

THE CATALOG FOR GIVING, INC.

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2016 AND 2015

THE CATALOG FOR GIVING, INC.

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of The Catalog for Giving, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years 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 audits. We conducted our audits 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 of 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 auditors' 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 The Catalog for Giving, Inc. as of December 31, 2016 and 2015, 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.

Lotz + Carr, LLP

New York, New York
August 14, 2017

THE CATALOG FOR GIVING, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents (Notes 1b and 2)	\$489,244	\$400,500
Unconditional promises to give (Notes 1c and 5)		
Unrestricted	51,743	40,078
Prepaid expenses and other current assets	1,959	18,955
Investments (Notes 1d and 3)	-	17,215
Property and equipment, at cost, net of accumulated depreciation (Notes 1e and 6)	<u>18,232</u>	<u>3,702</u>
 Total Assets	 <u><u>\$561,178</u></u>	 <u><u>\$480,450</u></u>
 Liabilities and Net Assets		
Liabilities		
Grants payable (Note 1f)	\$113,000	\$ 97,500
Accounts payable and accrued expenses	<u>26,438</u>	<u>18,856</u>
Total Liabilities	<u>139,438</u>	<u>116,356</u>
Commitments (Note 7)		
Net Assets		
Unrestricted	416,740	355,804
Temporarily restricted (Note 4)	<u>5,000</u>	<u>8,290</u>
Total Net Assets	<u>421,740</u>	<u>364,094</u>
 Total Liabilities and Net Assets	 <u><u>\$561,178</u></u>	 <u><u>\$480,450</u></u>

See notes to financial statements.

THE CATALOG FOR GIVING, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Changes in Unrestricted Net Assets		
Revenue and Other Support (Note 1a)		
Grants and contributions	\$ 360,657	\$ 325,970
Special event revenue	1,378,528	1,182,018
Less: Direct event expenses	(174,710)	(163,361)
Contributions raised on behalf of designated charitable organizations	75,420	82,207
Less: Grant distributions of current year contributions to designated charitable organizations	(75,420)	(82,207)
Net investment income (loss) (Note 3)	171	(2,816)
Other income	11,014	-
	<u>1,575,660</u>	<u>1,341,811</u>
Net assets released from restrictions		
Satisfaction of time and program restrictions	<u>8,290</u>	<u>3,399</u>
Total Revenue and Other Support	<u>1,583,950</u>	<u>1,345,210</u>
Expenses		
Program Services		
Grant expense	1,008,500	829,930
Other program service expenses	217,266	216,927
Total Program Services	<u>1,225,766</u>	<u>1,046,857</u>
Supporting Services		
Management and general	82,351	79,573
Fundraising	214,897	164,942
Total Supporting Services	<u>297,248</u>	<u>244,515</u>
Total Expenses	<u>1,523,014</u>	<u>1,291,372</u>
Increase in Unrestricted Net Assets	<u>60,936</u>	<u>53,838</u>
Changes in Temporarily Restricted Net Assets		
Contributions (Note 1a)	5,000	8,290
Net assets released from restrictions	<u>(8,290)</u>	<u>(3,399)</u>
Increase in Temporarily Restricted Net Assets	<u>(3,290)</u>	<u>4,891</u>
Increase in net assets	57,646	58,729
Net assets, beginning of year	<u>364,094</u>	<u>305,365</u>
Net Assets, End of Year	<u><u>\$ 421,740</u></u>	<u><u>\$ 364,094</u></u>

See notes to financial statements.

THE CATALOG FOR GIVING, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 57,646	\$ 58,729
Adjustments to reconcile increase in net assets to to net cash provided (used) by operating activities:		
Depreciation	4,670	1,949
Realized (gain) loss on sale of investments	(211)	2,781
Unrealized loss on investments	42	748
(Increase) decrease in:		
Unconditional promises to give	(11,665)	12,497
Prepaid expenses and other current assets	16,996	(8,474)
Increase (decrease) in:		
Grants payable	15,500	(127,478)
Accounts payable and accrued expenses	7,582	5,516
Net Cash Provided (Used) By Operating Activities	<u>90,560</u>	<u>(53,732)</u>
Cash Flows From Investing Activities		
Purchase of investments	-	(48,740)
Proceeds from sale of investments	17,384	55,798
Acquisition of property and equipment	(19,200)	(1,880)
Net Cash Provided (Used) By Investing Activities	<u>(1,816)</u>	<u>5,178</u>
Net increase (decrease) in cash and cash equivalents	88,744	(48,554)
Cash and cash equivalents, beginning of year	<u>400,500</u>	<u>449,054</u>
Cash and Cash Equivalents, End of Year	<u><u>\$489,244</u></u>	<u><u>\$400,500</u></u>

See notes to financial statements.

THE CATALOG FOR GIVING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

The Catalog for Giving, Inc. ("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 Catalog scours New York City and selects the "best of the best" small, youth development programs with which we partner, empowering these organizations to expand their capability to bring critical services to needy youth. The Catalog serves like a "fund of funds," carefully vetting and selecting the premiere groups that have demonstrated they have the capacity to transform under-served kids, but require additional support to grow their programs and broaden their reach. Some organizations work with kids in afterschool programs; others operate within the schools. Some hook kids with programming in sports; others promote arts and media. All of them provide kids 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.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, The Catalog considers all highly liquid investments, including money market funds, to be cash equivalents, except for amounts held in its investment portfolio.

c - Unconditional Promises to Give and Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to The Catalog 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. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

THE CATALOG FOR GIVING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

d - Investments

The Catalog reflects investments at fair value in the statement of financial position. Interest, dividends, gains and losses on investments are reflected in the statement of activities as increases and decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Investment income restricted by the donor is reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the income is recognized.

