

CHRISTOPHER COFFLAND MEMORIAL FUND INC.

d/b/a CATCH A LIFT FUND

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

CHRISTOPHER COFFLAND MEMORIAL FUND INC.
d/b/a CATCH A LIFT FUND

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5 - 6
Notes to Financial Statements	7 - 9
Supplementary Information	
Schedule of Functional Expenses	10

NEUMAN, POLLAK & ASSOCIATES, P.A.

CERTIFIED PUBLIC ACCOUNTANTS
124 SLADE AVENUE, SUITE 110
BALTIMORE, MARYLAND 21208

CRAIG H. NEUMAN
JOSEPH E. POLLAK
BARBARA E. NEUMAN
EFRAIM RUBINOV

(410) 602-0500
FAX (410) 602-0509

Independent Auditor's Report

To the Board of Directors of
Christopher Coffland Memorial Fund, Inc.

We have audited the accompanying financial statements of Christopher Coffland Memorial Fund, Inc., (a nonprofit organization) which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Christopher Coffland Memorial Fund, Inc., as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Neuman, Pollak & Associates, P.A.

Baltimore, Maryland

July 21, 2017

CHRISTOPHER COFFLAND MEMORIAL FUND INC.
d/b/a CATCH A LIFT FUND

Statement of Financial Position
December 31, 2016

ASSETS

CURRENT ASSETS:

Cash	\$ 187,932
Unconditional promises to give, current portion	65,291
Prepaid expenses	<u>12,855</u>

Total current assets \$ 266,078

UNCONDITIONAL PROMISES TO GIVE, net of current portion -

Amounts due in one to five years 5,000

EQUIPMENT:

Furniture, fixtures and equipment	9,187
Website	6,507
Software - under development	11,888
Less: accumulated depreciation	<u>(1,584)</u>

25,998

\$ 297,076

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Credit card payable	\$ 80,714
Grants payable (Note 2)	32,983
Loans payable - equipment (Note 3)	1,380
Accrued expenses	<u>7,226</u>

Total current liabilities \$ 122,303

NET ASSETS:

Unrestricted	104,482
Temporarily restricted (Note 4)	<u>70,291</u>

174,773

\$ 297,076

See accompanying notes to financial statements

CHRISTOPHER COFFLAND MEMORIAL FUND INC.
d/b/a CATCH A LIFT FUND

Statement of Activities
For the Year Ended December 31, 2016

	<u>Unrestricted</u> <u>Net Assets</u>	<u>Restricted</u> <u>Net Assets</u>	<u>Total</u>
SUPPORT AND REVENUE:			
Grants and donations	\$ 378,244	\$ 32,615	\$ 410,859
Grants and donations generated at special events	527,028	27,676	554,704
Gross revenue from special events (excluding related donations)	77,683	-	77,683
Less: direct expenses for special events	(101,430)	-	(101,430)
In-kind contributions (Note 1)	11,900	-	11,900
Interest income	34		34
Net assets released from restrictions:			
Satisfaction of purpose restrictions	60,947	(60,947)	-
Satisfaction of time restrictions	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>
 Total support and revenue	 <u>959,406</u>	 <u>(5,656)</u>	 <u>953,750</u>
EXPENSES:			
Program services	806,587	-	806,587
Management and general	35,733	-	35,733
Fundraising	<u>39,178</u>	<u>-</u>	<u>39,178</u>
 Total expenses	 <u>881,498</u>	 <u>-</u>	 <u>881,498</u>
 CHANGE IN NET ASSETS	 77,908	 (5,656)	 72,252
 NET ASSETS AT BEGINNING OF YEAR	 <u>26,574</u>	 <u>75,947</u>	 <u>102,521</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 104,482</u>	 <u>\$ 70,291</u>	 <u>\$ 174,773</u>

See accompanying notes to financial statements

CHRISTOPHER COFFLAND MEMORIAL FUND INC.
d/b/a CATCH A LIFT FUND

Statement of Cash Flows
For the Year Ended December 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from grants and donations	\$ 910,272
Cash received from special events revenue	65,878
Cash received from interest income	34
Cash paid for direct costs of special events	(114,285)
Cash paid for program grants	(508,376)
Cash paid for other expenses	<u>(336,625)</u>

