

EISNERAMPER

UNITE FOR HER

FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019



UNITE FOR HER

Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of financial position as of June 30, 2020 and 2019	2
Statements of activities and changes in net assets for the years ended June 30, 2020 and 2019	3
Statements of functional expenses for the years ended June 30, 2020 and 2019	4
Statements of cash flows for the years ended June 30, 2020 and 2019	6
Notes to financial statements	7 - 12

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Unite for HER

Report on the Financial Statements

We have audited the accompanying financial statements of Unite for HER, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for each of 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.

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 audits 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 Unite for HER as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.



EISNERAMPER LLP
Philadelphia, Pennsylvania
September 23, 2020



UNITE FOR HER

Statements of Financial Position

	June 30,	
	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 2,055,562	\$ 1,628,787
Contributions receivable	19,408	8,195
Prepaid expenses	18,573	7,813
	<u>\$ 2,093,543</u>	<u>\$ 1,644,795</u>
LIABILITIES		
Accounts payable	\$ 38,097	\$ 29,914
Accrued expenses	651,082	637,752
Deferred revenue	16,500	10,000
PPP loan payable	138,230	-
	<u>843,909</u>	<u>677,666</u>
Total liabilities		
NET ASSETS		
Without donor restrictions	1,249,634	959,935
With donor restrictions	-	7,194
	<u>1,249,634</u>	<u>967,129</u>
Total net assets	<u>\$ 2,093,543</u>	<u>\$ 1,644,795</u>

UNITE FOR HER

Statements of Activities and Changes in Net Assets

	Year Ended June 30,					
	2020			2019		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenue and support:						
Signature events	\$ 2,176,694	\$ -	\$ 2,176,694	\$1,962,242	\$ -	\$ 1,962,242
Less direct costs for signature events	(585,737)	-	(585,737)	(586,532)	-	(586,532)
	1,590,957	-	1,590,957	1,375,710	-	1,375,710
Individual contributions	281,566	-	281,566	219,745	-	219,745
Grants and hospital contributions	656,365	-	656,365	597,343	7,194	604,537
In-kind contributions	751,699	-	751,699	683,833	-	683,833
HER Care Box revenue	77,904	-	77,904	46,429	-	46,429
Interest income	15,948	-	15,948	24,209	-	24,209
Net assets released from restriction	7,194	(7,194)	-	-	-	-
	3,381,633	(7,194)	3,374,439	2,947,269	7,194	2,954,463
Expenses:						
Program services - outreach and education	2,463,644	-	2,463,644	2,059,302	-	2,059,302
Management and general	87,025	-	87,025	68,634	-	68,634
Fundraising	541,265	-	541,265	624,576	-	624,576
	3,091,934	-	3,091,934	2,752,512	-	2,752,512
Change in net assets	289,699	(7,194)	282,505	194,757	7,194	201,951
Net assets at beginning of year	959,935	7,194	967,129	765,178	-	765,178
Net assets at end of year	\$ 1,249,634	\$ -	\$ 1,249,634	\$ 959,935	\$ 7,194	\$ 967,129

See notes to financial statements

UNITE FOR HER

Statement of Functional Expenses Year Ended June 30, 2020

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Outreach and Education</u>	<u>Management and General</u>	<u>Fundraising</u>	
Wages, payroll taxes and benefits	\$ 522,830	\$ 57,184	\$ 236,907	\$ 816,921
Marketing and communications	10,459	331	18,040	28,830
Professional fees	10,485	1,147	4,751	16,383
Other	46,155	13,212	41,374	100,741
HER Care Box	38,271	-	-	38,271
Occupancy	21,610	2,151	9,513	33,274
Wellness days and passports	1,305,815	-	-	1,305,815
In-kind donations:				
Materials	448,619	-	181,998	630,617
Services	59,400	13,000	20,000	92,400
Facilities	-	-	28,682	28,682
Total expenses included in the expense section on the statements of activities and changes in net assets	<u>2,463,644</u>	<u>87,025</u>	<u>541,265</u>	<u>3,091,934</u>
Plus expenses included with revenue on the statements of activities and changes in net assets:				
Venue and equipment	-	-	183,001	183,001
Prizes and give aways	-	-	82,800	82,800
Professional fees	-	-	90,162	90,162
Merchandise and marketing	-	-	93,120	93,120
Other	-	-	136,654	136,654
	<u>-</u>	<u>-</u>	<u>585,737</u>	<u>585,737</u>
Total expenses	<u><u>\$ 2,463,644</u></u>	<u><u>\$ 87,025</u></u>	<u><u>\$1,127,002</u></u>	<u><u>\$ 3,677,671</u></u>

