



**DAVIS**KELLY CERTIFIED  
PUBLIC  
ACCOUNTANTS  
CREATING VALUE FROM NUMBERS

**The Catalog for Giving, Inc.**

*Financial Statements*

*Year Ended December 31, 2017*

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*A Certified Women-Owned Business Enterprise*

*in the Commonwealth of Massachusetts and the City of New York*

4238 Washington Street, Suite 307 • Boston, MA 02131 • T: 617.390.5734

1345 Avenue of the Americas 33<sup>rd</sup> Floor, New York, New York 10105

# **The Catalog for Giving, Inc.**

*December 31, 2017*

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## *Independent Auditors' Report*

To the Board of Directors of  
The Catalog for Giving, Inc.  
New York, New York

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of The Catalog for Giving, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. The prior year comparative information has been derived from The Catalog for Giving, Inc.'s 2016 financial statement, which was audited by other auditors, whose report dated August 14, 2017, expressed an unqualified opinion on those 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***

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.

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*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Catalog for Giving, Inc. as of December 31, 2017, 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.

*DavisKelly LLC*

Boston, Massachusetts

May 25, 2018

# THE CATALOG FOR GIVING, INC.

## *Statement of Financial Position*

*For the Year Ended December 31, 2017*

*(with comparative totals for the year ended December 31, 2016)*

	<u>2017</u>	<u>2016</u>
<i>Assets</i>		
Cash and cash equivalents	\$ 494,064	\$ 489,244
Accounts receivables	93,669	51,743
Fixed assets, net	18,412	18,232
Security deposit	<u>1,935</u>	<u>1,959</u>
<i>Total assets</i>	<u>\$ 608,080</u>	<u>\$ 561,178</u>
<i>Liabilities and Net Assets</i>		
<i>Liabilities:</i>		
Accounts payable	\$ 111,985	\$ 113,000
Accrued expenses	<u>14,901</u>	<u>26,438</u>
<i>Total liabilities</i>	<u>126,886</u>	<u>139,438</u>
<i>Net assets:</i>		
Unrestricted	481,194	416,740
Temporarily restricted	<u>-</u>	<u>5,000</u>
<i>Total net assets</i>	<u>481,194</u>	<u>421,740</u>
<i>Total liabilities and net assets</i>	<u>\$ 608,080</u>	<u>\$ 561,178</u>

**THE CATALOG FOR GIVING, INC.**

*Statement of Activities*

*Statement of Financial Position*

*(with summarized comparative totals for the year ended December 31, 2016)*

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
<i>Support and revenue:</i>				
Grants and contributions	\$ 387,726	\$ -	\$ 387,726	\$ 376,671
Special event revenue	1,408,808	-	1,408,808	1,378,528
Interest and dividend income	202	-	202	171
Net assets released from restrictions	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>
<i>Total support and revenue</i>	<u>1,801,736</u>	<u>(5,000)</u>	<u>1,796,736</u>	<u>1,755,370</u>
<i>Expenses:</i>				
Program services	1,271,569	-	1,271,569	1,225,766
General and administration	91,541	-	91,541	82,351
Fundraising	<u>374,172</u>	<u>-</u>	<u>374,172</u>	<u>389,607</u>
<i>Total expenses</i>	<u>1,737,282</u>	<u>-</u>	<u>1,737,282</u>	<u>1,697,724</u>
<i>Changes in net assets</i>	64,454	(5,000)	59,454	57,646
<i>Net assets, beginning</i>	<u>416,740</u>	<u>5,000</u>	<u>421,740</u>	<u>364,094</u>
<i>Net assets, ending</i>	\$ <u><u>481,194</u></u>	\$ <u><u>-</u></u>	\$ <u><u>481,194</u></u>	\$ <u><u>421,740</u></u>

# THE CATALOG FOR GIVING, INC.

## Statement of Cash Flows

For the Year Ended December 31, 2017

(with comparative totals for the year ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
<i>Cash flows from operating activities:</i>		
Change in net assets	\$ 59,454	\$ 57,646
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expenses	4,845	4,670
Change in:		
Accounts receivable	(41,926)	(11,665)
Security deposit	24	16,996
Accounts payable	(1,015)	15,500
Accrued expenses	(11,537)	7,582
<i>Net cash provided by operating activities</i>	<u>9,845</u>	<u>90,729</u>
<i>Cash flows from investing activities:</i>		
Purchase of fixed assets	(5,025)	(19,200)
Changes on investments, net	-	17,215
<i>Net cash provided by investing activities</i>	<u>(5,025)</u>	<u>(1,985)</u>
<i>Net increase in cash and cash equivalents</i>	4,820	88,744
<i>Cash and cash equivalents, beginning</i>	<u>489,244</u>	<u>400,500</u>
<i>Cash and cash equivalents, ending</i>	<u>\$ 494,064</u>	<u>\$ 489,244</u>

