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AUDITED FINANCIAL STATEMENTS

June 30, 2024 and 2023

Catalyst Education, Inc.
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KUSHNER
LAGRAIZE, LLC
CPAs & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Catalyst Education, Inc.
New Orleans, Louisiana

Opinion

We have audited the accompanying financial statements of Catalyst Education, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catalyst Education, Inc. as of June 30, 2024 and 2023, and the changes in its net assets 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. 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 Catalyst Education, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Catalyst Education, Inc.'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 Catalyst Education, Inc.'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.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
December 12, 2024

Catalyst Education, Inc.
STATEMENTS OF FINANCIAL POSITION
As of June 30, 2024 and 2023

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	$ 757,486	$ 133,128
Certificate of deposit	3,134,086	2,000,000
Restricted cash	1,797,180	2,351,797
Promises to give	664,000	2,531,912
Accounts receivable, net of allowance for bad debts of $20,000 as of June 30, 2024 and 2023	70,498	12,886
Prepaid expenses	1,995	2,004
TOTAL CURRENT ASSETS	6,425,245	7,031,727
TOTAL ASSETS	$ 6,425,245	$ 7,031,727
CURRENT LIABILITIES		
Accounts payable – trade	$ 215,932	$ 228,746
Accrued expenses	22,925	18,383
Agency funds held for others	714,172	2,412,946
TOTAL CURRENT LIABILITIES	953,029	2,660,075
TOTAL LIABILITIES	953,029	2,660,075
NET ASSETS		
Without donor restrictions	4,170,420	2,416,169
With donor restrictions	1,301,796	1,955,483
TOTAL NET ASSETS	5,472,216	4,371,652
TOTAL LIABILITIES AND NET ASSETS	$ 6,425,245	$ 7,031,727

See notes to financial statements

Catalyst Education, Inc.
STATEMENT OF ACTIVITES AND CHANGES IN NET ASSETS
For the year ended June 30, 2024

	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND SUPPORT			
Grant income	$ 4,518,896	$ -	$ 4,518,896
Program revenue	480,757	-	480,757
Interest income	124,482	-	124,482
Net assets released from restrictions - satisfaction of restrictions	653,687	(653,687)	-
TOTAL REVENUES AND SUPPORT	5,777,822	(653,687)	5,124,135
EXPENSES			
Program services	3,167,552	-	3,167,552
Management and general	651,356	-	651,356
Fundraising	204,663	-	204,663
TOTAL EXPENSES	4,023,571	-	4,023,571
CHANGE IN NET ASSETS	1,754,251	(653,687)	1,100,564
NET ASSETS, beginning of year	2,416,169	1,955,483	4,371,652
NET ASSETS, end of year	$ 4,170,420	$ 1,301,796	$ 5,472,216

See notes to financial statements.

Catalyst Education, Inc.

STATEMENT OF ACTIVITES AND CHANGES IN NET ASSETS

For the year ended June 30, 2023

	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND SUPPORT			
Grant income	$ 2,973,537	$ 1,468,343	$ 4,441,880
Program revenue	732,738	-	732,738
Interest income	9,604	-	9,604
Net assets released from restrictions - satisfaction of restrictions	896,344	(896,344)	-
TOTAL REVENUES AND SUPPORT	4,612,223	571,999	5,184,222
EXPENSES			
Program services	2,801,163	-	2,801,163
Management and general	405,233	-	405,233
Fundraising	130,130	-	130,130
TOTAL EXPENSES	3,336,526	-	3,336,526
CHANGE IN NET ASSETS	1,275,697	571,999	1,847,696
NET ASSETS, beginning of year	1,140,472	1,383,484	2,523,956
NET ASSETS, end of year	$ 2,416,169	$ 1,955,483	$ 4,371,652

See notes to financial statements.

Catalyst Education, Inc.
STATEMENT OF FUNCTIONAL EXPENSE
For the year ended June 30, 2024

	Program Services	Management and General	Fundraising	Total
Payroll and payroll-related expenses	$2,140,560	$265,020	$143,955	$2,549,535
Fees for Services (non-employee)	713,709	202,493	60,259	976,461
Grants to others	243,000	-	-	243,000
Legal & Professional	-	57,928	-	57,928
Information Technology	4,081	45,368	-	49,449
Occupancy	200	4,807	-	5,007
Telephone	-	11,750	-	11,750
Conferences, Conventions & Meetings	21,634	4,448	-	26,082
Insurance	-	8,867	-	8,867
Advertising	13,787	4,500	-	18,287
Office Expenses	38	16,571	449	17,058
Travel	30,543	29,167	-	59,710
Miscellaneous	-	15	-	15
Bank Charges	-	422	-	422
	$3,167,552	$651,356	$204,663	$4,023,571

See notes to financial statements.

