

MAGGIE'S WIGS4KIDS OF MICHIGAN, INC.

AUDITED FINANCIAL STATEMENTS

Year ended December 31, 2024

MAGGIE'S WIGS4KIDS OF MICHIGAN, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Maggie's Wigs4Kids of Michigan, Inc.
St. Clair Shores, Michigan

Opinion

We have audited the accompanying financial statements of Maggie's Wigs4Kids of Michigan, Inc. (a nonprofit organization, the "Organization"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors
Maggie's Wigs4Kids of Michigan, Inc.
St. Clair Shores, Michigan
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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

The logo for UHY LLP, featuring the letters "UHY" in a large, stylized, cursive font, with "LLP" in a smaller, simpler font to the right.

Farmington Hills, Michigan
April 3, 2025

MAGGIE'S WIGS4KIDS OF MICHIGAN, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2024

ASSETS

CURRENT ASSETS

Cash	\$ 597,690
Accounts receivable	1,200
Inventory	58,519
Other assets	50
Total current assets	<u>657,459</u>

PROPERTY AND EQUIPMENT, net	<u>1,179,452</u>
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Total assets	<u><u>\$ 1,836,911</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	<u>\$ 31,868</u>
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NET ASSETS

Without donor restrictions	1,574,020
With donor restrictions	<u>231,023</u>

Total net assets	<u>1,805,043</u>
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Total liabilities and net assets	<u><u>\$ 1,836,911</u></u>
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MAGGIE'S WIGS4KIDS OF MICHIGAN, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUES			
Donations	\$ 63,598	\$ -	\$ 63,598
Sponsorships	117,863	63,400	181,263
Fundraising	132,599	-	132,599
Foundations	58,548	-	58,548
Grants	5,586	262,222	267,808
In-kind donations	301,372	-	301,372
Merchandise income	12,545	-	12,545
Lease income	12,000	-	12,000
Wellness center income	38,097	-	38,097
Other income	26,319	670	26,989
	<u>768,527</u>	<u>326,292</u>	<u>1,094,819</u>
Total public support and revenues	<u>768,527</u>	<u>326,292</u>	<u>1,094,819</u>
Net assets released from restrictions	<u>351,412</u>	<u>(351,412)</u>	<u>-</u>
EXPENSES			
Program services	955,737	-	955,737
Management and general	65,121	-	65,121
Fundraising	91,531	-	91,531
	<u>1,112,389</u>	<u>-</u>	<u>1,112,389</u>
Total expenses	<u>1,112,389</u>	<u>-</u>	<u>1,112,389</u>
CHANGE IN NET ASSETS	<u>7,550</u>	<u>(25,120)</u>	<u>(17,570)</u>
NET ASSETS - Beginning of year	<u>1,566,470</u>	<u>256,143</u>	<u>1,822,613</u>
NET ASSETS - End of year	<u><u>\$ 1,574,020</u></u>	<u><u>\$ 231,023</u></u>	<u><u>\$ 1,805,043</u></u>

MAGGIE'S WIGS4KIDS OF MICHIGAN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2024

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation and Related Expense				
Wage expense	\$ 243,840	\$ 39,624	\$ 21,336	\$ 304,800
Workers' compensation insurance	1,622	264	142	2,028
Employee benefits	8,223	1,336	720	10,279
Payroll taxes	21,618	3,523	1,892	27,033
Total compensation and related expense	<u>275,303</u>	<u>44,747</u>	<u>24,090</u>	<u>344,140</u>
Direct Expenses				
Wigs and supplies	233,047	-	-	233,047
Medical support	7,956	-	-	7,956
Education and social	19,633	-	-	19,633
Wellness center	-	979	-	979
Direct event expenses	-	-	56,999	56,999
Total direct expenses	<u>260,636</u>	<u>979</u>	<u>56,999</u>	<u>318,614</u>
Occupancy Expenses				
General liability insurance	5,988	973	524	7,485
Utilities	9,288	1,509	813	11,610
Maintenance	21,918	3,562	1,918	27,398
Telephone	2,701	439	236	3,376
Total occupancy expenses	<u>39,895</u>	<u>6,483</u>	<u>3,491</u>	<u>49,869</u>
Administrative Expenses				
Printing and postage	6,738	1,095	590	8,423
Office	9,305	1,512	814	11,631
Depreciation and amortization	32,599	5,297	2,852	40,748
Legal and accounting	6,756	1,098	591	8,445
Web and social media support	4,022	654	352	5,028
Computer support	9,225	1,499	807	11,531
Membership fees	1,278	208	112	1,598
Bank service charge	1,755	285	153	2,193
Total administrative expenses	<u>71,678</u>	<u>11,648</u>	<u>6,271</u>	<u>89,597</u>
Other Expenses				
Board expenses	1,244	-	-	1,244
Transportation expenses	1,365	222	119	1,706
Community outreach	1,320	215	116	1,651
Miscellaneous	4,997	814	438	6,249
Grant expense	80	13	7	100
In-kind donations	299,219	-	-	299,219
Total other expenses	<u>308,225</u>	<u>1,264</u>	<u>680</u>	<u>310,169</u>
Total functional expenses	<u>\$ 955,737</u>	<u>\$ 65,121</u>	<u>\$ 91,531</u>	<u>\$ 1,112,389</u>

