

THE PINK FUND

AUDITED FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

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 statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for 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 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, 2020 and 2019 and the results of operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

UHY LLP

Farmington Hills, Michigan
May 10, 2021

THE PINK FUND
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2020	2019
ASSETS		
Cash and cash equivalents	\$ 677,642	\$ 390,437
Prepaid expenses	1,524	340
Pledges receivable, net	581,312	879,320
Investments	262,075	255,747
Property and equipment, net	<u>17,937</u>	<u>7,078</u>
Total assets	<u><u>\$ 1,540,490</u></u>	<u><u>\$ 1,532,922</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 25,868	\$ 4,660
Accrued awards	52,818	55,730
Accrued payroll and related	2,550	6,218
PPP Loan	<u>63,200</u>	<u>-</u>
Total liabilities	<u>144,436</u>	<u>66,608</u>
NET ASSETS		
Without donor restrictions	476,121	398,630
With donor restrictions	<u>919,933</u>	<u>1,067,684</u>
Total net assets	<u>1,396,054</u>	<u>1,466,314</u>
Total liabilities and net assets	<u><u>\$ 1,540,490</u></u>	<u><u>\$ 1,532,922</u></u>

THE PINK FUND
STATEMENTS OF ACTIVITIES

	Year ended June 30, 2020			Year ended June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT						
Contributions	\$ 1,103,913	\$ 53,784	\$ 1,157,697	\$ 1,160,783	\$ 985,284	\$ 2,146,067
Special events	104,405	-	104,405	96,621	-	96,621
In-kind donation	9,750	-	9,750	1,566	-	1,566
Realized/ unrealized gain	2,066	-	2,066	5,463	-	5,463
Investment income, net	8,067	-	8,067	6,366	-	6,366
Total revenues and other support	<u>1,228,201</u>	<u>53,784</u>	<u>1,281,985</u>	<u>1,270,799</u>	<u>985,284</u>	<u>2,256,083</u>
Net assets released from restrictions	<u>201,535</u>	<u>(201,535)</u>	<u>-</u>	<u>7,952</u>	<u>(7,952)</u>	<u>-</u>
EXPENSES						
Program services	1,133,144	-	1,133,144	975,586	-	975,586
Management and general	59,117	-	59,117	50,272	-	50,272
Fundraising	159,984	-	159,984	183,837	-	183,837
Total functional expenses	<u>1,352,245</u>	<u>-</u>	<u>1,352,245</u>	<u>1,209,695</u>	<u>-</u>	<u>1,209,695</u>
CHANGE IN NET ASSETS	<u>77,491</u>	<u>(147,751)</u>	<u>(70,260)</u>	<u>69,056</u>	<u>977,332</u>	<u>1,046,388</u>
NET ASSETS - Beginning of year	<u>398,630</u>	<u>1,067,684</u>	<u>1,466,314</u>	<u>329,574</u>	<u>90,352</u>	<u>419,926</u>
NET ASSETS - End of year	<u>\$ 476,121</u>	<u>\$ 919,933</u>	<u>\$ 1,396,054</u>	<u>\$ 398,630</u>	<u>\$ 1,067,684</u>	<u>\$ 1,466,314</u>

