

CATCHLIGHT

Financial Statements

Year Ended December 31, 2023



PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

Table of Contents

	Page
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



Independent Auditor's Report

To the Board of Directors
CatchLight

Opinion

We have audited the financial statements of CatchLight (the Organization), which comprise the statement of financial position as of December 31, 2023, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Santa Rosa, California
October 31, 2024

CatchLight
Statement of Financial Position

December 31, 2023

Assets

Current assets

Cash and cash equivalents	\$ 1,330,637
Accounts receivable	58,656
Pledges receivable	574,789
Prepaid expenses and other current assets	30,952

Total current assets	1,995,034
----------------------	-----------

Pledges receivable	300,000
---------------------------	---------

Furniture and equipment, net	1,202
-------------------------------------	-------

Total assets	\$ 2,296,236
---------------------	---------------------

Liabilities and net assets

Current liabilities

Accounts payable	\$ 40,440
Payroll liabilities	102,789
Other current liabilities	5,248

Total current liabilities	148,477
----------------------------------	----------------

Net assets

Without donor restrictions	698,082
With donor restrictions	1,449,677

Total net assets	2,147,759
-------------------------	------------------

Total liabilities and net assets	\$ 2,296,236
---	---------------------

See accompanying Notes to Financial Statements.

**CatchLight
Statement of Activities**

Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support			
Contributions	\$ 970,896	\$ 1,837,799	\$ 2,808,695
Contract revenue	249,437	-	249,437
Program services	37,480	-	37,480
Other income	17,476	-	17,476
Interest income	11,352	-	11,352
Total revenues and other support	1,286,641	1,837,799	3,124,440
Net assets released from restrictions	2,022,316	(2,022,316)	-
Total revenue	3,308,957	(184,517)	3,124,440
Expenses			
Program services	1,933,805	-	1,933,805
Fundraising	274,061	-	274,061
Management and general	253,908	-	253,908
Total expenses	2,461,774	-	2,461,774
Change in net assets	847,183	(184,517)	662,666
Net assets at beginning of year	(149,101)	1,634,194	1,485,093
Net assets at end of year	\$ 698,082	\$ 1,449,677	\$ 2,147,759

See accompanying Notes to Financial Statements.

CatchLight
Statement of Functional Expenses

Year Ended December 31, 2023

	Catchlight Global Fellowship	Catchlight Local	Public Programs	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 153,921	\$ 439,229	\$ 148,017	\$ 741,167	\$ 70,439	\$ 193,324	\$ 1,004,930
Photography and film production	1,819	203,374	147,127	352,320	9,550	23,759	385,629
Fellowships and stipends	52,100	151,300	31,803	235,203	-	-	235,203
Employee benefits	21,746	82,469	27,175	131,390	18,319	34,559	184,268
Professional fees	6,109	28,926	10,237	45,272	135,955	1,206	182,433
Travel and conferences	6,620	69,385	23,948	99,953	226	114	100,293
Exhibition and events	2,115	2,656	90,326	95,097	-	-	95,097
Payroll taxes	10,834	36,451	11,348	58,633	5,827	13,849	78,309
Meetings	1,818	35,305	25,724	62,847	743	1,114	64,704
Information technology	1,909	31,911	1,954	35,774	4,229	197	40,200
Communications and outreach	361	31,578	3,010	34,949	-	319	35,268
Office expense	2,042	13,366	1,910	17,318	2,172	1,955	21,445
Occupancy expense	2,723	10,643	2,475	15,841	1,980	1,980	19,801
Other operating expenses	1,057	3,743	3,241	8,041	3,438	1,685	13,164
Depreciation	-	-	-	-	1,030	-	1,030
Total	\$ 265,174	\$ 1,140,336	\$ 528,295	\$ 1,933,805	\$ 253,908	\$ 274,061	\$ 2,461,774

See accompanying Notes to Financial Statements.

CatchLight
Statement of Cash Flows

Year Ended December 31, 2023

Increase (decrease) in cash and cash equivalents

Cash flows from operating activities

Increase in net assets	\$ 662,666
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	1,030
(Increase) decrease in operating assets:	
Accounts receivable	(550)
Pledges receivable	(220,456)
Prepaid expenses and other current assets	(7,872)
Increase (decrease) in operating liabilities:	
Accounts payable	(11,302)
Payroll liabilities	(39,262)
Other current liabilities	11,939
<hr/>	
Net cash provided by operating activities	396,193
<hr/>	
Net increase in cash and cash equivalents	396,193
<hr/>	
Cash and cash equivalents at beginning of year	934,444
<hr/>	
Cash and cash equivalents at end of year	\$ 1,330,637

See accompanying Notes to Financial Statements.