MAGGIE'S WIGS4KIDS OF MICHIGAN, INC.
STATEMENT OF CASH FLOWS
Year ended December 31, 2024

OPERATING ACTIVITIES

Change in net assets	\$ (17,570)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	40,748
Changes in assets and liabilities:	
Accounts receivable	(1,185)
Inventories	(5,470)
Other assets	(50)
Accounts payable and accrued expenses	<u>17,374</u>
Net cash provided by operating activities	<u>33,847</u>

INVESTING ACTIVITIES

Purchase of property and equipment	<u>(117,395)</u>
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NET CHANGE IN CASH (83,548)

CASH, beginning of year 681,238

CASH, end of year \$ 597,690

SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash contributions \$ 301,372

MAGGIE'S WIGS4KIDS OF MICHIGAN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Maggie's Wigs 4 Kids, Inc. (the "Organization") is a non-profit corporation located in St. Clair Shores, Michigan that helps children and young adults with hair loss. The Organization was formed in order to make cancer patients and those with related health challenges feel as good as possible about themselves by providing wigs and support services at no cost. The Organization's sources of revenue are principally donations and fundraising events.

The Organization has three primary programs:

Maggie's Wigs 4 Kids Adopt-a-Kid Program provides hair replacement units and support services to help the self-esteem of Michigan children as they journey through their health challenge empowering them to look and feel better.

Maggie's Wigs 4 Kids Educational & Medical Teams offer a social setting to children and teens with hair loss by providing holistic care, allied health services, goods, information, educational and professional guidance in an affirming setting to help kids deal with the appearance related side effects of treatment.

Maggie's Wigs 4 Kids "Cuts 4 a Cause" Professional Training Program will ensure the stability and longevity of the Maggie's Wigs 4 Kids of Michigan program by training licensed cosmetologists to work with children.

NOTE 2 – SUMMARY OF 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.

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)*.

MAGGIE'S WIGS4KIDS OF MICHIGAN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (Continued)

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments with maturities of three months or less when purchased are considered cash equivalents and recorded at cost, which approximates fair value. The Organization places its cash and temporary cash investments with high credit quality financial institutions, and at times may maintain balances that exceed federally insured limits. As of December 31, 2024, the Organization had \$357,058 of cash that was uninsured.

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.

Property and Equipment

Property and equipment are carried at cost or, if donated, at estimated fair market value at the time of the donation. Depreciation is provided on a straight-line basis over the estimated useful life of the assets. Expenditures for maintenance and repairs are charged to expense as incurred.

Donated Materials and Services

The Organization receives donations of material and services from various sources. The donated materials and services received are reflected in the accompanying financial statements at their fair market value in accordance with FASB ASC 958-605.

MAGGIE'S WIGS4KIDS OF MICHIGAN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (Continued)

Functional Expenses

The costs of providing program and supporting services have been reported on a functional basis in the statement of activities and changes in net assets. Direct and indirect costs have been allocated between program, general, and administrative based on estimates from management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Income Taxes

The Organization operates as a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes.