THE PINK FUND
STATEMENTS OF FUNCTIONAL EXPENSES

	Year ended June 30, 2020				Year ended June 30, 2019			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 189,274	\$ 18,208	\$ 85,672	\$ 293,154	\$ 171,470	\$ 15,514	\$ 81,828	\$ 268,812
Payroll taxes	14,482	1,393	6,554	22,429	12,920	1,187	6,260	20,367
Awards and grants	800,442	-	-	800,442	688,133	-	-	688,133
Education and training	346	1,457	79	1,882	1,861	150	2,010	4,021
Fundraising expense	-	-	17,246	17,246	-	-	17,737	17,737
Marketing and PR	87,407	25	25,810	113,242	73,546	2,306	50,738	126,590
Travel and entertainment	11,043	484	3,340	14,867	12,119	1,339	5,264	18,722
Occupancy	3,600	592	720	4,912	3,600	492	720	4,812
Dues and subscriptions	71	-	129	200	100	60	1,754	1,914
Professional fees	380	19,397	80	19,857	63	13,123	63	13,249
Insurance	763	1,015	763	2,541	662	1,084	662	2,408
Bank fees	-	1,165	-	1,165	-	366	-	366
Office expense	8,586	9,391	8,854	26,831	3,544	12,562	8,735	24,841
Telephone	4,873	1,301	1,467	7,641	1,753	453	1,814	4,020
Other expense	10,351	4,512	8,832	23,695	3,924	1,617	5,829	11,370
Depreciation	1,526	177	438	2,141	1,891	19	423	2,333
Total expenses	<u>\$ 1,133,144</u>	<u>\$ 59,117</u>	<u>\$ 159,984</u>	<u>\$ 1,352,245</u>	<u>\$ 975,586</u>	<u>\$ 50,272</u>	<u>\$ 183,837</u>	<u>\$ 1,209,695</u>

THE PINK FUND
STATEMENTS OF CASH FLOWS

	Year ended June 30,	
	2020	2019
OPERATING ACTIVITIES		
Change in net assets	\$ (70,260)	\$ 1,046,388
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	2,141	2,333
Net realized and unrealized gain on investments	(2,066)	(5,463)
Donated assets	(19,876)	(4,612)
Changes in assets and liabilities:		
Pledges receivable	298,008	(879,320)
Prepaid expenses	(1,184)	(340)
Accounts payable	21,208	(5,819)
Accrued expenses	(6,580)	21,292
	<u>221,391</u>	<u>174,459</u>
Net cash provided by operating activities		
INVESTING ACTIVITIES		
Purchase of investments	(13,508)	(252,143)
Sale of investments	19,372	4,905
Purchase of property and equipment	(3,250)	(1,200)
	<u>2,614</u>	<u>(248,438)</u>
Net cash provided by (used in) investing activities		
FINANCING ACTIVITIES		
Proceeds from PPP Loan	63,200	-
	<u>63,200</u>	<u>-</u>
Net cash provided by financing activities		
NET CHANGE IN CASH	287,205	(73,979)
CASH AND CASH EQUIVALENTS, beginning of year	390,437	464,416
CASH AND CASH EQUIVALENTS, end of year	\$ 677,642	\$ 390,437
NON-CASH INVESTING ACTIVITY:		
Donation of stock	\$ 10,126	\$ 3,046
Donated property and equipment	\$ 9,750	\$ 1,566

THE PINK FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

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 providing short-term financial aid to women and men who are in treatment and recovering from breast cancer. Financial aid awards are to cover necessary living expenses such as 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)*.

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.

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. In particular, the COVID-19 pandemic and the resulting adverse impact to global economic conditions, as well as the Organization’s operations, may affect future estimates, including, but not limited to, allowance for doubtful accounts.

THE PINK FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Investments

The Organization records its investments in marketable securities and bond funds in accordance with ASC topic *Not for-Profit Entities Investments*. Investments are stated at fair values based upon quoted market prices using prevailing financial market information. Any related gains and losses are included in the Statement of Activities.

Pledges Receivable

Pledges receivable consist of unconditional promises to give that are recognized as contributions when the promise is received. Pledges receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using the present value technique applied to anticipated cash flows.

Property, Equipment and Depreciation

Property and equipment are stated at cost, if purchased or at fair value at the date of the donation, if contributed. Expenditures, including interest, are capitalized in connection with construction of qualified assets and recorded as construction-in-progress until the qualified assets are placed in service. 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.

THE PINK FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Awards

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

Revenue Recognition

Contributions

Unconditional contributions are recognized when pledged and are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

Donated Assets

The Organization reports gifts and pledges of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated investments are recorded at their estimated fair value when received. The Organization immediately sells the donated securities. Accordingly, these receipts are reported as cash flows attributable to operations on the statement of cash flows.

