

**THE PINK FUND**  
**(A Michigan Non-Profit Organization)**

**REPORT ON AUDIT OF**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
The Pink Fund

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, 2016, and the related statement 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 the 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 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 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 The Pink Fund as of June 30, 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.



**T & S ASSOCIATES, PC**

Bingham Farms, MI

May 4, 2017

**THE PINK FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2016**

**ASSETS**

**Current Assets:**

Cash and cash equivalents:		
Cash checking	\$	40,901
Money market account		293,582

**Total Cash and Cash Equivalents** \$ 334,483

Contributions receivable 10,000

**Total Current Assets** \$ 344,483

**Fixed Assets:**

Property and equipment		5,634
Less: accumulated depreciation		(3,837)

**Total Fixed Assets** 1,797

**TOTAL ASSETS** \$ 346,280

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts Payable	\$	29,545
Accrued expenses	\$	44,387
Unearned revenue		3,353

**Total Current Liabilities** \$ 77,285

**Net Assets:**

Unrestricted		201,996
Temporarily restricted		66,999

**Total Net Assets** 268,995

**TOTAL LIABILITIES AND NET ASSETS** \$ 346,280

See accompanying notes

**THE PINK FUND**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2016**

	<u>Unrestricted Assets</u>	<u>Temporarily Restricted Assets</u>	<u>Total</u>
<b>Donations and Fundraisers:</b>			
Corporate contributions	\$423,547		\$423,547
Individual contributions	256,076	30,812	286,888
Foundation contributions	23,926	40,000	63,926
Special event revenue	151,019		151,019
	<u>854,568</u>	<u>70,812</u>	<u>925,380</u>
<b>Total Donations and Fundraisers</b>			
<b>Other Revenue:</b>			
Donated services	33,450		33,450
Interest income	325	0	325
	<u>33,775</u>	<u>0</u>	<u>33,775</u>
<b>Total Other Revenue</b>			
<b>Net Assets Released From Restrictions:</b>			
Restrictions satisfied by payments	35,622	(35,622)	0
	<u>35,622</u>	<u>(35,622)</u>	<u>0</u>
<b>Total Net Assets Released From Restrictions</b>			
<b>TOTAL SUPPORT AND REVENUE</b>	<u>923,965</u>	<u>35,190</u>	<u>959,155</u>
<b>DECREASES IN UNRESTRICTED NET ASSETS:</b>			
Program services	651,439	0	651,439
Management and general	109,077	0	109,077
Fundraising	114,417	0	114,417
	<u>874,933</u>	<u>0</u>	<u>874,933</u>
<b>TOTAL DECREASES IN UNRESTRICTED NET ASSETS</b>			
<b>CHANGE IN NET ASSETS</b>	\$49,032	\$35,190	\$84,222
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>152,964</u>	<u>31,809</u>	<u>184,773</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$201,996</u>	<u>\$66,999</u>	<u>\$268,995</u>

See accompanying notes

**THE PINK FUND**  
**STATEMENT OF CASH FLOWS**  
**JUNE 30, 2016**

**Cash Flows from Operating Activities:**

Net increase in net assets	\$	84,222
Adjustments to reconcile net increase in net assets provided (used) by operating activities:		
Depreciation		2,693
Changes in assets and liabilities:		
Pledges receivable		42,862
Prepaid expenses		5,661
Accounts payable		29,545
Accrued expenses		27,306
Credit Card Payable		3,353
Unearned revenue		<u>(1,000)</u>
<b>Net Cash provided by Operating Activities</b>		<u>194,642</u>

**Cash Flows from Investing Activities:**

Purchase of assets		<u>(4,000)</u>
<b>Net Cash provided by Investing Activities</b>		<u>(4,000)</u>

<b>Net Increase in Cash and Cash Equivalents</b>		190,642
Cash and cash equivalents balance, Beginning of year		<u>143,841</u>
<b>Cash and Cash Equivalents Balance, End of year</b>	<b>\$</b>	<u><u>334,483</u></u>

See accompanying notes

THE PINK FUND, INC  
(A Michigan Non-Profit Corporation)  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

The Pink Fund, Inc. (the "Corporation"), a non-profit corporation 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 Statement Presentation**

The Corporation 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), based upon the existence or absence of donor-imposed restrictions.

**Basis of Accounting**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United State of America.

**Recognition of Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The Corporation reports contributions 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 (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restrictions.

**Cash Equivalents**

For purposes of the statements of cash flows, the Corporation considers all short-term securities purchased with maturities of three months or less to be cash equivalents.

**Tax-Exempt Status**

The Corporation is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation by the Internal Revenue Service.

**Contributions Receivable**

The Corporation has contributions receivable for June 30, 2016 in the amount of \$10,000. All pledges for fiscal year 2016 are due in fiscal year 2016. Management believes all pledges receivable to be collectible as of June 30, 2016; accordingly, no allowance for doubtful accounts has been established.



