

CHRISTOPHER COFFLAND MEMORIAL FUND INC.

d/b/a CATCH A LIFT FUND

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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

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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, 2015, 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, 2015, 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 9 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.

Newman, Pollak & Associates, P.A.

Baltimore, Maryland

March 4, 2016

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

Statement of Financial Position
December 31, 2015

ASSETS

CURRENT ASSETS:

| | |
|---|---------------|
| Cash | \$ 186,070 |
| Unconditional promises to give, current portion | <u>10,000</u> |

Total current assets \$ 196,070

UNCONDITIONAL PROMISES TO GIVE, net of current portion -

| | |
|----------------------------------|-------|
| Amounts due in one to five years | 5,000 |
|----------------------------------|-------|

PROPERTY AND EQUIPMENT:

| | |
|--------------------------------|----------------|
| Website | 6,847 |
| Website - under construction | 8,666 |
| Less: accumulated depreciation | <u>(6,847)</u> |

8,666

\$ 209,736

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

| | |
|-------------------------|--------------|
| Credit card payable | \$ 60,570 |
| Refundable advance | 11,805 |
| Grants payable (Note 2) | 27,340 |
| Accrued expenses | <u>7,500</u> |

Total current liabilities \$ 107,215

NET ASSETS:

| | |
|---------------------------------|---------------|
| Unrestricted | 26,574 |
| Temporarily restricted (Note 3) | <u>75,947</u> |

102,521

\$ 209,736

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, 2015

| | <u>Unrestricted</u> <u>Net Assets</u> | <u>Restricted</u> <u>Net Assets</u> | <u>Total</u> |
|--|--|--|-----------------------|
| SUPPORT AND REVENUE: | | | |
| Grants and donations | \$ 501,498 | \$ 200,000 | \$ 701,498 |
| In-kind contribution (Note 1) | 9,400 | - | 9,400 |
| Gross revenue from special events (excluding related donations) | 29,891 | - | 29,891 |
| Less: direct expenses for special events | (42,351) | - | (42,351) |
| Net assets released from restrictions: | | | |
| Satisfaction of purpose restrictions | 139,053 | (139,053) | - |
| Satisfaction of time restrictions | <u>5,000</u> | <u>(5,000)</u> | <u>-</u> |
| Total support and revenue | <u>642,491</u> | <u>55,947</u> | <u>698,438</u> |
| EXPENSES: | | | |
| Program services | 665,370 | - | 665,370 |
| Management and general | 23,960 | - | 23,960 |
| Fundraising | <u>48,246</u> | <u>-</u> | <u>48,246</u> |
| Total expenses | <u>737,576</u> | <u>-</u> | <u>737,576</u> |
| CHANGE IN NET ASSETS | (95,085) | 55,947 | (39,138) |
| NET ASSETS AT BEGINNING OF YEAR | <u>121,659</u> | <u>20,000</u> | <u>141,659</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 26,574</u> | <u>\$ 75,947</u> | <u>\$ 102,521</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, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|--|------------------|
| Cash received from grants and donations | \$ 718,303 |
| Cash received from special events revenue | 29,891 |
| Cash paid for direct costs of special events | (42,351) |
| Cash paid for program grants | (499,241) |
| Cash paid for other expenses | <u>(189,469)</u> |

Net cash provided by operating activities \$ 17,133

CASH FLOWS FROM INVESTING ACTIVITIES:

| | |
|---------------------------------|----------------|
| Cash paid for designing website | <u>(8,666)</u> |
|---------------------------------|----------------|

NET INCREASE IN CASH 8,467

CASH AT BEGINNING OF YEAR 177,603

CASH AT END OF YEAR \$ 186,070

RECONCILIATION OF CHANGE IN NET ASSETS

TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

| | |
|--|---------------|
| Change in net assets | \$ (39,138) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation | 1,712 |
| Decrease in unconditional promises to give | 5,000 |
| Increase in accrued expenses | 3,475 |
| Increase in credit cards payable | 16,653 |
| Increase in refundable advance | 11,805 |
| Increase in grants payable | <u>17,626</u> |

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 17,133

See accompanying notes to financial statements

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

Notes to Financial Statements
December 31, 2015
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 wounded or injured veterans of the armed forces start and maintain their healing process both mentally and physically, by providing access to physical fitness centers nationwide or by providing them with in-house gym equipment.

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, 2015
See Independent Auditors' Report

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

Donated Services, Goods, and Facilities

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.

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 2012 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.

Subsequent Events

Subsequent events have been evaluated through March 4, 2016, 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.

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

Notes to Financial Statements
December 31, 2015
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.

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, 2015, there was a balance due of grants payable totaling \$27,340.

3. Temporarily Restricted Net Assets

At December 31, 2015, there was a total of \$75,937 classified as temporarily restricted net assets, consisting of a \$200,000 grant from Wounded Warriors Project that is restricted for specific use (60,947 unused at December 31, 2015), and due to promises to give totaling \$15,000 that were temporarily unavailable for use due to time restrictions until they become due subsequent to year-end.

SUPPLEMENTARY INFORMATION

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

Schedule of Functional Expenses
For the Year Ended December 31, 2015

| | <u>Program Services</u> | <u>Management & General</u> | <u>Fundraising</u> | <u>Total</u> |
|---------------------------------------|-----------------------------|-------------------------------------|--------------------|-------------------|
| Bank and credit card fees | \$ - | \$ 5,138 | \$ - | \$ 5,138 |
| Contributed rent and utilities | 7,151 | 593 | 1,656 | 9,400 |
| Depreciation | 1,198 | - | 514 | 1,712 |
| Grants - gym membership and equipment | 516,867 | - | - | 516,867 |
| Information technology | 13,677 | - | 3,088 | 16,765 |
| Insurance | - | 1,696 | - | 1,696 |
| Marketing | 727 | - | 11,172 | 11,899 |
| Miscellaneous | - | - | 1,766 | 1,766 |
| Office | 3,488 | 287 | 808 | 4,583 |
| Outside services | 1,102 | - | - | 1,102 |
| Printing and reproduction | - | - | 1,196 | 1,196 |
| Professional services | - | 7,500 | - | 7,500 |
| Salaries | 40,793 | - | 2,147 | 42,940 |
| Salaries - officer | 47,735 | 7,344 | 18,360 | 73,439 |
| Shipping | 5,000 | - | - | 5,000 |
| Taxes - payroll | 7,167 | 594 | 1,660 | 9,421 |
| Telephone and web hosting | 1,745 | 145 | 404 | 2,294 |
| Travel and meetings | 2,604 | 663 | 5,475 | 8,742 |
| Welcome kits and merchandise | 16,116 | - | - | 16,116 |
| | <u>\$ 665,370</u> | <u>\$ 23,960</u> | <u>\$ 48,246</u> | <u>\$ 737,576</u> |