UNITE FOR HER

Statement of Functional Expenses Year Ended June 30, 2019

	Program Services	Supporting Services		Total
	Outreach and Education	Management and General	Fundraising	
Wages, payroll taxes and benefits	\$ 327,813	\$46,514	\$ 236,211	\$ 610,538
Marketing and communications	7,408	884	14,330	22,622
Professional fees	6,751	875	4,876	12,502
Other	26,334	6,189	40,082	72,605
HER Care Box	24,286	-	-	24,286
Occupancy	17,834	2,172	12,600	32,606
Wellness days and passports	1,293,520	-	-	1,293,520
In-kind donations:				
Materials	287,026	-	263,795	550,821
Services	68,330	12,000	24,000	104,330
Facilities	-	-	28,682	28,682
Total expenses included in the expense section on the statements of activities and changes in net assets	<u>2,059,302</u>	<u>68,634</u>	<u>624,576</u>	<u>2,752,512</u>
Plus expenses included with revenue on the statements of activities and changes in net assets:				
Venue and equipment	-	-	185,688	185,688
Prizes and give aways	-	-	74,298	74,298
Professional fees	-	-	77,090	77,090
Merchandise and marketing	-	-	70,498	70,498
Other	-	-	178,958	178,958
	<u>-</u>	<u>-</u>	<u>586,532</u>	<u>586,532</u>
Total expenses	<u><u>\$ 2,059,302</u></u>	<u><u>\$68,634</u></u>	<u><u>\$ 1,211,108</u></u>	<u><u>\$ 3,339,044</u></u>

UNITE FOR HER

Statements of Cash Flows

	Year Ended	
	June 30,	
	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 282,505	\$ 201,951
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated securities	-	(9,989)
Proceeds from sale of donated securities	-	9,989
Changes in assets and liabilities:		
Contributions receivable	(11,213)	16,005
Prepaid expenses	(10,760)	1,387
Accounts payable	8,183	17,047
Accrued expenses	13,330	135,784
Deferred revenue	6,500	2,500
Net cash provided by operating activities	288,545	374,674
Cash flows from financing activities:		
Proceeds from PPP Loan	138,230	-
Net increase in cash	426,775	374,674
Cash at beginning of year	1,628,787	1,254,113
Cash at end of year	\$ 2,055,562	\$ 1,628,787

UNITE FOR HER

Notes to Financial Statements June 30, 2020 and 2019

NOTE A - DESCRIPTION OF ORGANIZATION

Unite for HER (the "Organization") is a Pennsylvania nonprofit corporation whose mission is to enrich the health and well-being of those diagnosed with breast and ovarian cancers by funding and delivering integrative therapies. The Organization educates women, men and the community about the role of healthy lifestyle choices in the prevention of disease and the promotion of wellness.

The Organization receives support through corporate sponsorship, contributions, grants and Signature events.

The Organization also generates revenue and spreads awareness for its program via HER care boxes, a self-care package that anyone in the nation can receive as a gift from a loved one. It is Unite for HER's "mission in a box" allowing women affected by breast cancer to receive resources and education that promote healing and the use of complementary therapies for their overall health and wellness. This program allows Unite for HER to spread its mission and outreach to previously unserved geographic locations by sending the "gift of care and love" in a box.

In March of 2020, Unite for HER shifted its education and wellness program to a new virtual model, Unite for HER @ Home, in order to continue serving those in need during the COVID-19 outbreak. Under this new model, Unite for HER has:

- made available one on one virtual integrative therapy sessions via an online digital platform;
- executed 6 Virtual Wellness Day Conference Programs, and;
- delivered, via the HER care box program, resources directly to the comfort of the homes of 690 women in Spring of 2020 alone, for a total of over 1,500 newly diagnosed served this fiscal year.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Organization have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to not-for-profit organizations.

[1] Classification of net assets:

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor-imposed (or certain grantor-imposed) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets with donor restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization reports contributions with donor restrictions as support without donor restrictions if the restrictions are met in the same reporting period in which the contributions are received.

UNITE FOR HER

Notes to Financial Statements June 30, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[2] Contributions receivable:

Contributions receivable are stated at the amount management expects to collect from outstanding balances. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history and type of contribution. All balances are expected to be collected; therefore, no allowance has been recorded.

Contributions to be received after one year are discounted at a rate commensurate with the risk involved. All balances are expected to be collected before June 30, 2021; therefore, no discount has been recorded.

