

**TOUCH FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

TOUCH FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors  
Touch Foundation, Inc.  
New York, New York

**Report on the Financial Statements**

We have audited the accompanying financial statements of Touch Foundation, Inc., which comprise the statement of financial position at September 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Touch Foundation, Inc. at September 30, 2018, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As discussed in Note 9 to the financial statements, in prior years Touch Foundation, Inc. had improperly recorded financial activity within its contribution and grant accounts. To correct for this, Touch Foundation, Inc., has restated its ending net asset balance at September 30, 2017. Our opinion is not modified with respect to that matter.

*Grassi & Co., CPAs, P.C.*

GRASSI & CO., CPAs, P.C.

New York, New York  
March 8, 2019

TOUCH FOUNDATION, INC.  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2018

ASSETS

ASSETS:

Cash and cash equivalents	\$ 995,930
Contributions and grants receivable, net (Note 3)	4,883,908
Prepaid and other assets	<u>56,241</u>

TOTAL ASSETS \$ 5,936,079

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable and accrued expenses	\$ 81,081
Grants payable (Note 4)	<u>16,234</u>

Total liabilities 97,315

NET ASSETS:

Unrestricted	815,258
Temporarily restricted (Note 6)	<u>5,023,506</u>

Total net assets 5,838,764

TOTAL LIABILITIES AND NET ASSETS \$ 5,936,079

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

TOUCH FOUNDATION, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE:			
Revenue and other support:			
Contributions	\$ 2,431,319	\$ 4,974,513	\$ 7,405,832
Government grants	1,405,000	-	1,405,000
Donated goods and services (Notes 5 and 7)	1,215,154	-	1,215,154
Special events, net	409,898	-	409,898
Investment loss, net	(405)	-	(405)
Net assets released from restrictions (Note 6)	705,861	(705,861)	-
	<u>6,166,827</u>	<u>4,268,652</u>	<u>10,435,479</u>
Total revenue and other support	<u>6,166,827</u>	<u>4,268,652</u>	<u>10,435,479</u>
EXPENSES:			
Program Services:			
Grants and program activities (Note 4)	4,862,557	-	4,862,557
Supporting Services:			
Management and general	881,183	-	881,183
Fundraising	361,015	-	361,015
	<u>6,104,755</u>	<u>-</u>	<u>6,104,755</u>
Total expenses	<u>6,104,755</u>	<u>-</u>	<u>6,104,755</u>
CHANGE IN NET ASSETS	62,072	4,268,652	4,330,724
NET ASSETS, BEGINNING OF YEAR (RESTATED) (Note 9)	<u>753,186</u>	<u>754,854</u>	<u>1,508,040</u>
NET ASSETS, END OF YEAR	<u>\$ 815,258</u>	<u>\$ 5,023,506</u>	<u>\$ 5,838,764</u>

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

TOUCH FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Program Services	Supporting Services				Total
	Grants and Program Activities	Management and General	Fundraising	Direct Cost of Special Events	Total Supporting Services	
Grants (Note 4)	\$ 1,955,644	\$ -	\$ -	\$ -	\$ -	\$ 1,955,644
Donated goods and services	880,110	326,699	8,345	-	335,044	1,215,154
Salaries and related expenses	1,672,593	395,775	241,115	-	636,890	2,309,483
Travel	101,153	22,175	10,459	-	32,634	133,787
Professional and consulting fees	168,000	111,303	495	-	111,798	279,798
Telephone	2,629	2,647	829	-	3,476	6,105
Printing, publications and postage	7,731	4,917	3,942	-	8,859	16,590
Food, facility and entertainment	-	-	-	99,212	99,212	99,212
Medical equipment and supplies	47,917	-	-	-	-	47,917
Office supplies and other miscellaneous	3,534	7,908	11,199	-	19,107	22,641
Occupancy	14,193	623	36	-	659	14,852
Equipment and maintenance	4,553	6,217	7,158	-	13,375	17,928
Depreciation	4,500	-	-	-	-	4,500
Insurance	-	2,919	-	-	2,919	2,919
Other special events	-	-	77,437	-	77,437	77,437
	<u>4,862,557</u>	<u>881,183</u>	<u>361,015</u>	<u>99,212</u>	<u>1,341,410</u>	<u>6,203,967</u>
Less: Expenses deducted directly from revenues on the statement of activities						
Cost of direct benefits of special events	-	-	-	(99,212)	(99,212)	(99,212)
Total Expenses	<u>\$ 4,862,557</u>	<u>\$ 881,183</u>	<u>\$ 361,015</u>	<u>\$ -</u>	<u>\$ 1,242,198</u>	<u>\$ 6,104,755</u>

