



Financial Statements

For the Year Ended July 31, 2021

Table of Contents

	Page
Independent Auditor's Report	1 - 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7 - 12

Independent Auditor's Report

**To the Board of Directors
Bright Pink NFP
Chicago, Illinois**

We have audited the accompanying financial statements of Bright Pink NFP (Bright Pink), a not-for-profit corporation, which comprise the statement of financial position as of July 31, 2021, and the related statement of activities, cash flows, and functional expenses, 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 audit. We conducted our audit 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.



T: 425-454-4919
T: 800-504-8747
F: 425-454-4620

10900 NE 4th St
Suite 1400
Bellevue WA
98004

clarknuber.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bright Pink as of July 31, 2021, and the results of its changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Clark Nuber P.S.

Certified Public Accountants
October 20, 2021

BRIGHT PINK NFP

Statement of Financial Position

July 31, 2021

Assets

Cash and cash equivalents	\$ 492,757
Investments	4,471,091
Sponsorship and contribution receivables, net	72,500
Prepaid expenses and deposits	32,761
Property and equipment, net	<u>5,166</u>

Total Assets \$ 5,074,275

Liabilities and Net Assets

Liabilities:

Accounts payable	\$ 54,767
Accrued liabilities	46,772
Paycheck Protection Program loan	<u>231,600</u>

Total Liabilities **333,139**

Net Assets:

Without donor restrictions	4,668,636
With donor restrictions	<u>72,500</u>

Total Net Assets 4,741,136

Total Liabilities and Net Assets \$ 5,074,275

See accompanying notes.

BRIGHT PINK NFP**Statement of Activities
For the Year Ended July 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue and Gains:			
Sponsorship and contributions	\$ 1,493,289	\$ 105,000	\$ 1,598,289
Forgiveness of Paycheck Protection Program loan	230,680		230,680
Earned revenue	2,000		2,000
Investment return, net	722,360		722,360
Net assets released from restrictions	120,000	(120,000)	
	<u>2,568,329</u>	<u>(15,000)</u>	<u>2,553,329</u>
Total Support, Revenue and Gains	2,568,329	(15,000)	2,553,329
Expenses:			
Program services	1,506,700		1,506,700
Management and general	353,185		353,185
Fundraising	295,083		295,083
	<u>2,154,968</u>	<u></u>	<u>2,154,968</u>
Total Expenses	2,154,968		2,154,968
Change in Net Assets	413,361	(15,000)	398,361
Net assets, beginning of year	4,255,275	87,500	4,342,775
	<u>4,255,275</u>	<u>87,500</u>	<u>4,342,775</u>
Net Assets, End of Year	\$ 4,668,636	\$ 72,500	\$ 4,741,136
	<u>\$ 4,668,636</u>	<u>\$ 72,500</u>	<u>\$ 4,741,136</u>

See accompanying notes.

BRIGHT PINK NFP

**Statement of Cash Flows
For the Year Ended July 31, 2021**

Cash Flows From Operating Activities:

Change in net assets	\$ 398,361
Adjustments to reconcile change in net assets to net cash provided by operating activities-	
Depreciation	9,403
Realized and unrealized gain, net of investment fees	(636,679)
PPP loan forgiveness	(230,680)
Gain on disposal of property and equipment	(1,903)
Changes in certain assets and liabilities:	
Sponsorship and contribution receivables	17,000
Prepaid expenses and deposits	12,965
Accounts payable	7,979
Accrued liabilities	<u>(85,590)</u>

Net Cash Used in Operating Activities **(509,144)**

Cash Flows From Investing Activities:

Purchase of property and equipment	(4,797)
Proceeds from the sale of property and equipment	5,790
Purchase of investments	(28,794)
Reinvested investment income	<u>(85,681)</u>

Net Cash Used in Investing Activities **(113,482)**

Cash Flows From Financing Activities:

Proceeds from Paycheck Protection Program loan	<u>231,600</u>
--	----------------

Net Cash Provided by Financing Activities **231,600**

Net Change in Cash and Cash Equivalents **(391,026)**

Cash and cash equivalents balance, beginning of year 883,783

Cash and Cash Equivalents Balance, End of Year **\$ 492,757**

See accompanying notes.