**THE CATALOG FOR GIVING, INC.**

*Statement of Functional Expenses*

*For the Year Ended December 31, 2017*

*(with summarized comparative totals for the year ended December 31, 2016)*

	<u>Program</u> <u>Services</u>	<u>General and</u> <u>Administration</u>	<u>Fundraising</u>	<u>2017</u> <u>Total</u>	<u>2016</u> <u>Total</u>
Salaries	\$ 155,910	\$ 48,021	\$ 41,917	\$ 245,848	\$ 227,523
Payroll taxes	10,161	3,016	2,700	15,877	15,227
Fringe benefits	22,524	6,687	5,983	35,194	21,083
Grant expenses	1,030,750	-	-	1,030,750	1,008,500
Professional fees	20,242	24,013	5,377	49,632	42,619
Printing and postage	1,124	683	299	2,106	4,957
Rent	8,544	2,536	2,270	13,350	20,035
Office expense	3,464	1,029	921	5,414	2,957
Travel and mileage	4,607	1,367	1,224	7,198	3,845
Insurance	2,097	620	556	3,273	3,892
Telephone	2,276	675	605	3,556	3,975
Event expenses	-	-	282,233	282,233	327,566
Equipment rental and maintenance	5,844	1,737	1,553	9,134	2,088
Miscellaneous expenses	893	266	237	1,396	4,913
Bank and credit card fees	-	-	27,476	27,476	3,874
Depreciation expenses	3,133	891	821	4,845	4,670
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
<i>Total expenses</i>	\$ <u>1,271,569</u>	\$ <u>91,541</u>	\$ <u>374,172</u>	\$ <u>1,737,282</u>	\$ <u>1,697,724</u>

# **The Catalog for Giving, Inc.**

## ***Notes to Financial Statements***

### ***For the Year Ended December 31, 2017***

#### ***Note 1 - Organization and Background***

The Catalog for Giving, Inc. (the "Organization")("The Catalog", a/k/a The Catalog for Giving of New York City) is a nonprofit organization dedicated to transforming the lives of New York City children by identifying and providing crucial funding and operational support to innovative community-based start-up organizations that assist disadvantaged youth throughout the City.

Every three years since its inception in 1994, The Organization scours New York City and selects the "best of the best" small, youth development programs with which they partner, empowering those organizations to expand their capability to bring critical services to needy youth. The Organization serves like a "fund to funds," carefully vetting and selecting the premiere groups that have demonstrated they have the capacity to transform under-served youth, but require additional support to grow their programs and broaden their reach. Some organizations work with children in afterschool programs; others operate within the schools. Some connect children with programming in sports; others promote arts and media. All of them provide children who have had limited opportunities the chance of a lifetime, to develop new skills, seek new pathways and learn new ways to achieve success.

The Catalog's value-added model contributes significant funding to each program and provides intensive individual mentoring and professional development workshops to the Executive Directors and other senior staff of our programs, fosters collaboration between the programs, empowers program expansion, and enhances the organizations' skills in finance, technology, and development.

#### ***Note 2 - Summary of Significant Accounting Policies***

##### ***Basis of Accounting and Presentation***

The accompanying financial statements are presented on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

##### ***Use of Estimates and Assumptions***

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

# **The Catalog for Giving, Inc.**

## ***Notes to Financial Statements***

***For the Year Ended December 31, 2017***

### ***Note 2 - Summary of Significant Accounting Policies (Continued)***

#### ***Basis of Accounting and Presentation***

The financial statements presentation follows the requirements of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards, Financial Statements of Not-for-Profit Organizations. 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*** - consists of assets, public support, program revenues and investment earnings which are available and used for charitable activities, operations and programs. Unrestricted net assets represent the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

***Temporarily Restricted Net Assets*** - includes funds with donor-imposed restrictions which permit the done organization to expend the assets as specified and are satisfied either by the passage of time or by actions of the Organization. Resources of this nature originate from gifts, grants, bequests and investment income earned on restricted funds. The Organization did not have any temporarily restricted net assets at December 31, 2017.

***Permanently Restricted Net Assets*** - includes resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits The Organization to expend part or all of the income derived from the donated assets.

