

# **THE PINK FUND**

AUDITED FINANCIAL STATEMENTS

Years ended June 30, 2023 and 2022

# THE PINK FUND

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Pink Fund

### Opinion

We have audited the accompanying financial statements of The Pink Fund (a nonprofit organization, the "Organization"), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 June 30, 2023 and 2022, and the results of its operations and its cash flows for the years 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 (GAAS). 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.

### 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 GAAS 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 omission, 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.

To the Board of Directors  
The Pink Fund  
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In performing an audit in accordance with GAAS, 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.

#### **Other Information Included in the Annual Report**

Management is responsible for the other information included in the Annual Report. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe in our report.

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  
December 8, 2023

**THE PINK FUND**  
**STATEMENTS OF FINANCIAL POSITION**

	June 30,	
	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 178,539	\$ 389,565
Prepaid expenses	12,011	11,683
Accounts receivable	13,459	-
Pledges receivable, net	1,273,445	200,000
Investments	568,218	616,702
Other assets	-	4,219
Property and equipment, net	107,764	72,695
Operating lease right-of-use assets	35,185	-
	<u>2,188,621</u>	<u>1,294,864</u>
Total assets	<u>\$ 2,188,621</u>	<u>\$ 1,294,864</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 18,734	\$ 20,500
Accrued expenses	550	-
Accrued awards	106,462	76,886
Accrued payroll and related	28,943	3,350
Operating lease right-of-use liabilities	35,185	-
	<u>189,874</u>	<u>100,736</u>
Total liabilities	<u>189,874</u>	<u>100,736</u>
<b>NET ASSETS</b>		
Without donor restrictions	218,811	137,568
With donor restrictions	1,779,936	1,056,560
	<u>1,998,747</u>	<u>1,194,128</u>
Total net assets	<u>1,998,747</u>	<u>1,194,128</u>
Total liabilities and net assets	<u>\$ 2,188,621</u>	<u>\$ 1,294,864</u>

**THE PINK FUND**  
**STATEMENTS OF ACTIVITIES**

	Year ended June 30, 2023			Year ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>						
Contributions	\$ 1,583,465	\$ 1,384,626	\$ 2,968,091	\$ 1,194,229	\$ 270,314	\$ 1,464,543
Special events	26,522	-	26,522	44,968	-	44,968
In-kind donation	23,228	-	23,228	15,285	-	15,285
Other income - ERC credit	111,631	-	111,631	-	-	-
Realized/unrealized gain (loss)	37,925	-	37,925	(115,579)	-	(115,579)
Investment income, net	18,660	-	18,660	11,440	-	11,440
Total revenues and other support	<u>1,801,431</u>	<u>1,384,626</u>	<u>3,186,057</u>	<u>1,150,343</u>	<u>270,314</u>	<u>1,420,657</u>
Net assets released from restrictions	<u>661,250</u>	<u>(661,250)</u>	<u>-</u>	<u>596,752</u>	<u>(596,752)</u>	<u>-</u>
<b>EXPENSES</b>						
Program services	1,727,482	-	1,727,482	1,455,151	-	1,455,151
Management and general	86,137	-	86,137	81,138	-	81,138
Fundraising	567,819	-	567,819	369,520	-	369,520
Total functional expenses	<u>2,381,438</u>	<u>-</u>	<u>2,381,438</u>	<u>1,905,809</u>	<u>-</u>	<u>1,905,809</u>
<b>CHANGE IN NET ASSETS</b>	<b>81,243</b>	<b>723,376</b>	<b>804,619</b>	<b>(158,714)</b>	<b>(326,438)</b>	<b>(485,152)</b>
<b>NET ASSETS - Beginning of year</b>	<u>137,568</u>	<u>1,056,560</u>	<u>1,194,128</u>	<u>296,282</u>	<u>1,382,998</u>	<u>1,679,280</u>
<b>NET ASSETS - End of year</b>	<u>\$ 218,811</u>	<u>\$ 1,779,936</u>	<u>\$ 1,998,747</u>	<u>\$ 137,568</u>	<u>\$ 1,056,560</u>	<u>\$ 1,194,128</u>