BRIGHT PINK NFP

**Statement of Functional Expenses
For the Year Ended July 31, 2021**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related costs	\$ 990,083	\$ 254,148	\$ 224,901	\$ 1,469,132
Professional fees	298,985	60,520	24,651	384,156
Licenses, fees and subscriptions	115,503	13,345	13,612	142,460
Occupancy and equipment	45,567	12,988	11,027	69,582
Media spend	28,114		352	28,466
Processing fees	4,773	5,444	7,112	17,329
Printing, postage and shipping	12,810	828	3,379	17,017
Insurance	5,485	1,607	1,310	8,402
Other	2,641	2,980	1,266	6,887
Donated goods and services			5,000	5,000
Travel and meals	1,904	1,207	1,798	4,909
Supplies	835	118	675	1,628
	<u>\$ 1,506,700</u>	<u>\$ 353,185</u>	<u>\$ 295,083</u>	<u>\$ 2,154,968</u>

See accompanying notes.

BRIGHT PINK NFP

Notes to Financial Statements For the Year Ended July 31, 2021

Note 1 - Organization and Nature of Activities

Nature of Activities - Bright Pink NFP (Bright Pink) is a national not-for-profit corporation that was incorporated in 2007 in Illinois. Bright Pink helps to save women's lives from breast and ovarian cancer by empowering women to know their risk and manage their health proactively. Bright Pink aims to identify women at elevated risk for breast and ovarian cancer and connect them to risk-mitigating care. These goals are carried out through the following programs:

Audience Engagement - Activities that drive general awareness of Bright Pink, breast and ovarian health, and why knowing your risk is important.

Risk Knowledge and Behavior - Activities that help women to know their breast and ovarian cancer risk, drive them to assess their risk, and take risk-mitigating actions.

Healthcare Engagement - Case-based learning modules designed to engage and train women's health providers to stratify and manage breast and ovarian cancer risk in young women, and printed patient education materials designed to help women collect their family health history and have meaningful conversations with their healthcare providers.

Basis of Presentation - Bright Pink's accounts are maintained on the accrual basis of accounting. Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Bright Pink and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions - Net assets whose use is limited by donor-imposed stipulations that may or will be met either by actions of Bright Pink or the passage of time.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents - Cash and cash equivalents include short-term investments with original maturities of three months or less, except for the cash and short-term investments managed by Bright Pink's investment managers as part of their long-term investment strategies.

Investments - Investments in marketable securities with readily determinable fair values and in debt securities are reported at their fair values. Fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. Unrealized and realized gains and losses are included in the change in net assets.

Credit Risk - Financial instruments which potentially subject Bright Pink to concentrations of credit risk consist of cash and investments. At July 31, 2021, Bright Pink had cash deposits and investments in financial institutions in excess of the federally insured limits.

BRIGHT PINK NFP

Notes to Financial Statements For the Year Ended July 31, 2021

Note 1 - Continued

Allowance for Doubtful Accounts - Sponsorship and contribution receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable receivable. Management did not believe an allowance was necessary at July 31, 2021.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes - The Internal Revenue Service has determined that Bright Pink is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is also classified as other than a private foundation. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements.

Property and Equipment - Property and equipment is recorded at cost when purchased. Donated assets are recorded at fair value on the date of donation. Bright Pink follows a policy whereby it capitalizes purchases of property and equipment with a value in excess of \$500 and a useful life greater than one year. Expenditures for repairs and maintenance are charged to expense as incurred. Depreciation is computed on the straight-line method over various useful lives.