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset based on market data obtained from sources independent of The Catalog. Unobservable inputs reflect The Catalog's assumptions about the inputs market participants would use in pricing the asset developed based on the best information available in the circumstances. Fair value measurements are categorized into three levels as follows:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that The Catalog has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

e - Property and Equipment

Property and equipment are being depreciated using the straight-line method over the estimated useful life of the asset.

f - Grant Expense

Grant expense is recognized at the time authorized and awarded by The Catalog.

THE CATALOG FOR GIVING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

g - Financial Statement Presentation

The Catalog reports 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.

h - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

i - Subsequent Events

The Catalog has evaluated subsequent events through August 14, 2017, the date that the financial statements are considered available to be issued.

j - Tax Status

The Catalog for Giving, Inc. is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

Note 2 - Concentration of Credit Risk

The Catalog maintains its cash and cash equivalents at one financial institution in New York. The balances up to certain limits are insured by the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation. Balances, at times, may exceed these limits.

Note 3 - Investments

The Catalog had no investments as of December 31, 2016. Investments at December 31, 2015, which were classified as Level 1 in the fair value hierarchy, are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 6,792	\$ 6,792
Domestic equity funds	<u>10,381</u>	<u>10,423</u>
	<u>\$17,173</u>	<u>\$17,215</u>

THE CATALOG FOR GIVING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 3 - Investments (continued)

Net investment income (loss) for the years ended December 31, 2016 and 2015 is summarized as follows:

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 2	\$ 713
Realized gain (loss) on sale of investments	211	(2,781)
Unrealized loss on investments	<u>(42)</u>	<u>(748)</u>
	<u>\$171</u>	<u>\$(2,816)</u>

Note 4 - Temporarily Restricted Net Assets

Temporarily restricted net assets as of December 31, 2016 and 2015 consisted of contributions restricted for computer equipment purchases.

Note 5 - Unconditional Promises to Give

Unconditional promises to give are due within one year. Uncollectible promises to give are expected to be insignificant.

Note 6 - Property and Equipment

Property and equipment consist of the following:

	<u>Life</u>	<u>2016</u>	<u>2015</u>
Furniture and fixtures	5 years	\$ 3,846	\$ 3,846
Computer equipment	3-5 years	<u>31,833</u>	<u>24,950</u>
		35,679	28,796
Less: Accumulated depreciation		<u>(17,447)</u>	<u>(25,094)</u>
Total		<u>\$18,232</u>	<u>\$ 3,702</u>

THE CATALOG FOR GIVING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 6 - Property and Equipment (continued)

Depreciation expense for the years ended December 31, 2016 and 2015 was \$4,670 and \$1,949, respectively.

Note 7 - Commitments

a - The Catalog occupies office space under a lease agreement which commenced in May 2015. The lease provides for monthly rent payments of \$1,650 on a month to month basis.

The Catalog paid rent totaling \$20,035 (2016) and \$21,681 (2015).

b - The Catalog has a 403(b) retirement plan for all eligible employees, which does not provide a matching employer contribution.

Note 8 - Functional Allocation of Expenses

The cost of providing the various program and the supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and the supporting services in reasonable ratios determined by management.

SUPPLEMENTARY INFORMATION



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**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

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

We have audited the financial statements of The Catalog for Giving, Inc. as of and for the years ended December 31, 2016 and 2015, and have issued our report thereon dated August 14, 2017, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses for the year ended December 31, 2016 with comparative totals for 2015 is presented for the 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 audits 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.

Lutz + Carr, LLP

New York, New York
August 14, 2017

THE CATALOG FOR GIVING, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2016 WITH COMPARATIVE TOTALS FOR 2015

	Program Services	Supporting Services		2016	2015
		Management and General	Fundraising	Total Expenses	Total Expenses
Salaries	\$ 144,289	\$ 44,441	\$ 38,793	\$ 227,523	\$ 208,909
Payroll taxes	9,745	2,893	2,589	15,227	16,815
Employee benefits	13,493	4,006	3,584	21,083	33,411
Grant expense	1,008,500	-	-	1,008,500	829,930
Professional fees	17,382	20,620	4,617	42,619	33,782
Printing and postage	2,646	1,608	703	4,957	3,878
Rent	12,822	3,807	3,406	20,035	21,681
Office expense	1,892	562	503	2,957	3,461
Travel	2,461	730	654	3,845	14,169
Insurance	2,493	738	661	3,892	3,674
Telephone	2,544	755	676	3,975	4,628
Event expenses	-	-	152,856	152,856	106,833
Equipment rental and maintenance	1,336	397	355	2,088	1,243
Miscellaneous expense	3,143	935	835	4,913	2,322
Bank and credit card fees	-	-	3,874	3,874	4,687
Depreciation expense	3,020	859	791	4,670	1,949
Total Expenses, 2016	<u>\$1,225,766</u>	<u>\$ 82,351</u>	<u>\$ 214,897</u>	<u>\$1,523,014</u>	
Total Expenses, 2015	<u>\$1,046,857</u>	<u>\$ 79,573</u>	<u>\$ 164,942</u>		<u>\$1,291,372</u>

See independent auditors' report on supplementary information.