ASC guidance regarding accounting for uncertainty in income taxes clarifies the accounting for income taxes by prescribing the minimum recognition threshold income tax position is required to be met 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 December 31, 2024, there were no uncertain tax positions that required accrual.

NOTE 3 – INVENTORY

Inventory is stated at the lower of cost or market and at December 31, 2024 is comprised of the following:

T-Shirts and sweatshirts	\$ 5,758
Scarves, hats, and ties	493
Pens, patches, books, and other items	5,673
Necklaces	91
Donations received for Gala	<u>46,504</u>
Total	<u><u>\$ 58,519</u></u>

MAGGIE'S WIGS4KIDS OF MICHIGAN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 4 – PROPERTY AND EQUIPMENT

The principal categories of property and equipment are summarized at December 31, 2024 as follows:

Nondepreciable:	
Land	\$ 140,000
Depreciable:	
Equipment	30,628
Furniture	32,020
Building and improvements	1,115,452
Computer development	<u>32,793</u>
Total cost	1,350,893
Less: Accumulated depreciation and amortization	<u>171,441</u>
Total property and equipment, net	<u><u>\$ 1,179,452</u></u>

Depreciation and amortization for the year ended December 31, 2024 amounted to \$40,748.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Organization subleases space to a related party for \$1,000 per month for 12 months during the year ended December 31, 2024.

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of December 31, 2024, reduced by the amounts not available for general use within one year due to contractual or donor-imposed restrictions.

Financial assets:	
Cash	\$ 597,690
Accounts receivable	1,200
Amounts not available for general use	
Donor restricted funds - purpose restricted	<u>(231,023)</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 367,867</u></u>

MAGGIE'S WIGS4KIDS OF MICHIGAN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

The Organization receives support from varying sources that are restricted by purpose. Donor restricted net assets consist as of the following as of December 31, 2024:

Subject to expenditure for specified purpose:	
Adopt a Kid	\$ 205,000
Motorsports Charities, Inc. (The NASCAR Foundation)	12,222
Variety The Children's Charity Grant	13,131
Walmart Spark Good	<u>670</u>
	<u><u>\$ 231,023</u></u>

Net assets were released from grant restrictions by incurring expenses satisfying the restricted purpose as follows for the year ended December 31, 2023:

Release from restrictions:	
Michigan Enhancement Grant	\$ 288,143
Adopt a Kid	66,400
Motorsports Charities, Inc. (The NASCAR Foundation)	10,000
Variety Children's Grant reclassified to restricted	<u>(13,131)</u>
Total Releases	<u><u>\$ 351,412</u></u>

NOTE 8 – DONATED SERVICES AND GOODS

The Organization received gifts in-kind as follows:

Communication support	\$ 7,792
Gala & event support	37,991
Auditing services	13,758
Computer and Security support	48,839
Professional volunteers & employees	95,696
Supplies	<u>97,296</u>
Total	<u><u>\$ 301,372</u></u>

MAGGIE'S WIGS4KIDS OF MICHIGAN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 8 – DONATED SERVICES AND GOODS (Continued)

The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

A number of the Organization's employees donate time to the Organization on a non-compensated basis. In addition, various business professionals, such as bankers accountants and electricians donate their time to support the Organization. The donated hours are valued using rates for the State of Michigan as noted in independent sector reports totaling \$95,696.

The Organization received donated supplies with an estimated fair market value of \$97,296. The supplies were used for providing services to the Organization's clients.

All gifts-in-kind received by the Organization were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

In addition, donated services with an estimated value of \$66,567 were not recognized in the financial statements because they did not meet the criteria for recognition under GAAP.

NOTE 9 – CONDITIONAL PROMISES TO GIVE

During the year ended December 31, 2023, the Organization was awarded a restricted grant totaling \$500,000 that contained donor conditions. Since this grant represents conditional promises to give, they are not recorded as contribution revenue until donor conditions are met. The Organization met all donor conditions during the year ended December 31, 2024. The Organization received \$250,000 of the restricted grant during the year ended December 31, 2023 and the remaining \$250,000 during the year ended December 31, 2024.

NOTE 10 – SUBSEQUENT EVENTS

The Organization has performed a review of events subsequent to December 31, 2024 through April 3, 2025, the date the financial statements were available to be issued.