Catalyst Education, Inc.
STATEMENT OF FUNCTIONAL EXPENSE
For the year ended June 30, 2023

	Program Services	Management and General	Fundraising	Total
Payroll and payroll-related expenses	$1,968,671	$236,477	$130,130	$2,335,278
Fees for Services (non-employee)	590,489	15,774	-	606,263
Grants to others	148,502	-	-	148,502
Legal & Professional	-	71,992	-	71,992
Information Technology	3,045	39,886	-	42,931
Occupancy	400	2,154	-	2,554
Telephone	550	10,650	-	11,200
Conferences, Conventions & Meetings	47,474	2,929	-	50,403
Insurance	-	11,971	-	11,971
Advertising	1,663	3,698	-	5,361
Office Expenses	3,903	9,860	-	13,763
Travel	35,599	1,155	-	36,754
Miscellaneous	842	(1,548)	-	(706)
Bank Charges	25	235		260
	$2,801,163	$405,233	$130,130	$3,336,526

See notes to financial statements.

Catalyst Education, Inc.
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2024 and 2023

	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ 1,100,564	$ 1,847,696
Adjustments to reconcile change in net assets to net cash from operating activities		
(Increase) decrease in operating assets		
Promises to give	1,867,912	(1,134,961)
Accounts receivable	(57,612)	(6,359)
Prepaid expenses	9	(666)
Due from employees	-	2,575
Increase (decrease) in operating liabilities		
Accounts payable – trade	(12,814)	(168,685)
Accrued expenses	4,542	6,296
Agency funds held for others	(1,698,774)	(330,671)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	1,203,827	215,225
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of certificate of deposits	(3,134,086)	(2,000,000)
Redemption of certificate of deposit	2,000,000	-
NET CASH USED IN INVESTING ACTIVITIES	(1,134,086)	(2,000,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVILANTS AND RESTRICTED CASH	69,741	(1,784,775)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT THE BEGINNING OF YEAR	2,484,925	4,269,700
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT THE END OF YEAR	$ 2,554,666	$ 2,484,925

See notes to financial statements.

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization –

Catalyst Education, Inc. (the Organization) was incorporated on August 24, 2017 and assists schools, school systems, and nonprofits serving students and families connect with and leverage expert talent to help address their mission-critical needs and build organizational capacity. Specific activities performed by the Organization include:

1. Conducting consultations with organization leaders to help them diagnose their challenges and identify specific high-leverage projects where they can benefit from expert help.

2. Facilitating connections with a curated list of experts with the right mix of skills and experiences needed for the project.

3. Capturing lessons learned through a reflection and feedback process post-project completion.

Areas where organizations sought capacity building support included strategic planning, measurement and evaluation, curriculum development, stem, human capital, and governance.

Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements of Catalyst Education, Inc. (the Organization). The financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to U.S. generally accepted accounting principles.

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction - Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restriction - Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

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. Cash and highly liquid financial instruments restricted for programmatic purposes are excluded from this definition.

Certificate of Deposit

The organization has adopted Accounting Standards Update (ASU) No. 2020-07, "Not-for-Profit Entities (Topic 958)." Under Topic 958, the Organization values all certificates of deposit at the lower of cost or fair value. As of June 30, 2024, the Organization held two certificates of deposit with costs of $1,050,991 and $2,083,095 which mature on March 17, 2025 and July 17, 2025, respectively, and earns interest at an annual rate of 4.64% and 4.88%, respectively. As of June 30, 2023, the Organization held a certificate of deposit with a cost of $2,000,000 which matured on July 17, 2023 and earned interest at an annual rate of 3.92%.

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Cash

The Organization considers all cash held for others related to the grant from the Gates Foundation to be restricted cash. As of June 30, 2024 and 2023, the Organization had $1,797,180 and $2,351,797 restricted for this purpose, respectively.

Grant Revenue and Promises to Give

The Organization recognizes grant revenue and contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give – that is, those 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 Organization records promises to give expected to be collected within one year at net realizable value. Promises to give 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 contribution revenue in the statements of activities. There were no conditional promises to give as of June 30, 2024 and 2023.

The Organization determines the allowance for uncollectable promises to give based on historical experience and a review of subsequent collections. Promises to give are written off when deemed uncollectable. The Organization had no allowance for uncollectable promises to give as of June 30, 2024 and 2023.

Accounts Receivable and Credit Policies

Accounts receivable are comprised of unsecured, noninterest-bearing amounts due for program revenue. An allowance for doubtful accounts is based on management's estimate of possible uncollectible reimbursements based on historical experience and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. Allowance for doubtful accounts as of June 30, 2024 and 2023 was $20,000.