Donated Services

Services donated by professionals are recorded as support and expense. These services are valued at the estimated amounts that would be paid if the Organization paid employees for such services.

A substantial number of volunteers have donated significant amounts of their time in the Organization's program services and its fundraising campaigns. These 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, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Special Events

Special event revenues are reported net of direct expenses. For the years ended June 30, 2020 and 2019, direct expense was \$45,252 and \$55,707, respectively.

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, 2020 and 2019, there were no uncertain tax positions that require accrual.

New Accounting Pronouncements

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Made (Topic 958)*. The ASU provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. Management performed an assessment of the Organization's contributions and determined the adoption of the standard has no impact on the recognition of contributions for the years ended 2020 and 2019.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments – Overall, Recognition and Measurement of Financial Assets and Financial Liabilities (Topic 825)*. The ASU is intended to enhance the reporting model for financial instruments to provide users of financial instruments with more decision-useful information and addresses certain aspects of the recognition, measurement, presentation, and disclosure of financial instruments. Management performed an assessment of the Organization's equity investments determined the adoption of the standard has no impact on the fair value measurements for the years ended 2020 and 2019.

THE PINK FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements (Continued)

Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, occupancy, and general operating expenses on the basis of estimates of time and effort. All other expenses are allocated based on direct identification and utilization.

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.

NOTE 2 - LIQUIDITY AND AVAILABILTY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	June 30,	
	2020	2019
Financial assets		
Cash	\$ 677,642	\$ 390,437
Receivables	581,312	879,320
Investments	262,075	255,747
	<u>1,521,029</u>	<u>1,525,504</u>
Amounts not available for general use		
Receivables to be collected in more than one year	(381,312)	(539,587)
Donor restricted funds	(319,933)	(267,684)
	<u>(701,245)</u>	<u>(807,271)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 819,784</u>	<u>\$ 718,233</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

THE PINK FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 3 – PLEDGES RECEIVABLE

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using a rate of 3.25% and 5.50% as of June 30, 2020 and 2019, respectively.

Pledges receivable consist of the following:

	June 30,	
	<u>2020</u>	<u>2019</u>
Amounts due in:		
Less than one year	\$ 200,000	\$ 339,733
One to five years	<u>400,000</u>	<u>600,000</u>
Total pledges receivable	\$ 600,000	\$ 939,733
Less Unamortized Discount, Using a Discount Rate of 3.25% and 5.50% for 2020 and 2019, respectively	<u>(18,688)</u>	<u>(60,413)</u>
Net pledges receivable	<u>\$ 581,312</u>	<u>\$ 879,320</u>

NOTE 4 – INVESTMENTS

Fair values and unrealized gains are summarized as follows:

	June 30, 2020		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Exchange traded funds	\$ 227,651	\$ 235,407	\$ 7,756
Mutual funds	<u>27,349</u>	<u>26,668</u>	<u>(681)</u>
Total investments	<u>\$ 255,000</u>	<u>\$ 262,075</u>	<u>\$ 7,075</u>

THE PINK FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 4 – INVESTMENTS (Continued)

	June 30, 2019		
	Cost	Fair Value	Unrealized Gain
Exchange traded funds	\$ 224,206	\$ 229,296	\$ 5,090
Mutual funds	25,964	26,451	487
Total investments	<u>\$ 250,170</u>	<u>\$ 255,747</u>	<u>\$ 5,577</u>

Investment returns are summarized as follows:

	Year ended June 30,	
	2020	2019
Investment income, net	\$ 8,067	\$ 6,366
Unrealized gains	1,498	5,577
Net realized gain (loss)	<u>568</u>	<u>(114)</u>
	<u>\$ 10,133</u>	<u>\$ 11,829</u>

NOTE 5 – FAIR VALUE MEASUREMENTS

ASC topic *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

THE PINK FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

The three levels of the fair value hierarchy under ASC topic *Fair Value Measurements* are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the abilities to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means;
- If the asset or liability has a specific (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual Funds, and Exchange-Traded Funds: Valued at the closing price reported in the active market in which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value or certain financial instruments could result in a different fair value measurement at the reporting date.