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

TOUCH FOUNDATION, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 4,330,724
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	4,500
Decrease (increase) in:	
Contributions and grants receivable, net	(4,242,275)
Prepaid and other assets	6,865
Increase (decrease) in:	
Accounts payable and accrued expenses	57,707
Deferred income	(2,085)
Grants payable	(16,530)
	138,906
NET CASH PROVIDED BY OPERATING ACTIVITIES	138,906
NET CHANGE IN CASH AND CASH EQUIVALENTS	138,906
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	857,024
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 995,930

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



TOUCH FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

Note 1 - Nature of Operations

Touch Foundation, Inc. (the "Foundation") is a not-for-profit public charity organization formed under the laws of the State of Connecticut that began operations in August 2004. The Foundation's primary purpose is working to improve the health of the Tanzanian population by enhancing their access to essential quality healthcare. The Foundation seeks to achieve this by improving the quality and quantity of the healthcare workforce by training skilled health workers such as physicians, nurses, and lab technicians and helping retain them in the system, and also by improving the healthcare delivery mechanisms that enable the trained workers to treat patients. The Foundation additionally seeks to encourage the adoption of its data-driven, problem-solving model in the global health community, pursuing opportunities to replicate its successful models across the world. The Foundation's primary sources of funding are contributions and government grants.

The Organization qualifies as a tax-exempt, not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code, and as a not-for-profit corporation in Connecticut. Accordingly, no provision for federal or state income taxes is required.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with initial maturities when acquired of three months or less.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

TOUCH FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Fair Value of Financial Instruments (cont'd.)

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting the Foundation's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

At September 30, 2018, the fair value of the Foundation's financial instruments, including cash and cash equivalents, contributions and grants receivable, accounts payable and accrued expenses, and grant payable, approximated book value due to the short maturity of these instruments.

At September 30, 2018, the Foundation does not have assets or liabilities required to be measured at fair value in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurement*.

Contributions, Government Grants and Deferred Revenue

The Foundation reports gifts of cash or 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributed securities are valued at the fair value of the asset on the date of the actual receipt of the gift. Temporarily restricted contributions that originate in a given year and are released from restriction in the same year by meeting the donors' restricted purposes are reflected in unrestricted net assets.

Contributions, including unconditional promises to give, are recorded as revenue. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the pledges are to be received. The Foundation does not accrue interest on past due receivables. Management has determined that an allowance for doubtful accounts is not necessary for the year ended September 30, 2018.

Government grants are recorded when earned based on expenses that have been incurred for the purposes specified by the grantors. Amounts received in cash under these arrangements but not yet expended are reported as deferred income.

TOUCH FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Donated Goods and Services

Donated goods and services are reported at their fair values as both revenue and expense in the accompanying statement of activities. Donated services that create or enhance nonfinancial assets or require specialized skills are provided by individuals possessing those skills and would typically need to be purchased if not donated.

Fixed Assets

Fixed assets are recorded at cost. Depreciation of fixed assets is provided over the estimated useful lives of the assets utilizing the straight-line method.

Unrestricted Net Assets

Unrestricted net assets of the Foundation include assets having no restriction as to use or purpose imposed by donors and are therefore available for use in carrying out the operations of the Foundation.

Temporarily Restricted Net Assets

Temporarily restricted net assets include assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Accounting for Uncertainty in Income Taxes

The Foundation applies the provisions pertaining to uncertain tax provisions (FASB ASC Topic 740), *Income Taxes*, and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation believes it is no longer subject to income tax examinations prior to 2015.

Functional Expenses

The costs of providing the Foundation's various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

TOUCH FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

Note 2 - Summary of Significant Accounting Policies (cont'd.)

New Accounting Pronouncements

ASU No. 2016-14

In August 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-14, *Not-for-Profit Entities* (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. This ASU is a result of the recommendations developed by FASB’s Not-for-Profit Advisory Committee and FASB’s ongoing review of U.S. GAAP standards to improve existing standards to meet the evolving needs of a dynamic financial reporting environment.

The ASU provides for changes in financial statement presentation that affect classification of net assets, presentation of expenses, investment returns and presentation of operating cash flows. It also calls for enhanced disclosures of board designated funds, underwater endowment funds, methods used to allocate costs among functions, and liquidity and availability of resources. The ASU affects all not-for-profit organizations including charities, foundations, colleges and universities, health care providers, religious organizations, trade associations, and cultural institutions, among others.

