



Financial Statements

For the Year Ended December 31, 2016

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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 December 31, 2016, and the related statements of activities, and cash flows 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.



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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bright Pink as of December 31, 2016, 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.

Report on Summarized Comparative Information

We have previously audited Bright Pink's December 31, 2015, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 25, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Clark Nuber P.S.

Certified Public Accountants
May 10, 2017

BRIGHT PINK NFP

Statement of Financial Position

December 31, 2016

(With Comparative Totals for 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 1,429,577	\$ 1,230,510
Investments	1,804,679	1,652,918
Sponsorship and contribution receivables, net	620,976	425,083
Prepaid expenses and deposits	123,905	153,533
Property and equipment, net	<u>48,500</u>	<u>48,475</u>
Total Assets	<u>\$ 4,027,637</u>	<u>\$ 3,510,519</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 48,896	\$ 17,403
Accrued liabilities	86,345	111,475
Deferred rent	<u>3,250</u>	<u>3,250</u>
Total Liabilities	<u>138,491</u>	<u>132,128</u>
Net Assets:		
Unrestricted	3,679,978	3,243,057
Temporarily restricted	<u>209,168</u>	<u>135,334</u>
Total Net Assets	<u>3,889,146</u>	<u>3,378,391</u>
Total Liabilities and Net Assets	<u>\$ 4,027,637</u>	<u>\$ 3,510,519</u>

See accompanying notes.

BRIGHT PINK NFP

**Statement of Activities
For the Year Ended December 31, 2016
(With Comparative Totals for 2015)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
Support, Revenue and Gains:					
Sponsorship and contributions	\$ 3,338,531	\$ 330,000	\$ -	\$ 3,668,531	\$ 3,460,309
Investment return	147,909			147,909	5
Net assets released from restrictions	256,166	(256,166)			
Total Support, Revenue and Gains	3,742,606	73,834		3,816,440	3,488,079
Expenses:					
Program services	2,714,532			2,714,532	2,622,811
Management and general	187,086			187,086	166,803
Fundraising	404,067			404,067	360,856
Total Expenses	3,305,685			3,305,685	3,150,470
Change in Net Assets	436,921	73,834		510,755	337,609
Net assets, beginning of year	3,243,057	135,334		3,378,391	3,040,782
Net Assets, End of Year	\$ 3,679,978	\$ 209,168	\$ -	\$ 3,889,146	\$ 3,378,391

See accompanying notes.

BRIGHT PINK NFP**Statement of Cash Flows
For the Year Ended December 31, 2016
(With Comparative Totals for 2015)**

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 510,755	\$ 337,609
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Depreciation	17,719	15,694
Realized and unrealized (gain) loss	(79,766)	81,663
Changes in certain assets and liabilities:		
Sponsorship and contribution receivables	(195,893)	(54,910)
Prepaid expenses and deposits	29,628	(93,303)
Beneficial interest in assets held by others		9,860
Accounts payable	31,493	(15,611)
Accrued liabilities	(25,130)	110,505
Deferred rent		(5,475)
	<u>288,806</u>	<u>386,032</u>
Net Cash Provided by Operating Activities	288,806	386,032
Cash Flows From Investing Activities:		
Purchase of property and equipment	(17,744)	(5,307)
Purchase of investments	(820,163)	(111,586)
Proceeds from the sale of investments	748,168	35,413
	<u>(89,739)</u>	<u>(81,480)</u>
Net Cash Used by Investing Activities	(89,739)	(81,480)
Net Change in Cash and Cash Equivalents	199,067	304,552
Cash and cash equivalents balance, beginning of year	<u>1,230,510</u>	<u>925,958</u>
Cash and Cash Equivalents Balance, End of Year	<u>\$ 1,429,577</u>	<u>\$ 1,230,510</u>

See accompanying notes.

BRIGHT PINK NFP

Notes to Financial Statements For the Year Ended December 31, 2016

Note 1 - Organization and Nature of Activities

Nature of Activities - Bright Pink NFP (Bright Pink) is an Illinois not-for-profit corporation that was established in 2007. Bright Pink exists to enlighten and empower high risk individuals to take control of their breast and ovarian health by providing education, support and a sense of community for a better, brighter future. This mission is carried out by the following programs:

Ambassador - Volunteer leaders creating community and implementing education and support programs locally.