Net cash provided by operating activities \$ 16,898

CASH FLOWS FROM INVESTING ACTIVITIES:

Acquisition of fixed assets	(3,508)
Cash paid for software development	(3,222)
Cash paid for designing website	<u>(6,507)</u>

Net cash used in operating activities (13,237)

CASH FLOWS FROM FINANCING ACTIVITIES:

Payments on loan payable - equipment	<u>(1,799)</u>
--------------------------------------	----------------

NET INCREASE IN CASH 1,862

CASH AT BEGINNING OF YEAR 186,070

CASH AT END OF YEAR \$ 187,932

See accompanying notes to financial statements

CHRISTOPHER COFFLAND MEMORIAL FUND INC.
d/b/a CATCH A LIFT FUND

Statement of Cash Flows
For the Year Ended December 31, 2016

RECONCILIATION OF CHANGE IN NET ASSETS

TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Change in net assets	\$ 72,252
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,584
Donated fixed assets	(2,500)
Increase in unconditional promises to give	(55,291)
Increase in prepaid expenses	(12,855)
Decrease in accrued expenses	(274)
Increase in credit cards payable	20,144
Decrease in refundable advancee	(11,805)
Increase in grants payable	<u>5,643</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 16,898

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES:

Liability incurred for acquisition of fixed assets	<u>\$ 3,179</u>
--	-----------------

See accompanying notes to financial statements

CHRISTOPHER COFFLAND MEMORIAL FUND, INC.
d/b/a CATCH A LIFT FUND

Notes to Financial Statements
December 31, 2016
See Independent Auditors' Report

1. Nature of Operations and Summary of Significant Accounting Policies

Organization and Nature of Activities

Christopher Coffland Memorial Fund, Inc. d/b/a Catch A Lift Fund (CAL or the Organization) was incorporated as a nonprofit organization in the State of Maryland on October 27, 2010. The Organization was formed as a memorial to Cpl. Christopher Coffland, an Army Intelligence Specialist who volunteered for service after 9/11 and was killed by a roadside bomb in Afghanistan in November 2009. The Organization's mission is to help combat wounded veterans regain their mental and physical health through gym memberships, in home gym equipment, personalized fitness and nutrition programs, and a peer support network.

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses are recognized when the obligations are incurred.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets represent funds presently available for use by the Organization at its discretion. Temporarily restricted net assets represent unspent contributions and grants that are restricted by donor, either by time or by use in certain programs.

Use of Estimates

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

Contributions Receivable

Contributions are recognized when the donor makes a promise to give to CAL that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. Promises to give at a future date are classified as restricted to time until they become due unless the donor clearly expresses that the contribution is to be used to support activities of the current period. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

CAL uses the allowance method to determine uncollectible receivables. The allowance is based on prior years' experience and management's analysis of specific promises made. Management has deemed all receivables to be collectible and thus no allowance has been recorded.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$500. Purchased property and equipment are recorded at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Costs incurred to establish and design the current website were capitalized and are being depreciated on the straight-line basis over 3 years.

CHRISTOPHER COFFLAND MEMORIAL FUND, INC.
d/b/a CATCH A LIFT FUND

Notes to Financial Statements
December 31, 2016
See Independent Auditors' Report

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Donated Services, Goods, and Facilities

The contribution of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. CAL receives a significant amount of donated services from unpaid volunteers who assist in fund-raising and management. No amounts have been recognized in the statement of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied.

CAL also receives in-kind donations of various items that are auctioned off at fundraising events that it hosts at a local restaurant. Additionally, the use of facilities and food services provided at the events are donated as well. These in-kind donations are included with contributions in the accompanying financial statements, recorded at their fair value at the date of receipt, and adjusted for the ultimate amount received by the auction bidders and attendees for those items.

Donations of materials and equipment are recorded as in-kind contributions at their estimated fair value. Those donations are reported as unrestricted, unless the donor has restricted the donated asset to a specific purpose. The Organization has recognized \$2,500 of fixtures and hardware donated during 2016.

CAL sub-leases an office space under a month-to-month agreement with EBCS. No rent or utilities are paid by CAL. The landlord has estimated the approximate fair value of the annual rental and utilities to be \$9,400 and it is included in contributions and expenses in the statement of activities.