This ASU is effective for annual financial statements issued for periods beginning after December 15, 2017.

ASU No. 2014-09

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU is the result of a joint project of the FASB and the International Accounting Standards Board (“IASB”) to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and International Financial Reporting Standards (“IFRS”). The guidance in this ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards.

The ASU provides that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should apply the following five-step process to recognize revenue:

- Step 1: Identify the contract with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

For nonpublic entities, the amendments of ASU No. 2014-09 are effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early application is permitted under certain circumstances.

TOUCH FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

Note 2 - Summary of Significant Accounting Policies (cont'd.)

New Accounting Pronouncements (cont'd.)

ASU No. 2016-02

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This ASU is the result of a joint project of the FASB and IASB to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for U.S. GAAP and IFRS. The guidance in this ASU affects any entity that enters into a lease (as that term is defined in this ASU), with some specified scope exemptions. The guidance in this ASU will supersede FASB ASC Topic 840, *Leases*.

The ASU provides that lessees should recognize lease assets and lease liabilities on the balance sheet for leases previously classified as operating leases that exceed twelve months, including leases existing prior to the effective date of this ASU. It also calls for enhanced leasing arrangement disclosures.

For nonpublic entities, the amendments of ASU No. 2016-02 are effective for annual reporting periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020. Early application is permitted for all entities.

Effect of New ASUs

The Foundation has not yet determined if ASU No. 2016-14, ASU No. 2014-09 and ASU No. 2016-02 will have a material effect on its financial statements.

Concentration of Credit Risk

The Foundation maintains cash balances in several financial institutions which are insured by the Federal Deposit Insurance Corporation for up to \$250,000 per institution. From time to time, the Foundation's balances may exceed these limits.

Note 3 - Contributions and Grants Receivable

The Foundation's contributions and grants receivable were comprised of the following:

Less than one year	\$ 2,931,602
One to five years	<u>2,064,160</u>
	4,995,762
Less: Discount to net present value (with rates ranging from 2.81% to 2.88%)	<u>111,854</u>
	<u>\$ 4,883,908</u>

TOUCH FOUNDATION, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2018

Note 3 - Contributions and Grants Receivable (cont'd.)

Contributions and grants receivable from three donors accounted for 88% of the total contributions and grants receivable balance at September 30, 2018. Three donors and a U.S. government agency, accounted for 82% of contributions and government grant revenue recognized for the year ended September 30, 2018.

Note 4 - Grant Expenses and Grants Payable

Grant expense and payable at September 30, 2018 consist of the following:

	<u>Grant Expense</u>	<u>Grant Payable</u>
a) Touch Foundation Tanzania ("Touch TZ")	\$ 927,035	\$ 16,234
b) Pathfinder International ("Pathfinder")	886,121	-
c) D-tree International ("D-tree")	107,130	-
d) Training for Health Equity Network ("THEnet")	19,232	-
e) Milwaukee Global Health Consortium ("MGHC")	16,126	-
	<u>\$ 1,955,644</u>	<u>\$ 16,234</u>

A description of each of the grants for the year ended September 30, 2018 is as follows:

- a) Touch TZ was formed to help the Foundation meet its mission of improving healthcare in Africa, starting in Tanzania, by increasing and improving the quality and effectiveness of human resources for health ("HRH") and by improving healthcare facilities and healthcare delivery systems. To enhance efficiency of its program operations, the Foundation began to administer aspects of its program through Touch TZ in 2012, a relationship formalized in an agreement signed between the two entities in October 2013. This includes making and administering grants to Tanzanian grantees, overseeing the performance of those grantees and providing technical assistance to grantees and others in Tanzania. The Foundation has been providing bookkeeping and other services to Touch TZ.

Touch TZ is registered in the United Republic of Tanzania. Under the governing documents, the Foundation is one of seven voting members of Touch TZ. Four of the other voting members currently serve on the Foundation's board of directors. Under U.S. GAAP, the Foundation is not required to consolidate Touch TZ in the financial statements.

- b) In September 2017, the Foundation entered into a contract with Pathfinder to be responsible for the lower level facility and community interventions component for the implementation of the *Mobilizing Maternal Health Phase II* program, including the sustainable expansion of the emergency referral and transportation system currently operating in the Sengerema and Buchosa districts of the Mwanza region and in Shinyanga District Council of the Shinyanga region to the four remaining districts of the Shinyanga region in the Lake Zone of Tanzania.

TOUCH FOUNDATION, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2018

Note 4 - Grant Expenses and Grants Payable (cont'd.)

