



Financial Statements

For the Year Ended July 31, 2022

## Table of Contents

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	Page
<b>Independent Auditor's Report</b>	1 - 2
<b>Financial Statements:</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7 - 10

## Independent Auditor's Report

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

### Opinion

We have audited the financial statements of Bright Pink NFP (Bright Pink), a not-for-profit corporation, which comprise the statement of financial position as of July 31, 2022, and the related statements of activities, cash flows, and functional expenses, for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bright Pink as of July 31, 2022, 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 audit 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 Bright Pink and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Bright Pink's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



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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 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 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 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 Bright Pink'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 Bright Pink'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.

*Clark Nuber P.S.*

Certified Public Accountants  
November 11, 2022

**BRIGHT PINK NFP**

**Statement of Financial Position**

**July 31, 2022**

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**Assets**

Cash and cash equivalents	\$ 611,847
Investments	4,270,519
Prepaid expenses and deposits	<u>3,167</u>

**Total Assets** \$ 4,885,533

**Liabilities and Net Assets**

**Liabilities:**

Accounts payable	<u>\$ 19,257</u>
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**Total Liabilities** 19,257

**Net Assets:**

Without donor restrictions	<u>4,866,276</u>
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**Total Net Assets** 4,866,276

**Total Liabilities and Net Assets** \$ 4,885,533

See accompanying notes.

**BRIGHT PINK NFP**

**Statement of Activities  
For the Year Ended July 31, 2022**

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	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support, Revenue and Gains:</b>			
Sponsorship and contributions	\$ 1,040,864	\$ 22,500	\$ 1,063,364
Forgiveness of Paycheck Protection Program loan	231,600		231,600
Investment return, net	(221,199)		(221,199)
Net assets released from restrictions	95,000	(95,000)	
<b>Total Support, Revenue and Gains</b>	<b>1,146,265</b>	<b>(72,500)</b>	<b>1,073,765</b>
<b>Expenses:</b>			
Program services	714,327		714,327
Management and general	145,461		145,461
Fundraising	88,837		88,837
<b>Total Expenses</b>	<b>948,625</b>		<b>948,625</b>
<b>Change in Net Assets</b>	<b>197,640</b>	<b>(72,500)</b>	<b>125,140</b>
Net assets, beginning of year	4,668,636	72,500	4,741,136
<b>Net Assets, End of Year</b>	<b>\$ 4,866,276</b>	<b>\$ -</b>	<b>\$ 4,866,276</b>

See accompanying notes.

**BRIGHT PINK NFP**

**Statement of Cash Flows  
For the Year Ended July 31, 2022**

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**Cash Flows From Operating Activities:**

Change in net assets	\$ 125,140
Adjustments to reconcile change in net assets to net cash provided by operating activities-	
Depreciation	808
Realized and unrealized losses, net of investment fees	327,038
PPP loan forgiveness	(231,600)
Gain on disposal of property and equipment	1,826
Changes in certain assets and liabilities:	
Sponsorship and contribution receivables	72,500
Prepaid expenses and deposits	29,594
Accounts payable	(35,510)
Accrued liabilities	(46,772)

**Net Cash Provided by Operating Activities** **243,024**

**Cash Flows From Investing Activities:**

Proceeds from the sale of property and equipment	2,532
Purchase of investments	(23,902)
Reinvested investment income	(105,839)
Proceeds from the sale of investments	3,275

**Net Cash Used in Investing Activities** **(123,934)**

**Net Change in Cash and Cash Equivalents** **119,090**

Cash and cash equivalents balance, beginning of year 492,757

**Cash and Cash Equivalents Balance, End of Year** **\$ 611,847**

See accompanying notes.

**BRIGHT PINK NFP**

**Statement of Functional Expenses  
For the Year Ended July 31, 2022**

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	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants to Mission Partners	\$ 450,000	\$ -	\$ -	\$ 450,000
Salaries and related costs	136,010	53,555	25,234	214,799
Professional fees	104,960	64,568	23,600	193,128
Licenses, fees and subscriptions	18,732	6,879	5,646	31,257
Occupancy, equipment and telephone	4,173	11,627	3,929	19,729
Processing fees		3,779	13,447	17,226
Supplies			16,436	16,436
Other	452	5,053	545	6,050
	<u>\$ 714,327</u>	<u>\$ 145,461</u>	<u>\$ 88,837</u>	<u>\$ 948,625</u>

See accompanying notes.