Agency Funds Held for Others

Catalyst Education may receive and administer funds on behalf of another not-for-profit entity. The donor organization informs Catalyst Education as to whom the benefit organizations are. Catalyst Education is allowed to disburse funds to or for the benefit of these named recipient organizations. These funds are reported as "Agency funds held for others", a current liability in the accompanying Statement of Financial Position.

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Support

"Program revenue" represents money received from other organization seeking assistance with their challenges and from experts in various fields matched with these organization. These amounts are billed and recognized into revenue upon project completion. Performance obligations are typically deemed satisfied when the services are rendered.

Advertising Expense

Advertising costs are expensed as incurred. Advertising expense for the year ended June 30, 2024 and 2023 was $18,287 and $5,361, respectively.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Louisiana Revenue and Taxation Code Section 17.22(a). Therefore, no provision for income taxes has been included in these financial statements.

The Organization recognizes the tax benefit from uncertain tax positions only if it is "more likely than not" the tax position will be sustained on examination by the taxing authorities. To the extent the Organization's assessment of such tax positions change, the change will be recorded in the period in which the determination is made. No adjustments were required for the year ended June 30, 2024 and 2023. The tax return for the year ended June 30, 2024 has not been filed as of the date of the auditor's report. Tax years 2020, 2021, and 2022 are subject to federal examination.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates recorded in these financial statements as of June 30, 2024 and 2023 include the accrued expenses and the estimated net realizable value of receivables.

Fair Value of Financial Instruments

Fair value estimates, methods and assumptions for the Organization's financial instruments of cash, certificates of deposit, accounts receivable, promises to give, accounts payable and accrued expenses, and agency funds held for others are that the carrying amounts reported approximate fair value at June 30, 2024 and 2023.

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expense Reporting

The cost of providing program and supporting services has been summarized by function. Certain expenses have been allocated among the program and supporting services based on management's estimates of the costs.

NOTE 2 – OFF-BALANCE SHEET RISK

The Organization maintains its cash in bank accounts & certificates of deposits ("accounts"). The accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. Cash at June 30, 2024 and 2023 exceeded federally insured limits by $5,443,752 and $4,238,425, respectively. These cash balances could be impacted if the underlying financial institutions fail or could be subject to other adverse conditions in the financial markets.

NOTE 3 - CONCENTRATIONS

On June 30, 2024, one grantor accounted for 100% of total promises to give. During the year ended June 30, 2024, three grantors accounted for 90% of total grant income.

On June 30, 2023, three grantors accounted for 93% of total promises to give. During the year ended June 30, 2023, three grantors accounted for 99% of total grant income.

NOTE 4 – DEFINED CONTRIBUTION PLAN

Effective January 1, 2020, the Organization has a defined contribution salary deferral plan covering substantially all employees. Under the plan, the Organization is permitted to make discretionary matching contributions equal to a uniform percentage or dollar amount of the employees' elective deferrals. Additionally, the Organization is permitted to make discretionary nonelective contributions under the Plan. During the year ended June 30, 2024 and 2023, the Organization's matching contribution expense totaled $103,313 and $96,043, respectively.

NOTE 5 – NET ASSETS WITH RESTRICTIONS

At June 30, 2024, total net assets with restrictions of $1,301,796 were available subject to expenditure for programmatic purposes. $653,687 of net assets with restriction were released from restrictions by incurring expenses satisfying the restricted purpose for the year ended June 30, 2024.

At June 30, 2023, total net assets with restrictions of $1,955,483 were available subject to expenditure for programmatic purposes. $896,344 of net assets with restriction were released from restrictions by incurring expenses satisfying the restricted purpose for the year ended June 30, 2023.

NOTE 6 – FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll expense, fees for services (non-employee), and legal and professional, which are allocated on the basis of estimates of time and effort.

NOTE 7 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization's financial assets, 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, restricted by donor, or subject to board-designated restriction. There were no board-designated restrictions as of June 30, 2024 and 2023.

Fiscal year ending June 30,	2024	2023
Financial assets:		
Cash and cash equivalents	$ 757,486	$ 133,128
Certificate of deposit	3,134,086	2,000,000
Restricted cash	1,797,180	2,351,797
Promises to give	664,000	2,531,912
Accounts receivable, net of allowance for bad debts	70,498	12,886
Total financial assets	6,423,250	7,029,723
Less agency funds	(714,172)	(2,412,946)
Less those unavailable for general expenditure within one year, due to restriction by donor	(1,301,796)	(1,955,483)
Financial assets available to meet cash needs for general expenditures within one year	$ 4,407,282	$ 2,661,294

NOTE 8- SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through the date the financial statements were available to be issued, which corresponds with the date of the Independent Auditors' Report.