THE PINK FUND, INC  
(A Michigan Non-Profit Corporation)  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

(Continued)

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fixed Assets**

Fixed assets are recorded at cost and are depreciated over their estimated useful lives, which range from three to forty years, using the straight-line method of depreciation. The Corporation's policy is to capitalize acquisitions of \$3,000 or more.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on a percentage of direct personnel costs.

**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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Compensated Absences**

Compensated absences are an insignificant total of overall expenses, therefore, the Company does not accrue them.

**NOTE B - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available as of June 30, 2016 for the following purposes:

	<u>2016</u>
Restricted for program activities:	
Grants by county	\$ 31,809
Restricted for use:	
Salaries	\$ 40,000

Net assets were released from donor restrictions during the year ended June 30, 2016 by incurring expenses satisfying the restricted purposes specified by donors, or by occurrence of other events specified by donors, as follows:

THE PINK FUND, INC  
(A Michigan Non-Profit Corporation)  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

(Continued)

	<b>2016</b>
Purpose restrictions accomplished:	
Grants by county	\$ 19,542
Salaries	\$ 16,080

**NOTE C - FIXED ASSETS**

Fixed assets are summarized by major classifications as follows as of June 30, 2016:

	<b>2016</b>
Computers	\$ 5,634
Less: Accumulated depreciation	<u>(3,837)</u>
	<u>\$ 1,797</u>

Depreciation expense for June 30, 2016 was \$2,693.

**NOTE D – CONTRIBUTED SERVICES AND IN-KIND CONTRIBUTIONS**

The Corporation recognizes contribution revenue for certain services received at the fair value of those services, provided the services create or enhance nonfinancial assets or require specialized skills, which are provided by the individual possessing those skills and would typically need to be purchased if not provided by donation.

All contributed goods and services are valued at their estimated fair value on the date of donation.

**Volunteers**

Volunteers contributed 1,806 hours as office assistants and on the qualified recipient committee in fiscal year 2016. The fair value of contributed services received, but not recognized as revenues is \$18,060.

**Facilities**

The Corporation's office facilities during 2016 were leased at a discount price from March through December 2016. The space is now rented on a monthly basis. The Corporation pays \$400 per month in rent.

Prior to March 2016, the space was donated by the landlord. The donated portion of the rent is not included in the accompanying financial statements. The facilities are used by the Corporation

THE PINK FUND, INC  
(A Michigan Non-Profit Corporation)  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

(Continued)

for program service activities, fundraising and management purposes. Rent expense for the period ending June 30, 2016 was \$1,600.

**Legal Services**

Legal services were donated by a for profit law firm. The services were used directly by the Corporation for program service activities, fundraising and management purposes.

**NOTE E – SPECIAL EVENTS**

The Corporation incurs expenses and related support for its special events. The total special event support is reported net of expenses in the special event revenue section in the statement of activities:

	<u>2016</u>
Special Event Contributions	\$302,780
Special Event Expenses	<u>(151,761)</u>
	<u>\$151,019</u>

**NOTE F – PROGRAM SERVICES**

The Corporation has one main program they fund. The major program is to provide short-term financial aid to women and men in treatment for breast cancer.

The Corporation's program service expenditures for the year ended June 30, 2016 were as follows:

	<u>2016</u>
Direct Grants	\$ 523,815
Other program services	<u>\$ 127,624</u>
Total Program Services	<u>\$ 651,439</u>

**NOTE G – SUBSEQUENT EVENTS**

There are no subsequent events as of the issuance date of the independent accountants' audit report.

THE PINK FUND

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

	Program Services	Management and General	Fund Raising	Total Expenses
<b><u>SALARIES AND RELATED EXPENSES:</u></b>				
Wages	\$98,232	\$9,725	\$56,847	\$164,804
Outside Services		8,225		8,225
Employee benefits, payroll taxes and workers' compensation	7,515	3,967	4,349	15,831
<b>Total Wages and Other Compensation and Related Expenses</b>	<b>105,747</b>	<b>21,917</b>	<b>61,196</b>	<b>188,860</b>
<b><u>OTHER EXPENSES:</u></b>				
Bank charges		2,319	143	2,462
Depreciation		2,693		2,693
Dues & licenses		2,522	2,721	5,243
Grants	523,815			523,815
Insurance		1,123		1,123
Marketing	12,560	5,404	27,835	45,799
Office expense	247	7,377	1,247	8,871
Postage	2,441	157	2,096	4,694
Professional fees	6,473	44,675	5,150	56,298
Rent		1,600		1,600
Technology Services		3,634		3,634
Telephone/internet	63	1,573	1,200	2,836
Travel	93	14,083	12,829	27,005
<b>Total Other Expenses</b>	<b>545,692</b>	<b>87,160</b>	<b>53,221</b>	<b>686,073</b>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$651,439</b>	<b>\$109,077</b>	<b>\$114,417</b>	<b>\$874,933</b>

The accompanying notes are an integral part of these financial statements.