Year Ended December 31, 2023

Note A. Nature of the Organization

CatchLight (the Organization) was formed in 2015. The Organization is a visual-first media California not-for-profit corporation that leverages the power of visual storytelling to inform, connect, and transform communities. The Organization bring resources and organizations together to discover, develop, and amplify visual storytellers at all levels. The Organization invests in the future of visual storytelling through the following programs:

CatchLight Global Fellowship - The program annually provides grants to three visionaries to develop long-form storytelling projects, engage audiences, and continue their work as innovators and leaders defining the future of the field.

CatchLight Local - The program is a collaborative model for visual journalism that is advancing trust and representation in local media through community-centered visual reporting of the highest quality.

CatchLight's Public Programming - The program includes the Visual Storytelling Summit, Night of Photojournalism, and the Focal Point conversation series, all of which highlight the impact of visual storytelling and expand public access, understanding, and support for the field.

Note B. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents, except when a restriction is imposed that limits the investment's use to long-term. Cash and cash equivalents include cash with financial institutions and highly liquid investments.

Pledges Receivable

The Organization records unconditional promises to give, expected to be collected within one year, at net realizable value. Those expected to be collected in future years are initially recorded at fair value, using present value techniques with risk-adjusted discount rates reflecting market participant assumptions. In subsequent years, the amortization of these discounts is included in contribution revenue in the statements of activities. As of December 31, 2023, a discount to present value was not recorded as management determined the amount would not be material to the financial statements.

The allowance for uncollectable promises to give is determined based on historical experience, economic conditions, and subsequent collections review. Promises to give are written off when deemed uncollectable. As of December 31, 2023, management determined no allowance was necessary.

Year Ended December 31, 2023

Note B. Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable consist of balances due on contract agreements and other income. The Organization uses the allowance method to reserve for uncollectible accounts. Management periodically evaluates the allowance. As of December 31, 2023, management determined that no allowance was necessary.

Furniture and Equipment

Furniture and equipment are stated at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of three year to five years. Donated property is recorded at the estimated fair value at the date of receipt. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as donor restricted

Revenue Recognition and Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restriction unless use of the contributed asset is specifically restricted by the donor. The Organization reports gifts and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

The Organization recognizes contract and program service revenue in accordance with Accounting Standards Codification Topic 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with customers as follows:

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

Contract and program service revenue is recognized once performance obligations under the terms of the Organization's contracts have been satisfied; this occurs at a point in time when control of the promised service is transferred. Revenue is measured in an amount that reflects the consideration the Organization expects to receive in exchange for those services.

Year Ended December 31, 2023

Note B. Summary of Significant Accounting Policies (continued)

Net Assets

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

Without Donor Restriction – Net assets that are not subject to donor-imposed restrictions. These also may be designated for specific purposes by action of the Board of Directors.

With Donor Restriction – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization to meet the stipulations or that become unrestricted at the date specified by the donor or net assets subject to donor-imposed stipulations that are maintained permanently by the Organization.

Net Assets Released from Restriction – Net assets with donor-restriction are released to net assets without donor restriction when the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed.

Income Taxes

The Organization is a not-for-profit organization and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and California Revenue and Taxation Code Section 23701(d). However, the Organization is 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 purposes for which it was granted exemption, commonly referred to as unrelated business income. No income tax provision has been recorded for the year ended December 31, 2023, since management determined that the Organization had no unrelated business income.

The Organization determines whether its tax positions are "more-likely-than-not" to be sustained upon examination by the applicable taxing authority based on the technical merits of the positions. As of December 31, 2023, the Organization has reviewed its tax positions and has concluded no reserve for uncertain tax positions is required. The Organization's open tax years subject to review are for 3 years after the date of filing for federal and 4 years after the date of filing for California.

Functional Expense Allocation

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Directly identifiable expenses are charged to program services, fundraising or management. Shared expenses that are not directly identifiable with specific function or cost center, are allocated based on usage and management estimates.

Year Ended December 31, 2023

Note B. Summary of Significant Accounting Policies (continued)

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions based on management's knowledge and experience. Those estimates affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue, support, and expenses. The use of management's estimates primarily relates to the allocation of expenses by program and function. Actual results could differ from those estimates.

Note C. Concentration

Deposit Risk

Throughout the year ending December 31, 2023, the Organization occasionally had deposits with financial institutions exceeding the \$250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2023, the Organization had approximately \$1,088,715 on deposit beyond the FDIC-insured amount. Management has not experienced any losses related to these balances and believes the risk to be minimal.