[3] Deferred revenue:

Deferred revenue is comprised of grants received to host Wellness days and sponsorships for future Signature events. These grants and sponsorships are conditional on the Wellness days and Signature events taking place and will be recognized as revenue when the Wellness days and Signature events occur.

[4] PPP loan payable:

The Organization has elected to record the Paycheck Protection Program loan ("PPP Loan") as a loan payable. Loan forgiveness will be recognized when the conditions for loan forgiveness are met and the forgiveness amount is formally approved by the bank and the U.S. Small Business Administration ("SBA").

[5] Revenue recognition:

Signature events

A significant amount of the Organization's revenue comes from signature events. Event revenues are recorded in the period in which each event occurs.

Contributions and grants

Contributions and grants are recognized when an unconditional promise to give is received and are recorded as support without donor restrictions and support with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributed facilities, materials and services

The Organization receives contributed facilities, materials and services. Contributed facilities and materials are recorded at their estimated fair values. Contributed facilities includes the cost of venues used for signature events and amounted to \$28,682 for each of the years ended June 30, 2020 and 2019. Contributed materials include items to support Wellness days and signature events and for use in HER Care Boxes and amounted to \$630,617 and \$550,821 for the years ended June 30, 2020 and 2019, respectively.

The contributions of services are recognized if the services received: (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically be purchased if not provided by donation. Contributed services are recorded at the fair value of the services received if they meet the above criteria. Contributed services include costs for accounting services and professional services provided to Wellness days and signature events and amounted to \$92,400 and \$104,330 for the years ended June 30, 2020 and 2019, respectively.

UNITE FOR HER

Notes to Financial Statements June 30, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[5] Revenue recognition (continued):

Contributed facilities, materials and services (continued)

Contributed goods and services are reflected as revenue in the accompanying statements of activities and changes in net assets. The related offsetting expense is recorded in the same amount on the statements of activities and changes in net assets. In addition to those included above, the Organization receives hundreds of hours of donated services from unpaid volunteers who assist to advance the Organization's programs and objectives. These services do not meet the criteria for recognition as contributed services and therefore are not included in the accompanying financial statements.

[6] Functional allocation of expenses:

Directly identifiable expenses are charged to program services, management and general, and fundraising. Expenses related to more than one function including wages, payroll taxes and benefits, marketing and communication, professional fees, other, and occupancy are allocated among the functions based on an estimated level of employee effort expended for each function.

[7] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP 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.

[8] Federal tax status:

The Organization is classified by the Internal Revenue Service as an organization described under Section 501(c)(3) of the Internal Revenue Code ("Code") and is exempt from federal and state income taxes under Section 501(a) of the Code.

U.S. GAAP requires management to evaluate tax positions taken and recognize a tax liability, if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by a government authority. Management has analyzed the tax positions taken by the Organization and has concluded that as of June 30, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

The Organization recognizes accrued interest and penalties associated with uncertain tax positions, if any. There were no income tax related interest and penalties recorded for either of the years ended June 30, 2020 or 2019.

[9] New accounting pronouncement:

In June 2018, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies and improves guidance concerning, 1) evaluating whether a transaction should be accounted for as an exchange transaction or as a contribution, and 2) determining whether a contribution received is conditional. ASU 2018-08 is effective for annual periods beginning after December 15, 2018 for entities that are resource recipients and for annual periods beginning after December 15, 2019 for entities that are resource providers, with early adoption permitted. ASU 2018-08 should be applied on a modified prospective basis. The Organization has adopted the ASU as of and for the year ended June 30, 2020. The adoption of the ASU had no impact on net assets.

UNITE FOR HER

Notes to Financial Statements June 30, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[10] Upcoming accounting pronouncement:

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. ASU 2014-09 requires an entity to recognize revenue depicting the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 will also result in enhanced revenue related disclosures. ASU 2014-09 will be effective for fiscal years beginning after December 15, 2019. The Organization does not believe adoption of this guidance will have a material impact on the financial statements, although additional disclosures will be required.

NOTE C - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash	\$ 2,055,562	\$ 1,628,787
Contributions receivable	<u>19,408</u>	<u>8,195</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,074,970</u>	<u>\$ 1,636,982</u>

General expenditures include program services expenses, management and general expenses, and fundraising expenses expected to be paid in the subsequent year.

As part of the Organization's liquidity management plan, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization holds cash in excess of daily requirements in an interest-bearing deposit account.

