(154,111)	-	(34,266,792)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>47,332,379</u>	<u>813,982</u>	<u>-</u>	<u>48,146,361</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 13,219,698</u>	<u>\$ 659,871</u>	<u>\$ -</u>	<u>\$ 13,879,569</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION</b>				
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	\$ 787,781	\$ -	\$ -	\$ 787,781
Right of use assets obtained in exchange for new operating lease liabilities	1,800,093	-	-	1,800,093

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