Funding Sources

Contributions are received primarily from private foundations and individual contributors. For the year ending December 31, 2023, three contributors accounted for approximately 64% of the Organization's total contributions. The Organization had two donors that made up 94% of total pledges receivable as of December 31, 2023.

Note D. Conditional Promises to Give

Conditional promises to give - that is, grants with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. The following is a roll-forward of conditional grants where future payments are contingent upon meeting specific milestones and incurring expenses related to the projects:

Balance as of January 1, 2023	\$	-
Conditional grants awarded		3,300,000
Payments received and earned		(400,000)
Balance as of December 31, 2023	\$	2,900,000

Year Ended December 31, 2023

Note E. Pledges Receivable

Pledges receivable are expected to be collected as follows:

As of December 31, 2023

2024	\$	574,789
2025		300,000
	\$	874,789

Note F. Liquidity

The following table reflects the Organization’s financial assets as of December 31, 2023, reduced by amounts not available for general use within one year. Financial assets are considered unavailable due to donor-imposed restrictions or internal designations made by the governing board. The Organization operates with a balanced budget and manages its liquidity and cash flow requirements by investing its excess cash in short-term investments, including money market accounts.

As of December 31, 2023

Cash and cash equivalents	\$	1,330,637
Accounts receivable		58,656
Pledges receivable		574,789
		1,964,082
Less funds unavailable for general expenditures within one year due to:		
Donor imposed time and purpose restrictions		(880,988)
		Funds available to management to meet general expenditures within one year
	\$	1,083,094

Note G. Related Party Transactions

Consulting Agreements

The Organization has entered into an agreement with a film and interactive design studio which is owned by the spouse of the executive director. The agreement provides for software services and film production with related interactive experiences which incorporate photography, video, music, and graphics. During the year ending December 31, 2023, the total amount paid to the studio for consulting services was \$87,729.

Year Ended December 31, 2023

Note G. Related Party (continued)

Relationship with Grantors

Certain members of the Organization’s Board of Directors also serve as board members and co-owners for some of the Organization’s grantors. The grants received from these entities are similar in nature and amount to those awarded to other grantees. Board members recuse themselves from decisions involving the grantors with whom they are affiliated. During the year ended December 31, 2023, two grants totaling \$300,000 and \$500,000 were awarded by these entities.

Note H. Leases

The Organization leases its office space under a month-to-month operating agreement. The operating lease does not generally include any significant restrictive covenants or residual value guarantees. For the year ending December 31, 2023, the total rent for the office space amounted to \$19,800.

Note I. Net Assets

Net assets without donor restriction are those resources that bear no external restrictions and are generally available for use by the Organization. Net assets with donor restriction represent amounts received or committed with donor restriction, which have not been expended for their designated purpose (purpose restricted), amounts for general use in future periods (time restricted), or both.

As of December 31, 2023, net assets consist of the following:

<hr/>	
With donor restrictions:	
Purpose restricted:	
CatchLight Local	\$ 154,198
CatchLight Education	24,847
CatchLight Conversation Series Dinner	25,000
Subject to passage of time with purpose restrictions	33,333
Subject to passage of time without purpose restrictions	1,212,299
<hr/>	
Total net assets with donor restrictions	1,449,677
Without donor restrictions:	
Undesignated	698,082
<hr/>	
Total net assets without donor restrictions	698,082
<hr/>	
Net assets	\$ 2,147,759
<hr/>	

Year Ended December 31, 2023

Note I. Net Assets (continued)

Net assets were released from donor restriction by incurring expenses that satisfy the restricted purpose, through the passage of time, or both, or by the occurrence of other events specified by the donors during the year ended December 31, 2023 are as follows:

Satisfaction of purpose restrictions	
CatchLight's Visual Desk	\$ 1,423,923
National expansion of CatchLight Local	270,302
CatchLight Local Education	141,591
CatchLight's Global Fellowship	25,000
Other purposes	57,333
Expiration of time restrictions	104,167
	<hr/>
Total net assets released from restrictions	\$ 2,022,316

Note J. Retirement Plan

The Organization sponsors a Safe Harbor defined contribution retirement plan covering substantially all of its employees. Eligible employees may contribute specified amounts to the plan, but not in excess of amounts allowed by the Internal Revenue Code. Safe Harbor plans require companies to contribute an amount no less than 3% of participant's compensation. During the year ended December 31, 2023, the board approved the Safe Harbor contribution to be 5% of plan participant's eligible compensation which amounted to \$51,164.

Note K. Subsequent Events

The Organization has evaluated subsequent events through October 31, 2024, the date which the financial statements were available to be issued.