#### ***Cash and Cash Equivalents***

The Organization considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of ninety days or less at the time of purchase. Excluded from this definition of cash equivalents are such amounts that represent funds that have been designated by the Board for investment. Money market deposits maintained in checking and saving accounts which are available for current operations. For the purposes of the statements of cash flows, the Organization considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

# **The Catalog for Giving, Inc.**

## ***Notes to Financial Statements***

***For the Year Ended December 31, 2017***

### ***Note 2 - Summary of Significant Accounting Policies (Continued)***

#### ***Accounts Receivable***

Accounts receivable are presented net of the allowance for doubtful accounts. The Organization's periodic evaluation of the adequacy of the allowance is based on its past loss experience. All of the accounts receivable are expected to be fully collected within one year; therefore, no allowance for doubtful accounts has been recorded.

#### ***Fixed Assets***

Purchased fixed assets are carried at costs. Property, equipment, furnishing, and improvement are capitalized at cost, if purchased, or if donated, at fair market value at the date of receipt. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. Maintenance and repairs are charged to expense as incurred, while betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in revenues. The capitalization policy is any item over \$1,500.

#### ***Income Tax Status***

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an Organization that is not a private foundation under Section 509(a)(1). The Organization is also exempt from New York state taxes. However, the Organization remains 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 purpose for which it was granted exemption.

#### ***Functional Allocation of Expenses***

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses are allocated among program and supporting services directly or on the basis of time records and utilization estimates made by the Organization's management. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Expenses that can be identified with a specific program and/or support service are allocated directly according to their natural expenditure classification.

# **The Catalog for Giving, Inc.**

## ***Notes to Financial Statements***

### ***For the Year Ended December 31, 2017***

#### ***Note 2 - Summary of Significant Accounting Policies (Continued)***

##### ***Contributions***

The Organization follows the requirements of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards, *Accounting for Contributions Received and Contributions Made*. This financial accounting standard requires that contributions be recorded as receivables and revenues and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, stock or other securities, collection items, or promises to give.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction until restriction conditions are satisfied, at which time temporarily restricted net assets are reclassified to unrestricted net assets.

##### ***Contributed Goods and Services***

The Organization records various types of in-kind support including contributed facilities and professional services. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as “in-kind revenue” are offset by amounts included in expenses or fixed assets.

Additionally, the Organization may receive amounts of skilled, contributed time, which does not meet the two recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

##### ***Revenue Recognition***

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions subject to donor-imposed stipulations that are met in the same reporting period are reported as unrestricted support. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved, when such amounts are considered material.

# The Catalog for Giving, Inc.

## Notes to Financial Statements

### For the Year Ended December 31, 2017

#### Note 2 - Summary of Significant Accounting Policies (Continued)

The Organization reports gifts of cash 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, temporarily restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization reports gifts of land, building, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

#### Note 3 - Fixed Assets

Fixed assets consisted of the following as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Furniture and fixtures	\$ 1,880	\$ 1,880
Computer equipment	26,917	26,917
Data migration	<u>24,225</u>	<u>19,200</u>
Subtotal	<u>53,022</u>	<u>47,997</u>
Less: Accumulated depreciation	<u>(34,610)</u>	<u>(29,765)</u>
Total fixed assets	<u>\$ 71,434</u>	<u>\$ 66,229</u>

Depreciation expense was \$4,845, and \$4,670 for the years ended December 31, 2017 and 2016, respectively.

#### Note 4 - Concentration of Credit Risk

The Organization maintains its cash balances at a financial institution in New York, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on its cash and cash equivalents.

#### Note 5 - Commitments

The Organization occupies office space under a lease agreement in New York, New York. The lease provides for monthly rent payment of \$750 on a month to month basis. Rent expense totaled \$13,350 and \$20,035 for the years ended December 31, 2017 and 2016.

# **The Catalog for Giving, Inc.**

## ***Notes to Financial Statements***

### ***For the Year Ended December 31, 2017***

#### ***Note 6 - Summarized Comparative Information***

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2017, from which the summarized information was derived. Comparative information may have been modified to conform to the current financial statements.

#### ***Note 7 - Subsequent Events***

In connection with the preparation of the financial statements and in accordance with Financial Accounting Standards Board Accounting Standards Codification 855-10, Subsequent Events, the Corporation management evaluated subsequent events after the statement of financial position date of January 1, 2018, through May 25, 2018, the date the financial statements were available to be issued, noting that there was no material events during this period that would impact the results reflected in this report.