NOTE D - CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in financial institutions with insurance provided by the Federal Deposit Insurance Corporation. At times, these accounts may exceed the insurable limits. Management does not believe there is a significant credit risk with these institutions.

NOTE E - PPP LOAN PAYABLE

On May 1, 2020, the Organization received a \$138,230 loan pursuant to the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") PPP Loan. Neither principle nor interest is due for a six-month deferral period through October 2020. This loan may be forgiven subject to bank approval in accordance with SBA guidelines. Any outstanding principle of the loan that is not forgiven under the PPP Loan program at the end of the six-month deferral period will convert to a term loan with an interest rate of 1% payable in equal installments of principal and interest over the next 18 months, beginning in November 2020. The loan matures on April 30, 2022.

UNITE FOR HER

Notes to Financial Statements June 30, 2020 and 2019

NOTE E - PPP LOAN PAYABLE (CONTINUED)

Scheduled future principal maturities of the PPP loan payable as of June 30, 2020 are as follows:

	<u>Year Ending June 30,</u>	
	2021	\$ 61,432
	2022	<u>76,798</u>
		<u>\$ 138,230</u>

Interest expense incurred and accrued on the PPP loan payable amounted to \$208 as of and for the year ended June 30, 2020. Accrued interest is included under accrued expenses on the statements of financial position and interest expense is included under other on the statements of functional expenses.

NOTE F - SIGNATURE EVENTS

Unite for HER executes and delivers several fundraising events each year to support and fund its programs. The most lucrative of the five signature events is the annual Pink Invitational, a three-day gymnastics competition held at the Pennsylvania Convention Center in Philadelphia, Pennsylvania. The event is a United States Gymnastics Association-sanctioned Junior Olympics meet where athletes compete while supporting breast cancer initiatives and learning about lifelong wellness. This event requires expenditures related to holding a meet of such enormous scale, one of the largest in the nation, including venue, judges' fees and competition awards. Such costs are offset by registration and admission fees, sponsorships and other donations.

Bloom, the 5K, Harvest and Students Unite for HER, the other four signature events, receive revenues primarily in the form of contributions and sponsorships.

Revenues and expenditures for the Pink Invitational and other signature events for the years ended June 30, 2020 and 2019 are as follows:

	<u>Year Ended June 30, 2020</u>		
	<u>Revenues</u>	<u>Expenditures</u>	<u>Net</u>
Pink Invitational	\$ 1,191,574	\$ 475,403	\$ 716,171
Other signature events	<u>985,120</u>	<u>110,334</u>	<u>874,786</u>
	<u>\$ 2,176,694</u>	<u>\$ 585,737</u>	<u>\$ 1,590,957</u>
	<u>Year Ended June 30, 2019</u>		
	<u>Revenues</u>	<u>Expenditures</u>	<u>Net</u>
Pink Invitational	\$ 1,035,149	\$ 442,124	\$ 593,025
Other signature events	<u>927,093</u>	<u>144,408</u>	<u>782,685</u>
	<u>\$ 1,962,242</u>	<u>\$ 586,532</u>	<u>\$ 1,375,710</u>

UNITE FOR HER

Notes to Financial Statements June 30, 2020 and 2019

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of \$-0- and \$7,194 are restricted to support outreach and education as of June 30, 2020 and 2019, respectively.

Net assets with donor restrictions of \$7,194 and \$-0- were released to support outreach and education during the years ended June 30, 2020 and 2019, respectively.

NOTE H - LEASE AGREEMENTS

The Organization leases office space under an operating lease agreement which requires monthly payments of \$2,350 and expires in October 2021.

Future minimum lease obligations for the office space under this noncancelable operating lease as of June 30, 2020 are as follows:

<u>Year Ending June 30,</u>	
2021	\$ 28,200
2022	<u>9,400</u>
	<u>\$ 37,600</u>

Total rent expense reported under this lease amounted to \$27,525 and \$22,500 for the years ended June 30, 2020 and 2019, respectively.

NOTE I - RISKS AND UNCERTAINTIES

The extent of the impact and effects of the recent outbreak of the coronavirus (COVID-19) on the operating and financial performance of the Organization are unknown. However, the Organization does anticipate a loss of revenue related to in-person Signature events moving to a virtual environment in the upcoming fiscal year. The Organization plans to offset these potential losses with expense savings with shift to virtual events, utilizing planned cash reserve, and developing new fundraising campaigns seeking to capitalize on the virtual environment.

NOTE J - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 23, 2020, which is the date the financial statements were available to be issued, and determined that there are no other items to disclose.