In-Kind Goods and Services - Donated services are recognized as revenues at their estimated fair value when they create or enhance nonfinancial assets or they require specialized skills which would need to be purchased if they were not donated. Bright Pink also receives donated services from a variety of unpaid volunteers assisting Bright Pink in its charitable programs. No amounts have been recognized for these services in the accompanying statement of activities because the criteria for recognition of such volunteer effort have not been satisfied.

Sponsorships and Contributions - Bright Pink recognizes the full amount of sponsorships and unconditional contributions as revenue in the year the pledge or contribution is made, or once the conditions have been met. Sponsorships and contributions are recorded at net realizable value. Bright Pink had no conditional contributions outstanding at July 31, 2021.

Earned Revenue - Bright Pink provides co-branded and special access to certain tools offered by Bright Pink. This revenue stream is recognized when the performance obligation is completed. There were no outstanding earned revenue receivables as of the year ended July 31, 2021.

Concentrations - At July 31, 2021, 72% of the sponsorship and contribution receivables were due from two supporters. Bright Pink did not have any sponsorship and contribution support concentrations for the year ended July 31, 2021.

BRIGHT PINK NFP

Notes to Financial Statements For the Year Ended July 31, 2021

Note 1 - Continued

Functional Allocation of Expenses - Bright Pink treats all costs as direct costs except general administration and general expense. Shared costs are prorated individually as direct cost to each category using a base most appropriate to the particular cost being prorated. The bases are established in accordance with reasonable criteria and supported by current data. Salaries and related costs are allocated based on a time estimate of where efforts are made. Professional fees, licenses, fees, and subscriptions, as well as occupancy and equipment are all allocated based on the number of full-time equivalents working on the effort.

Subsequent Events - Bright Pink has evaluated subsequent events through October 20, 2021, the date on which the financial statements were available to be issued.

Note 2 - Sponsorship and Contribution Receivables

Sponsorship and contribution receivables of \$72,500 as of July 31, 2021 are due within one year.

Note 3 - Investments and Fair Value Measurements

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements.

Valuation Techniques - U.S. GAAP uses a fair value hierarchy which prioritizes the inputs to valuation approaches into three broad levels. The hierarchy gives the highest priority to quoted prices in active markets (Level 1), and the lowest priority to unobservable inputs (Level 3). Financial assets and liabilities valued using Level 1 inputs are based on unadjusted quoted market prices within active markets for identical assets and liabilities.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at July 31, 2021.

Cash and Money Market Funds - Valued at cost plus accrued interest, which approximates fair value.

Equity Securities - Valued at quoted market prices in active markets for identical assets.

Fixed Income Securities - Valued at the closing price on the last day of business of the year.

Investments are stated at fair value and consist of the following at July 31, 2021:

	Investments at Fair Value			
	Level 1	Level 2	Level 3	Total
Cash and money market funds	\$ 506,699	\$ -	\$ -	\$ 506,699
Equity securities	2,283,764			2,283,764
Fixed income securities		1,680,628		1,680,628
Total Investments	\$ 2,790,463	\$ 1,680,628	\$ -	\$ 4,471,091

BRIGHT PINK NFP

Notes to Financial Statements For the Year Ended July 31, 2021

Note 3 - Continued

The following schedule summarizes net investment return for the year ended July 31, 2021:

Interest and dividends	\$ 85,681
Realized and unrealized gain, net of investment fees	<u>636,679</u>
	<u><u>\$ 722,360</u></u>

Note 4 - Property and Equipment

Property and equipment consists of the following at July 31, 2021:

Leasehold improvements	\$ 8,865
Furniture and equipment	33,662
Computer equipment	15,580
Software	<u>20,913</u>
	79,020
Less accumulated depreciation	<u>(73,854)</u>
Total Property and Equipment, Net	<u><u>\$ 5,166</u></u>

Note 5 - Debt

In response to the COVID-19 pandemic, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act). Included in the CARES Act was the Paycheck Protection Program (PPP) to provide loans to qualifying small businesses and not-for-profit organizations to cover certain eligible expenses. On April 16, 2020, Bright Pink obtained a loan under the PPP with a principal balance of \$230,680 and an annual interest rate of 1%. Principal and interest are payable in monthly installments beginning July 30, 2021 through maturity on April 16, 2022.