**THE PINK FUND**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

	Year ended June 30, 2023				Year ended June 30, 2022			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 289,409	\$ 16,492	\$ 250,988	\$ 556,889	\$ 240,291	\$ 26,394	\$ 165,084	\$ 431,769
Payroll taxes	21,519	1,205	17,970	40,694	18,164	1,988	12,569	32,721
Awards and grants	1,116,462	-	-	1,116,462	1,040,904	-	-	1,040,904
Fundraising expense	4,107	-	39,552	43,659	-	-	43,217	43,217
Marketing and PR	164,188	1,115	145,024	310,327	96,859	72	98,998	195,929
Travel and entertainment	34,799	4,404	12,585	51,788	20,269	2,309	1,940	24,518
Occupancy	17,914	3,425	19,555	40,894	4,765	451	2,408	7,624
Dues and subscriptions	-	35	785	820	66	20	241	327
Professional fees	10,277	29,581	11,917	51,775	652	31,397	508	32,557
Insurance	26	3,294	25	3,345	210	2,684	210	3,104
Bank fees	50	935	-	985	-	242	3	245
Office expense	21,316	17,140	39,054	77,510	13,293	9,324	28,406	51,023
Telephone	21,918	4,323	8,454	34,695	6,056	1,889	4,280	12,225
Other expense	17,136	3,986	21,601	42,723	9,988	4,198	11,308	25,494
Depreciation	8,361	202	309	8,872	3,634	170	348	4,152
Total expenses	<u>\$ 1,727,482</u>	<u>\$ 86,137</u>	<u>\$ 567,819</u>	<u>\$ 2,381,438</u>	<u>\$ 1,455,151</u>	<u>\$ 81,138</u>	<u>\$ 369,520</u>	<u>\$ 1,905,809</u>

**THE PINK FUND**  
**STATEMENTS OF CASH FLOWS**

	<b>Year ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 804,619	\$ (485,152)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	8,872	4,152
Net realized and unrealized loss (gain) on investments	(37,925)	115,579
Donated assets	(27,727)	(35,519)
Changes in assets and liabilities:		
Accounts receivable	(13,459)	-
Pledges receivable	(1,073,445)	393,705
Prepaid expenses	(328)	(8,110)
Other assets	4,219	(4,219)
Accounts payable and accrued expenses	53,952	32,667
	<u>(281,222)</u>	<u>13,103</u>
Net cash (used in) provided by operating activities		
	<u>(281,222)</u>	<u>13,103</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(41,691)	(459,313)
Sale of investments	139,977	79,225
Purchase of property and equipment	(28,190)	(5,148)
Proceeds from sale of property and equipment	100	-
	<u>70,196</u>	<u>(385,236)</u>
Net cash provided by (used in) investing activities		
	<u>70,196</u>	<u>(385,236)</u>
<b>NET CHANGE IN CASH</b>	<b>(211,026)</b>	<b>(372,133)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>389,565</b>	<b>761,698</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 178,539</b>	<b>\$ 389,565</b>
<b>NON-CASH ACTIVITIES:</b>		
Donation of stock	<u>\$ 11,877</u>	<u>\$ 25,218</u>
Donated property and equipment	<u>\$ 15,850</u>	<u>\$ 10,301</u>
Donated IT Services	<u>\$ 7,378</u>	<u>\$ 4,984</u>
Lease assets obtained in exchange for lease obligation - operating lease	<u>\$ 67,733</u>	<u>\$ -</u>



**THE PINK FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**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.

**THE PINK FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**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 receivables 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, 2023 and 2022**

**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.

*Contributed Non-Financial Services and Assets*

Businesses, individuals, and others contribute materials and services toward the fulfillment of the programs, fundraising campaigns and general managerial administration. To the extent that contributions of materials and services are objectively measurable and represent program or support expenditures that would otherwise be incurred by the Organization, they are reflected in both support service and program service expenses in the statement of activities. Donated material and services are recorded at the fair market value upon receipt. For a contributed asset 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.

**THE PINK FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition (Continued)**

*Contributed Non-Financial Services and Assets (Continued)*

For the years ended June 30, 2023 and 2022, donated services were recognized by the Organization in the amount of \$23,228 and \$15,285, respectively.