## BRIGHT PINK NFP

### Notes to Financial Statements For the Year Ended July 31, 2022

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#### 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's mission is to accelerate, deepen, and expand the impact of life-saving breast and ovarian health interventions. Bright Pink engages in a rigorous vetting and selection process that culminates in its investment of both financial and capacity building resources into the most innovative initiatives that have the greatest opportunity for systemic change. As a result, thousands of young women, specifically those who have additional barriers to care, are educated, equipped, and empowered to assess their breast and ovarian cancer risk and take risk-mitigating actions.

**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, 2022, Bright Pink had cash deposits and investments in financial institutions in excess of the federally insured limits.

**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.

## BRIGHT PINK NFP

### Notes to Financial Statements For the Year Ended July 31, 2022

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#### Note 1 - Continued

**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, 2022.

**Concentrations** - Two contributors donated 32% of Bright Pink's sponsorship and contribution support during the year ended July 31, 2022.

**Functional Allocation of Expenses** - Bright Pink treats all costs as direct costs except general administration and 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 while Bright Pink had employees. After all employees were terminated, all expenses are recorded directly to the functional area the costs are related to except for professional fees for the CEO and Managing Director (see Note 7). These costs are allocated based on the percent of effort in the functional area.

**Subsequent Events** - Bright Pink has evaluated subsequent events through November 11, 2022, the date on which the financial statements were available to be issued.

#### Note 2 - 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 within 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. Financial assets and liabilities valued using Level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities valued using Level 3 inputs are primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied.

## BRIGHT PINK NFP

### Notes to Financial Statements For the Year Ended July 31, 2022

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#### Note 2 - Continued

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, 2022.

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, 2022:

	Investments at Fair Value			
	Level 1	Level 2	Level 3	Total
Cash and money market funds	\$ 632,846	\$ -	\$ -	\$ 632,846
Equity securities	2,352,639			2,352,639
Fixed income securities		1,285,034		1,285,034
<b>Total Investments</b>	<b>\$ 2,985,485</b>	<b>\$ 1,285,034</b>	<b>\$ -</b>	<b>\$ 4,270,519</b>

The following schedule summarizes net investment return for the year ended July 31, 2022:

Interest and dividends	\$ 105,839
Realized and unrealized losses, net of investment fees	<u>(327,038)</u>
	<b><u>\$ (221,199)</u></b>

#### Note 3 - Property and Equipment

Property and equipment consists of \$20,913 of fully depreciated software at July 31, 2022.

#### Note 4 - Paycheck Protection Program Loan

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 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, 2022, Bright Pink applied for, and was notified, that the full amount of the second PPP loan of \$231,600 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.

## BRIGHT PINK NFP

### Notes to Financial Statements For the Year Ended July 31, 2022

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#### Note 5 - Net Assets With Donor Restrictions

Bright Pink had no net assets with donor restrictions as of July 31, 2022. Net assets with donor restrictions released from time restrictions totaled \$95,000 during the year ended July 31, 2022.

#### Note 6 - 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, 2022:

Cash and cash equivalents	\$ 611,847
Investments	<u>4,270,519</u>
<b>Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>	<b><u><u>\$ 4,882,366</u></u></b>

#### Note 7 - Operational Changes

In June 2021, Bright Pink announced a strategic shift in its work – 1) transitioning from operating our own programs to partnering with innovative Mission Partners on specific initiatives that advance our mission, with an intentional focus on health equity; and 2) seeking a new home for our suite of life-saving breast and ovarian health programmatic assets. In November 2021, Bright Pink announced that after a comprehensive national search, Dana-Farber Cancer Institute, Harvard Medical School's teaching hospital, was selected as the organization to acquire, steward, and expand the impact of Bright Pink moving forward.

Today, Bright Pink focuses its assets on maximizing the impact of investments made through its venture philanthropy fund by deepening the reach and impact of the most cutting-edge interventions in order to reduce disparities and save more lives. After conducting rigorous due diligence, in June 2022, Bright Pink proudly announced its inaugural cohort of Mission Partners and partnered with each of them to co-design and catalyze the most innovative breast and ovarian health interventions that exist today. In addition to a capital investment of \$450,000, Bright Pink is providing deep capacity-building resources such as leadership coaching, program and evaluation design, digital marketing support and more to maximize the initiative's reach and impact.