THE PINK FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value:

	June 30, 2020			
	Level 1	Level 2	Level 3	Total
Exchange traded funds	\$ 235,407	\$ -	\$ -	\$ 235,407
Mutual funds	26,668	-	-	26,668
Total investments	<u>\$ 262,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 262,075</u>

	June 30, 2019			
	Level 1	Level 2	Level 3	Total
Exchange traded funds	\$ 229,296	\$ -	\$ -	\$ 229,296
Mutual funds	26,451	-	-	26,451
Total investments	<u>\$ 255,747</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255,747</u>

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	June 30,	
	2020	2019
Computer hardware and software	\$ 13,020	\$ 13,020
Furniture and fixtures	2,366	2,366
Construction in progress	13,000	-
	<u>28,386</u>	<u>15,386</u>
Less accumulated depreciation	<u>10,449</u>	<u>8,308</u>
	<u>\$ 17,937</u>	<u>\$ 7,078</u>

There was \$2,141 and \$2,333 of depreciation expense for the years ended June 30, 2020 and 2019, respectively.

THE PINK FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 7 – PPP Loan

On April 20, 2020, the Organization entered into a U.S. Small Business Administration (“SBA”) Paycheck Protection Program (“PPP”) loan in the principal amount of \$63,200 payable to MiBank evidencing a PPP Loan. The PPP loan will bear interest at a rate of 1.00% per annum. No Payments will be due on the PPP Loan until either (1) the date that SBA remits the loan forgiveness amount to the lender or (2) if the Organization does not apply for loan forgiveness, 10 months after the end of the Organization’s loan forgiveness covered period. If the PPP loan is not forgiven, the Organization will be obligated to make monthly payments of principal and interest, each in such equal amount required to fully amortize the principal amount outstanding on the PPP loan by the maturity date. The maturity date is April 20, 2022.

The principal amount of the PPP loan is subject to forgiveness by MiBank through the SBA under the PPP upon Organization’s request to the extent that PPP loan proceeds were used to pay expenses permitted by the PPP, including payroll, rent, and utilities. MiBank may forgive interest accrued on any principal forgiven if the SBA pays the interest. There can be no assurance that any part of the PPP loan will be forgiven. Management anticipates that the funds will be used for qualifying expenses and will result in the loan being fully forgiven.

According to the rules of the SBA, the Organization is required to retain PPP loan documentation for six years after the date the loan is forgiven or repaid in full, and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of the Organization’s judgements pertaining to satisfying PPP loan eligibility or forgiveness conditions, the Organization may be required to adjust previously reported amounts and disclosures in the financial statements.

The PPP loan contains customary borrower default provisions and lender remedies, including the right of MiBank to require immediate repayment in full of the outstanding principal balance of the PPP loan with accrued interest.

THE PINK FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 8 –NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were comprised of the following:

	June 30,	
	2020	2019
Mary Herczog Fund	\$ 45,507	\$ 28,648
Time restricted	600,000	800,000
Transportation	185,021	183,482
Designated for grant awards by locale	89,299	55,554
COVID relief	106	-
	<u>\$ 919,933</u>	<u>\$ 1,067,684</u>

NOTE 9 – OPERATING LEASE

The Organization leases office space on a month to month basis with monthly payments for \$401. Total rent expense for the years ended June 30, 2020 and 2019 was \$4,912 and \$4,812, respectively.

NOTE 10 – RETIREMENT PLAN

The Organization contributes to a Simple IRA plan (the “Plan”) for its employees. The Plan is subject to a discretionary 3% employer match. Matching contributions to the plan were \$8,815, and \$2,699 for the years ended June 30, 2020 and 2019, respectively.

NOTE 11 – SUBSEQUENT EVENTS

The Organization has performed a review of events subsequent to the statement of financial position through May 10, 2021, the date the financials were available to be issued.