Total contributed non-financial assets, recorded as in-kind donation, consisted of the following:

	Year ended June 30,	
	2023	2022
Donated furniture	\$ 4,000	\$ -
Computer software development	11,850	10,301
IT Tech support	7,378	4,984
	<u>\$ 23,228</u>	<u>\$ 15,285</u>

The Organization received IT professional services, at deeply reduced rates, for general IT support as well as for software development. Based on current market rates for both general IT support and software development, the Organization would have paid additional \$19,228 and \$15,285, respectively, for the years ended June 30, 2023 and 2022.

The Organization received furniture valued at \$4,000 and \$-0-, respectively, for the years ended June 30, 2023 and 2022. The Organization values the furniture at fair value on the date received.

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*.

All in-kind donations received by the Organization for the years ended June 30, 2023 and 2022 were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

**Special Events**

Special event revenues are reported net of direct expenses. For the years ended June 30, 2023 and 2022, direct expense was \$19,678 and \$20,877, respectively.

**THE PINK FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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, 2023 and 2022, there were no uncertain tax positions that require accrual.

**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.

**Recently Adopted Accounting Pronouncement**

In February 2016, the Financial Accounting Standards Board issued accounting standards update (“ASU”) 2016-02 “Leases (Topic 842)”. Under this guidance, an entity is required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements.

The Organization adopted the new standard effective July 1, 2022, using the modified retrospective approach. This approach allows the Organization to initially apply the new accounting standards at the adoption date and recognize a cumulative adjustment to the opening balance of retained earnings in the period of adoption. The prior year comparative information has not been restated and continues to be reported under the accounting standards in effect for the period. The adoption of the new standards had no impact on nets assets and the operating lease right-of-use assets and liabilities were both \$-0- on July 1, 2022.

**THE PINK FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Recently Adopted Accounting Pronouncement (Continued)**

The new standard provides a number of optional practical expedients at transition. The Organization elected certain practical expedients that must be elected as a package, which permit the Organization to not reassess, under the new standard, prior conclusions about (1) lease identification, (2) lease cancellation and (3) initial direct costs. Additionally, the Organization elected a short-term lease exception policy, which allows entities to not apply the new standards to short-term leases (i.e., leases with terms of 12 months or less). The Organization has also elected to account for lease and non-lease components as a single component for all leases and elected to utilize a risk-free rate for all leases in which the discount rate was not explicit in the lease when calculating the lease liability.

**Leases**

The Organization determines if an arrangement is a lease at inception by determining whether the agreement conveys the right to control the use of the identified asset for a period of time, whether the Organization has the right to obtain substantially all of the economic benefits from use of the identified asset, and the right to direct the use of the asset. Lease liabilities are recognized at the commencement date based upon the present value of the remaining future minimum lease payments over the lease term using the risk-free-rate. The risk-free-rate is defined as the daily treasury par yield curve rate for a period of time that approximates the lease term.

The lease right-of-use assets are initially measured at the carrying amount of the lease liability and adjusted for any prepaid or accrued lease payments, remaining balance of the lease incentives received, unamortized initial direct costs, or impairment charges relating to the right-of-use asset. Lease expense for minimum lease payments are recognized on straight-line basis over the lease.

**Subsequent Events**

The Organization has performed a review of events subsequent to the statement of financial position through December 8, 2023, the date the financials were available to be issued.

**THE PINK FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

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,	
	<u>2023</u>	<u>2022</u>
Financial assets		
Cash	\$ 178,539	\$ 389,565
Receivables	1,286,904	200,000
Investments	<u>568,218</u>	<u>616,702</u>
Total financial assets	<u>2,033,661</u>	<u>1,206,267</u>
Amounts not available for general use		
Receivables to be collected in more than one year	(823,445)	-
Donor restricted funds	<u>(706,491)</u>	<u>(856,560)</u>
Total amounts not available for general use	<u>(1,529,936)</u>	<u>(856,560)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 503,725</u>	<u>\$ 349,707</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, 2023 and 2022**

**NOTE 3 – PLEDGES RECEIVABLE**

Pledges receivable consist of the following:

	June 30,	
	<u>2023</u>	<u>2022</u>
Amounts due in:		
Less than one year	\$ 450,000	\$ 200,000
One to five years	<u>1,000,000</u>	<u>-</u>
Total pledges receivable	\$ 1,450,000	\$ 200,000
Less Unamortized Discount, Using a Discount Rate of 8.25% for 2023	<u>(176,555)</u>	<u>-</u>
Net pledges receivable	<u>\$ 1,273,445</u>	<u>\$ 200,000</u>

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 rates of 8.25% and 4.75% as of June 30, 2023 and 2022, respectively.