Net Assets

Net assets are classified for accounting and reporting purposes according to their nature and purpose and based on the existence or absence of any restrictions thereon. A description of each net asset group is as follows:

- Unrestricted Net Assets - represents funds presently available for use by the Organization at its discretion.
- Temporarily Restricted Net Assets - represents unspent contributions and grants that are restricted, either by time or for use in certain Organization programs. The Organization's policy is to report all donor-restricted contributions as temporarily restricted revenue even if those restrictions are met in the same reporting period the contributions and grants are received.

Income Taxes

CAL is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. The Organization's income tax returns filed subsequent to the year ended 2013 are open to review and examination by federal and state authorities. The organization is not aware of any activities that would jeopardize its tax-exempt status or any activities that are subject to tax on unrelated business income or excise or other taxes.

CHRISTOPHER COFFLAND MEMORIAL FUND, INC.
d/b/a CATCH A LIFT FUND

Notes to Financial Statements
December 31, 2016
See Independent Auditors' Report

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of providing various programs and other activities of the Organization have been summarized on a functional basis in the accompanying financial statements. Costs that can be identified with a particular program or support function are charged directly to that program or function. Salaries and related costs have been allocated among the programs and supporting services based upon management's best estimates of the proportion of these costs applicable to each program. Other allocable costs have been allocated to program services and to management and general and fundraising based upon management's best estimates.

Subsequent Events

Subsequent events have been evaluated through July 21, 2017, which is the date the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

2. Grants Payable

As part of its mission, the Organization offers grants to disabled veterans throughout the United States that pay for their gym memberships. These grants are either paid in lump sums or in monthly installments per the gym membership contract. The Organization records the full amount of the grant as an expense at the time of the grant approval. As of December 31, 2016, there was a balance due of grants payable totaling \$32,983.

3. Loans Payable

Loans payable at December 31, 2016 consisted of equipment loans payable in monthly installments of \$257, maturing serially through June, 2017.

4. Temporarily Restricted Net Assets

At December 31, 2016, there was a total of \$70,291 classified as temporarily restricted net assets due to promises to give that were temporarily unavailable for use due to time restrictions until they become due subsequent to year-end.

5. Commitments

During 2016, the Organization entered into a lease of office facilities under an operating lease. This lease, which terminates in June 2017, requires monthly payments of \$600. The term of the lease may be extended for additional 4 terms of 12 months by giving written notice to the lessor on or prior to ninety days before the expiration of the initial lease term. Rental expense under this lease totaled \$4,200 for the year ended December 31, 2016.

At December 31, 2016, minimum future rentals under the above lease are as follows:

For the year ending December 31, 2017	\$ 3,600
2018 and thereafter	_____
	<u>\$ 3,600</u>

SUPPLEMENTARY INFORMATION

CHRISTOPHER COFFLAND MEMORIAL FUND INC.
d/b/a CATCH A LIFT FUND

Schedule of Functional Expenses
For the Year Ended December 31, 2016

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Bank and credit card fees	\$ -	\$ 11,430	\$ -	\$ 11,430
Depreciation	1,364	90	130	1,584
Grants - gym membership and equipment	445,361	-	-	445,361
Grants - other	68,658	-	-	68,658
Information technology	3,080	204	294	3,578
Insurance	-	2,403	-	2,403
Marketing	-	-	7,059	7,059
Miscellaneous	2,750	182	263	3,195
Office	4,644	307	444	5,395
Printing and reproduction	-	-	514	514
Professional services	-	9,000	-	9,000
Promotional materials	17,054	-	6,971	24,025
Rent expense	3,615	239	346	4,200
Rent and utilities - contributed	8,092	535	773	9,400
Salaries - officer	56,250	7,500	11,250	75,000
Salaries - other	98,706	2,746	3,569	105,021
Shipping	3,816	-	187	4,003
Taxes - payroll	13,027	861	1,246	15,134
Telephone and web hosting	3,571	236	341	4,148
Travel and meetings	54,838	-	5,791	60,629
Welcome kits	21,761	-	-	21,761
	<u>\$ 806,587</u>	<u>\$ 35,733</u>	<u>\$ 39,178</u>	<u>\$ 881,498</u>