

THE PINK FUND

AUDITED FINANCIAL STATEMENTS

Years ended June 30, 2018 and 2017

THE PINK FUND

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Pink Fund
Bloomfield Hills, MI 48303

We have audited the accompanying financial statements of The Pink Fund (a nonprofit organization), which comprise the statement of financial position as of June 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.

Auditor's 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 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.

To the Board of Directors
The Pink Fund
Bloomfield Hills, Michigan
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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 Pink Fund as of June 30, 2018 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.

Prior Period Financial Statements

The financial statements of The Pink Fund as of June 30, 2017, were audited by other auditors whose report dated April 19, 2018, expressed an unmodified opinion on those statements.

The image shows a handwritten signature in dark ink. The letters 'UHY' are written in a large, stylized, cursive font, and 'LLP' is written in a smaller, simpler font to the right of 'UHY'.

Farmington Hills, Michigan
May 14, 2019

THE PINK FUND
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2018	2017
ASSETS		
Cash and cash equivalents	\$ 464,416	\$ 161,979
Property and equipment, net	6,645	4,288
	<u>471,061</u>	<u>166,267</u>
Total assets	<u>\$ 471,061</u>	<u>\$ 166,267</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 10,479	\$ 9,463
Accrued expenses	40,656	41,605
	<u>51,135</u>	<u>51,068</u>
Total liabilities	<u>51,135</u>	<u>51,068</u>
NET ASSETS		
Unrestricted	329,574	(58,115)
Temporarily restricted assets	90,352	173,314
	<u>419,926</u>	<u>115,199</u>
Total net assets	<u>419,926</u>	<u>115,199</u>
Total liabilities and net assets	<u>\$ 471,061</u>	<u>\$ 166,267</u>

THE PINK FUND
STATEMENTS OF ACTIVITIES

	Year ended June 30, 2018			Year ended June 30, 2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT						
Corporate contributions	\$ 580,709	\$ -	\$ 580,709	\$ 482,120	\$ -	\$ 482,120
Individual contributions	485,746	41,985	527,731	103,843	127,073	230,916
Foundation contributions	61,509	-	61,509	6,142	40,000	46,142
Special events	108,882	-	108,882	127,107	-	127,107
Donated services	-	-	-	8,000	-	8,000
Interest income	501	-	501	404	-	404
Total revenues and other support	<u>1,237,347</u>	<u>41,985</u>	<u>1,279,332</u>	<u>727,616</u>	<u>167,073</u>	<u>894,689</u>
Net assets released from restrictions	<u>124,947</u>	<u>(124,947)</u>	<u>-</u>	<u>60,758</u>	<u>(60,758)</u>	<u>-</u>
EXPENSES						
Program services	855,109	-	855,109	933,132	-	933,132
Management and general	45,247	-	45,247	40,704	-	40,704
Fundraising	74,249	-	74,249	74,649	-	74,649
Total functional expenses	<u>974,605</u>	<u>-</u>	<u>974,605</u>	<u>1,048,485</u>	<u>-</u>	<u>1,048,485</u>
CHANGE IN NET ASSETS	<u>387,689</u>	<u>(82,962)</u>	<u>304,727</u>	<u>(260,111)</u>	<u>106,315</u>	<u>(153,796)</u>
NET ASSETS - Beginning of year	<u>(58,115)</u>	<u>173,314</u>	<u>115,199</u>	<u>201,996</u>	<u>66,999</u>	<u>268,995</u>
NET ASSETS - End of year	<u>\$ 329,574</u>	<u>\$ 90,352</u>	<u>\$ 419,926</u>	<u>\$ (58,115)</u>	<u>\$ 173,314</u>	<u>\$ 115,199</u>

THE PINK FUND
STATEMENTS OF FUNCTIONAL EXPENSES

	Year ended June 30, 2018				Year ended June 30, 2017			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 144,734	\$ 33,400	\$ 44,534	\$ 222,668	\$ 120,433	\$ 27,792	\$ 37,056	\$ 185,281
Payroll taxes	12,210	2,818	3,757	18,785	8,952	2,066	2,755	13,773
Bank fees	-	-	2,252	2,252	-	-	7,960	7,960
Awards and grants	568,348	-	-	568,348	682,805	-	-	682,805
Occupancy	3,128	722	962	4,812	3,128	722	962	4,812
Dues and subscriptions	2,364	546	727	3,637	1,447	334	445	2,226
Depreciation	408	94	126	628	981	226	302	1,509
Travel and entertainment	9,270	2,139	2,852	14,261	7,205	1,663	2,217	11,085
Insurance	1,843	425	567	2,835	2,078	480	639	3,197
Office expense	2,495	576	768	3,839	5,788	1,336	1,781	8,905
In-kind	-	-	-	-	8,000	-	-	8,000
Professional fees	6,094	1,406	1,875	9,375	4,534	1,046	1,395	6,975
Other expense	11,652	2,689	3,585	17,926	13,275	3,063	4,085	20,423
Education and training	81	19	25	125	6,665	1,538	2,051	10,254
Telephone	1,789	413	551	2,753	1,900	438	585	2,923
Marketing and PR	90,693	-	-	90,693	65,941	-	-	65,941
Fundraising expense	-	-	11,668	11,668	-	-	12,416	12,416
Total expenses	<u>\$ 855,109</u>	<u>\$ 45,247</u>	<u>\$ 74,249</u>	<u>\$ 974,605</u>	<u>\$ 933,132</u>	<u>\$ 40,704</u>	<u>\$ 74,649</u>	<u>\$ 1,048,485</u>