- c) In September 2017, the Foundation entered into a contract with D-tree to provide IT development support and data management services for the implementation of the *Mobilizing Maternal Health Phase II* program, including the sustainable expansion of the emergency referral and transportation system currently operating in the Sengerema and Buchosa districts of the Mwanza region and in Shinyanga District Council of the Shinyanga region to the four remaining districts of the Shinyanga region in the Lake Zone of Tanzania.
- d) In August 2018, the Foundation entered into a contract with THEnet to perform an external evaluation of the Foundation's *Treat & Train* programs at Bugando Medical Centre, Catholic University of Health and Allied Sciences, Sengerema Designated District Hospital, Sekou Toure Regional Hospital and Shinyanga Regional Referral Hospital.
- e) In April 2017, the Foundation entered into an agreement with MGHC as part of its *Nursing Rotations* project in Mwanza and Shinyanga, Tanzania. Under this agreement, which was funded by Vitol Foundation, MGHC provides technical assistance in order to prepare the Foundation's in-country partners in becoming clinical training centers of excellence for nursing education.

Note 5 - Donated Goods and Services

Donated goods and services revenue consisted of the following for the year ended September 30, 2018:

Professional services	\$ 1,074,486
Materials and supplies	34,428
Facilities	106,240
	\$ 1,215,154

Note 6 - Temporarily Restricted Net Assets

Temporarily restricted net assets available at September 30, 2018 are as follows:

Mobilizing Maternal Health	\$ 3,600,882
Health Technology Management	1,124,035
Cardiovascular Services Program	181,783
HRH, Deployment & Retention and Policy	48,993
Treat & Train Program	37,500
Nursing Rotations	19,063
Analyst Support	11,250
	\$ 5,023,506

TOUCH FOUNDATION, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2018

Note 6 - Temporarily Restricted Net Assets (cont'd.)

Temporarily restricted net assets were released from restrictions during the year ended September 30, 2018 by incurring expenses satisfying the following:

Cardiovascular Services Program	\$ 467,880
Nursing Rotations	89,325
Mobilizing Maternal Health	100,000
HRH, Deployment & Retention and Policy	37,406
Analyst Support	11,250
	<hr/>
	\$ 705,861
	<hr/> <hr/>

Note 7 - Related-Party Transactions

Facilities, goods and services donated by McKinsey & Company (McKinsey) amounted to approximately \$1,003,000 for the year ended September 30, 2018. In addition, McKinsey provided approximately \$30,000 of expenditures that were reimbursed by Touch in 2018. Six members of the Foundation's board of directors have served as partners, directors, or principals at McKinsey in the past, including the current president of the Foundation, who was a director of McKinsey until January 2012, and has held the title Senior Partner Emeritus at McKinsey since then. Additionally, two current directors continue to hold the titles of Senior Partner and Partner at McKinsey.

Legal services donated by Stroock & Stroock & Lavan LLP (Stroock) amounted to approximately \$156,000 for the year ended September 30, 2018. In addition, Stroock provided approximately \$5,000 of billed services for the year ended September 30, 2018. Services provided by Stroock consisted of advice on organizational and board matters, governance issues, tax compliance, grant making, agreements, intellectual property, fundraising, and employment issues. A partner of Stroock is a director and a special counsel of Stroock is the secretary of the Foundation.

Note 8 - Employee Benefit Plan

The Foundation sponsors a 401(k) profit-sharing plan for all eligible employees. Contributions to the plan are determined pursuant to a formula. Foreign employees not eligible for the 401(k) profit-sharing plan receive their retirement contribution from the Foundation as a direct payment. Total contributions made on behalf of the employees amounted to approximately \$40,000 for the year ended September 30, 2018.



TOUCH FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

Note 9 - Restatement of Net Assets

The Foundation determined that the revenue recognized from a multi-year grant through September 30, 2017 was overstated and required restatement. The Foundation identified errors totaling \$175,197 dating back to fiscal years ending September 30, 2011 and 2012. Contributions, grant receivable and the resulting unrestricted net assets at September 30, 2017 have been restated to correct this overstatement. The correction of the unrestricted net assets at September 30, 2017 is summarized as follows:

Unrestricted net assets, September 30, 2017, as previously reported	\$ 928,383
Overstated contributions and grants receivable	<u>(175,197)</u>
Unrestricted net assets, September 30, 2017, as restated	<u>\$ 753,186</u>

Note 10 - Subsequent Events

The Foundation has evaluated all events or transactions that occurred after September 30, 2018 through March 8, 2019, which is the date that the financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.