On January 28, 2021, Bright Pink obtained a second draw loan under the PPP with a principal balance of \$231,600 and an annual interest rate of 1%. Principal and interest are payable in monthly installments beginning November 30, 2021 through maturity on November 30, 2026.

All or a portion of the PPP loan may be forgiven if certain terms and conditions of the program are met. Bright Pink's accounting policy for recognition of revenue from forgiveness of the PPP loan is to recognize the revenue when the loan is forgiven by the lender. For the year ended July 31, 2021, Bright Pink applied for, and was notified, that the full amount of the first PPP loan of \$230,680 was forgiven by its lender and the Small Business Administration (SBA). Loan forgiveness is reflected in support, revenue, and gains in the accompanying statement of activities.

During the year ended July 31, 2021, Bright Pink applied for forgiveness of the second PPP loan. Subsequent to July 31, 2021, Bright Pink received approval from its lender and the SBA for the full amount of the second PPP loan of \$231,600.

BRIGHT PINK NFP

Notes to Financial Statements For the Year Ended July 31, 2021

Note 5 - Continued

Operating Lines of Credit - Bright Pink maintains an operating line of credit in the amount of \$500,000. The interest rate is 1.5% plus LIBOR. As of July 31, 2021, there were no borrowings on the line-of-credit. Bright Pink closed the line of credit in August 2021.

Note 6 - Net Assets With Donor Restrictions

Net assets with donor restrictions of \$72,500 are due in future periods and restricted for time at July 31, 2021.

Net assets with donor restrictions released from time restrictions totaled \$120,000 during the year ended July 31, 2021.

Note 7 - Commitments

Lease - Bright Pink leases office space under a noncancelable operating lease that expires on March 31, 2022 with monthly payments of \$2,850. Rent expense was \$44,239 for the year ended July 31, 2021. The remaining obligation for this lease was \$22,800 to be paid in fiscal year 2022.

Employment Agreements - Bright Pink has agreements with two employees in place as of year end. If the employees remain with Bright Pink through at least October 31, 2021, the agreements call for bonuses to be paid. No accruals were made as of July 31, 2021.

Note 8 - Pension Plan

Bright Pink sponsors a 403(b) defined contribution plan. All eligible participants may elect to defer wages subject to IRS limits. Bright Pink, at its discretion, may make a matching contribution equal to a percentage, of the participants' contribution for the plan year. Bright Pink's retirement plan expense was \$26,788 for the year ended July 31, 2021.

Note 9 - Liquidity and Availability of Financial Assets

Liquidity - Bright Pink has a policy to structure financial assets to be available as general expenditures, liabilities, and other obligations come due. In addition, as part of liquidity management, Bright Pink invests cash in excess of daily requirements in short-term investments.

Availability - The following reflects Bright Pink's financial assets at July 31, 2021:

Cash and cash equivalents	\$ 492,757
Sponsorship and contribution receivables, net	72,500
Investments	<u>4,471,091</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 5,036,348</u>

BRIGHT PINK NFP

**Notes to Financial Statements
For the Year Ended July 31, 2021**

Note 10 - Operational Changes

In June 2021, the Board of Directors approved a plan to transition from an operating structure where the Bright Pink staffs, supports, fundraises for and runs its own programs into a grant-making entity, investing in high-impact breast and ovarian health programs run by mission partners. As part of the sunset efforts, Bright Pink laid off several staff and ran a diligent search to identify and select new homes for its programmatic assets and tools with entities positioned to support and grow them. Bright Pink's mission remains the same, however the way Bright Pink achieves its mission is changing. One hallmark of the new operating format is a lean operating budget to maximize impact of each dollar received. The Board is actively engaged in shaping the next chapter and confident in the new structure to continue the mission.