**THE PINK FUND
STATEMENTS OF CASH FLOWS**

	<u>Year ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 304,727	\$ (153,796)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	628	1,509
Changes in assets and liabilities:		
Pledges receivable	-	10,000
Accounts payable	1,016	(23,435)
Accrued expenses	(949)	(2,782)
	<u>305,422</u>	<u>(168,504)</u>
Net cash provided by (used in) operating activities		
INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(2,985)</u>	<u>(4,000)</u>
Net cash (used in) investing activities	<u>(2,985)</u>	<u>(4,000)</u>
NET CHANGE IN CASH	302,437	(172,504)
CASH AND CASH EQUIVALENTS, beginning of year	<u>161,979</u>	<u>334,483</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 464,416</u></u>	<u><u>\$ 161,979</u></u>

THE PINK FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain accounting policies followed in the preparation of these financial statements. The policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization and Nature of Activities

The Pink Fund (the “Organization”), a nonprofit organization founded in Michigan, is dedicated to provide short-term financial aid to women and men who are in treatment and recovery for breast cancer. Financial aid awards are to cover necessary living expenses such as to mortgage or rent payments, utilities, insurance and auto loans.

Basis of Presentation

The Organization follows accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets generally accepted accounting principles (GAAP) that the organization follows to ensure they consistently report their financial condition, results of operations and cash flows. References to GAAP issued by the FASB in the following footnotes are the *FASB Accounting Standards Codification (ASC)*.

Financial statement presentation follows the recommendations of the ASC topic *Presentation of Financial Statements for Non-Profit Entities*. 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.

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 and liabilities and 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 and Concentration of Credit Risk

The Organization considers short-term highly liquid investments to be cash equivalents provided that they are both readily convertible to cash and had an original maturity of three months or less when purchased.

The Organization maintains, in certain financial institutions and with certain brokers throughout the year, cash balances which at times may exceed federally insured amounts. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

THE PINK FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Equipment and Depreciation

Property and equipment is stated at cost. Expenditures for maintenance and repairs are charged to operating expenses. Adjustments of the asset and the related accumulated depreciation accounts are made for property and equipment retirements and disposals, with the resulting gain or loss included in the Statement of Activities. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of assets at acquisition.

Accrued Expenses

Accrued expenses represent commitments for grant awards to provide financial aid. Grants are typically awarded for a three month period.

Net Assets

Unrestricted net assets are not restricted by the funding source or grantor, the fund source requirements, or donor-imposed restrictions that have expired. Unrestricted net assets include board designated net assets. Temporarily restricted net assets contain funding source or donor-imposed restrictions that permit spending as specified. The restrictions are satisfied either by the passage of time or the actions of the Organization. Permanently restricted net assets are required by donors to be held in perpetuity by the Organization.

Contributions

The Organization reports gifts of cash and other assets as either temporarily or permanently 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 is accomplished, restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Special Events

Special event revenues are reported net of direct expenses. For the years ended June 30, 2018 and 2017, direct expense was \$50,069 and \$152,227, respectively.

Donated Services

A substantial number of volunteers have donated significant amounts of their time in the Organization's program services and its fundraising campaigns. Donated services were not recognized in the financial statement since they did not meet the criteria for recognition under ASC topic *Contributions*.

THE PINK FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Pink Fund is a non-profit organization exempt under Section 501(c) (3) of the Internal Revenue Code and therefore, is not subject to tax under Federal or state income tax laws. ASC guidance regarding accounting for uncertainty in income taxes clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement. At June 30, 2018 and 2017, there were no uncertain tax positions that require accrual.

Functional Expenses

The Organization allocates its expenses on a functional basis among its program and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated on various statistical bases. Although the methods used are considered reasonable, other methods could be used that would produce different results.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Subsequent Events

The Organization has performed a review of events subsequent to the Statement of Financial Position through May 14, 2019, the date the financials were available to be issued. There were no material subsequent events that required recognition or additional disclosure.

THE PINK FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	June 30,	
	<u>2018</u>	<u>2017</u>
Computer hardware and software	\$ 11,820	\$ 9,634
Furniture and fixtures	800	-
	<u>12,620</u>	<u>9,634</u>
Less accumulated depreciation	<u>5,975</u>	<u>5,346</u>
	<u><u>\$ 6,645</u></u>	<u><u>\$ 4,288</u></u>

There was \$628 and \$1,509 of depreciation expense for the years ended June 30, 2018 and 2017, respectively.

NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were comprised of the following:

	June 30,	
	<u>2018</u>	<u>2017</u>
Mary Herczog Fund	\$ 32,614	\$ -
Designated for grant awards by locale	<u>57,738</u>	<u>173,314</u>
	<u><u>\$ 90,352</u></u>	<u><u>\$ 173,314</u></u>

There were no permanently restricted net assets for the years ended June 30, 2018 and 2017.

NOTE 4 – OPERATING LEASE

The Organization leases office space on a month to month basis with monthly payments for \$400. Total rent expense for both the years ended June 30, 2018 and 2017 was \$4,812.