

**Pontiac Community Foundation**

**Financial Statements**

**December 31, 2018**

# Richard J. Boyse, CPA, PC

*Certified Public Accountant*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Pontiac Community Foundation  
PO Box 431362  
Pontiac, MI 48343

We have audited the accompanying financial statements of Pontiac Community Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019, and the related statements 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 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.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pontiac Community Foundation as of December 31, 2019, 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.

Richard J. Boyse, CPA, PC  
Rochester, MI  
January 5, 2021

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**Pontiac Community Foundation  
Statement of Financial Position**

As of  
December 31, 2018

**Assets**

Current Assets	
Fifth Third Checking	4,536.73
Fifth Third Savings	47.00
Undeposited Funds	<u>100.00</u>
Total Current Assets	<u>4,683.73</u>
Property and Equipment	
Net Property and Equipment	<u>0.00</u>
Total Assets	<u><u>4,683.73</u></u>

**Liabilities and Net Assets**

Current Liabilities	
Total Current Liabilities	<u>0.00</u>
Long-Term Liabilities	
Total Long-Term Liabilities	<u>0.00</u>
Total Liabilities	0.00
Net Assets	
Net Assets Without Donor Restrictions	4,683.73
Net Assets With Donor Restrictions	<u>0.00</u>
Total Net Assets	<u>4,683.73</u>
Total Liabilities and Net Assets	<u><u>4,683.73</u></u>

**Pontiac Community Foundation**  
**Statement of Activities and Change in Net Assets**

12 Months Ended  
December 31, 2018

Changes in Net Assets Without Donor Restrictions:	
Revenue	
Donations - General	4,821.00
Total Revenue Without Donor Restrictions	4,821.00
Expenses	
Program	-
General and Administrative	137.27
Total Expenses	<u>137.27</u>
Revenue Without Donor Restrictions Less Expenses	<u>4,683.73</u>
Other Changes in Net Assets Without Donor Restrictions	
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>4,683.73</u>
Changes in Net Assets With Donor Restrictions	
Increase (Decrease) in Net Assets	<u>4,683.73</u>
Net Assets, Beginning of Year	<u>0.00</u>
Net Assets, End of Year	<u><u>4,683.73</u></u>

See Independent Accountants' Audit Report

Pontiac Community Foundation  
Statement of Functional Expenses

	Amount	%Total
Total Expenses	137.27	100.00%
Program Expenses		
General and Administrative Expenses		
Bank Charges	137.27	100.00%
Total General and Administrative Expenses	137.27	100.00%
Fundraising Expenses		
Total Expenses	137.27	100.00%

See Independent Accountants' Audit Report

**Pontiac Community Foundation  
Statement of Cash Flows**

	12 Months Ended December 31, 2018
<b>Cash Flows from Operating Activities</b>	
Increase (decrease) in net assets	4,683.73
Adjustments to reconcile net increase (decrease) to net cash provided by (used in) operating activities:	
Decrease (Increase) in Operating Assets:	
Increase (Decrease) in Operating Liabilities:	
Total Adjustments	<u>0.00</u>
Net Cash Provided By (Used In) Operating Activities	<u>4,683.73</u>
<b>Cash Flows from Investing Activities</b>	
Net Cash Provided By (Used In) Investing Activities	<u>0.00</u>
<b>Cash Flows from Financing Activities</b>	
Net Cash Provided By (Used In) Financing Activities	<u>0.00</u>
Net Increase (Decrease) In Cash and Cash Equivalents	4,683.73
Beginning Cash and Cash Equivalents	<u>0.00</u>
Ending Cash and Cash Equivalents	<u><u>4,683.73</u></u>

See Independent Accountants' Audit Report

**Pontiac Community Foundation**  
**Notes to Financial Statements**  
**December 31, 2018**

**Nature of Activities and Significant Accounting Policies**

**Nature of Activities**

Pontiac Community Foundation ("the Organization") is an independent 501(c)3 organization, dedicated to building a brighter future for Pontiac, MI by engaging philanthropy, leadership, and collaboration to tackle Pontiac's most pressing issues.

The Organization's most effective work accomplishes community and economic development, quality of life, and civic leadership initiatives, that help make the city of Pontiac a more desirable place to live, work, and play.

**Financial Statement Presentation**

According to Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-For-Profit Entities, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The net assets of the Organization are classified accordingly depending on the presence and characteristics of donor-imposed restrictions limiting the Organization's ability to use or dispose of contributed assets or the economic benefits embodied in those assets.

**Contributions**

Under SFAS No. 116, Accounting for Contributions Received and Contributions Made, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the absence or existence of any donor restrictions.

**Contributed Materials and Services**

The Organization received negligible donated materials that have not met the requirements for recognition in the financial statements and have not been recorded. In addition, several individuals volunteer their time and perform a variety of tasks that assist the Organization occasionally during the year. The value of the certain donated materials and volunteer services is not disclosed, as no objective basis is available to measure the value of such materials and services.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Functional Allocation Expenses**

The costs of providing program, general and administrative, and fundraising services have been reported on a functional basis in the statements of activities. Costs have been allocated between program, general and administrative, and fundraising using estimates determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different results.

**Tax Status**

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the United States Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Although the Organization is granted income tax exemption by the Internal Revenue Service, such exemption does not apply to "unrelated business taxable income" (UBTI). For the year ended December 31, 2018, management has determined that the Organization did not have UBTI, accordingly, no income tax provision is reflected in these financial statements.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

Pontiac Community Foundation  
Notes to Financial Statements  
December 31, 2018

**Subsequent Events**

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2018, the most recent statement of financial position presented herein, through July 26, 2021, the date these financial statements were available to be issued.

As a result of the spread of the COVID-19 Coronavirus and the resulting stay-at-home orders issued by the State of Michigan in which the Organization operates, the Organization is experiencing an increase in demand for their specific outreach programs. This has led to a large increase in grant revenue and expenses to manage the broader cope of outreach programs now offered.

Management has applied for and received \$88,000 as part of the SBA's Economic Injury Disaster Loan program. This additional cash infusion has helped manage the rapid growth of the Organization.

**Leases**

On January 1, 2021, the Organization entered into a 3 year lease for office space in Pontiac. The minimum required lease payments are \$12,000 per year for the years 2021, 2022, and 2023.