**NOTE 4 – INVESTMENTS**

Fair values and unrealized gains are summarized as follows:

	June 30, 2023		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized (Loss)</u>
Exchange traded funds	\$ 506,697	\$ 509,490	\$ 2,793
Mutual funds	<u>63,032</u>	<u>58,728</u>	<u>(4,304)</u>
Total investments	<u>\$ 569,729</u>	<u>\$ 568,218</u>	<u>\$ (1,511)</u>



**THE PINK FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 4 – INVESTMENTS (Continued)**

	June 30, 2022		
	Cost	Fair Value	Unrealized (Loss)
Exchange traded funds	\$ 625,875	\$ 575,192	\$ (50,683)
Mutual funds	47,640	41,510	(6,130)
Total investments	<u>\$ 673,516</u>	<u>\$ 616,702</u>	<u>\$ (56,813)</u>

Investment returns are summarized as follows:

	Year ended June 30,	
	2023	2022
Investment income, net fees	\$ 18,660	\$ 11,440
Unrealized gains (loss)	55,302	(123,785)
Net realized (loss) gains	(17,377)	8,206
	<u>\$ 56,585</u>	<u>\$ (104,139)</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 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.

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**NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)**

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

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Exchange traded funds	\$ 509,490	\$ -	\$ -	\$ 509,490
Mutual funds	58,728	-	-	58,728
Total investments	<u>\$ 568,218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 568,218</u>
	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Exchange traded funds	\$ 575,192	\$ -	\$ -	\$ 575,192
Mutual funds	41,510	-	-	41,510
Total investments	<u>\$ 616,702</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 616,702</u>

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**NOTE 6 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	June 30,	
	<u>2023</u>	<u>2022</u>
Computer hardware and software	\$ 109,084	\$ 74,585
Furniture and fixtures	6,266	2,366
Construction in progress	17,560	12,019
	<u>132,910</u>	<u>88,970</u>
Less accumulated depreciation	25,146	16,275
	<u>\$ 107,764</u>	<u>\$ 72,695</u>

There was \$8,872 and \$4,152 of depreciation expense for the years ended June 30, 2023 and 2022, respectively.

**NOTE 7 – LEASES**

The Organization primarily has operating leases for office space with third-party lessors. The Organization's leases have remaining lease terms that mature through May 2024.

The following summarizes the line items in the balance sheet which include balances for operating leases as of June 30, 2023:

Operating lease right-of-use assets, net	<u>\$ 35,185</u>
Operating lease right-of-use liabilities	<u>\$ 35,185</u>

The components of lease costs for the year ended June 30, 2023, were:

Operating lease expense	\$ 34,125
Short-term lease expense	6,769
	<u>\$ 40,894</u>

The weighted average remaining lease term of third-party operating leases as of June 30, 2023, was .92 years. The weighted average discount rate of third-party operating leases as of June 30, 2023, was 3.20%.

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**NOTE 7 – LEASES** (continued)

Minimum future lease payments under non-cancellable operating leases described above as of June 30, 2023 are as follows:

Year ended June 30,	Operating Leases
2024	\$ 35,750
Total undiscounted cash flows	35,750
Less: present value discount	(565)
Total lease liabilities	<u>\$ 35,185</u>

**NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were comprised of the following:

	June 30,	
	2023	2022
Mary Herczog Fund	\$ 121,173	\$ 127,036
Community outreach	-	55,000
Time restricted	1,073,445	200,000
Transportation	304,001	347,144
Designated for grant awards by locale	105,242	153,641
Education	-	7,500
Housing	176,075	114,075
COVID relief	-	52,164
	<u>\$ 1,779,936</u>	<u>\$ 1,056,560</u>

**NOTE 9 – 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 \$15,326, and \$11,924 for the years ended June 30, 2023 and 2022, respectively.