Brighten Up - Twenty minute educational workshop that teaches attendees about breast and ovarian health basics, symptoms, risk assessment and the importance of breast and ovarian health awareness.

Digital Resources - Digital tools to further education and program including enews, monthly text message reminders to check your breasts, the website offering educational resources and a portal for program involvement.

Printed Education Collateral - Educational materials that help young women assess their breast and ovarian cancer risk and develop a proactive health management strategy furthering Bright Pink's mission.

Women's Health Professional Education Initiative (WHPEI) - Engages and educates medical professionals to best serve young women. A one hour lecture and accompanying case-based learning module designed to educate women's health professionals in training on a practical approach to identifying and managing risk for breast and ovarian cancers, both hereditary and sporadic, in young women.

Outreach/BP Girl Education - Monthly support groups facilitated by a Bright Pink Support Ambassador. Outreach focuses on young women at high risk for breast and ovarian cancer and provides them with unparalleled support as they navigate their high risk journey.

The Pink Pal - One-on-one peer support provides matching to young women who are at a high risk for breast and ovarian cancer. Pairings are made between a woman going through a specific, high-risk issue and a fellow high-risk individual who has already gone through a similar journey.

Health Conferences and Associations - Distributes breast and ovarian health educational content and recruiting programmatic participants through exhibition at health conferences.

Content Distribution - Delivers breast and ovarian health educational content through partner distribution channels to further our programmatic reach and impact amongst to new audiences.

General Public Awareness - Activities that make more women aware of Bright Pink including press, speaking engagements, education and conferences.

BRIGHT PINK NFP

Notes to Financial Statements For the Year Ended December 31, 2016

Note 1 - Continued

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:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that will be met either by actions of Bright Pink and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by Bright Pink. At December 31, 2016 and 2015, Bright Pink had no permanently restricted net assets.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/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 December 31, 2016 and 2015, Bright Pink had cash deposits and investments in financial institutions in excess of the federally insured limits.

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 for the year ended December 31, 2016. An allowance of \$12,500 was recorded at December 31, 2015. All receivables are due within one year.

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.

BRIGHT PINK NFP

Notes to Financial Statements For the Year Ended December 31, 2016

Note 1 - Continued

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.

Donated 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. For the years ended December 31, 2016 and 2015, donated professional services include legal, accounting, management, printing and website development. Bright Pink estimates the fair value of these services to be approximately \$45,000 and \$99,000 during the years ended December 31, 2016 and 2015, respectively. 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.

Donated Goods - During 2016, Bright Pink received donated goods with an estimated fair value of \$155,000 which consisted of gift certificates of \$152,000 and other of \$3,000. During 2015, Bright Pink received donated goods with an estimated fair value of \$83,000 which consisted of gift certificates of \$36,000, facilities of \$43,000 and other of \$4,000.

Subsequent Events - Bright Pink has evaluated subsequent events through May 10, 2017, 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 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 December 31, 2016.

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

Stocks - 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.

BRIGHT PINK NFP**Notes to Financial Statements
For the Year Ended December 31, 2016****Note 2 - Continued**

Investments are stated at fair value and consist of the following at December 31:

	Investments at Fair Value				
	Level 1	Level 2	Level 3	2016 Total	2015 Total
Cash and money market funds	\$ 364,548	\$ -	\$ -	\$ 364,548	\$ 58,929
Stocks	926,822			926,822	1,088,690
Fixed income securities		513,309		513,309	505,299
Total Investments	\$ 1,291,370	\$ 513,309	\$ -	\$ 1,804,679	\$ 1,652,918

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31:

	2016	2015
Interest and dividends	\$ 68,143	\$ 81,668
Realized and unrealized gain (loss)	79,766	(81,663)
	\$ 147,909	\$ 5

Note 3 - Property and Equipment

Property and equipment consists of the following at December 31:

	2016	2015
Leasehold improvements	\$ 8,865	\$ 8,865
Furniture and equipment	54,949	43,336
Computer equipment	47,293	41,162
Software	20,913	20,913
	132,020	114,276
Less accumulated depreciation	(83,520)	(65,801)
Total Property and Equipment, Net	\$ 48,500	\$ 48,475

BRIGHT PINK NFP

**Notes to Financial Statements
For the Year Ended December 31, 2016**

Note 5 - Net Asset Restrictions

Temporarily restricted net assets are available for the following purposes at December 31:

	<u>2016</u>	<u>2015</u>
Due in future periods - time restricted	\$ 201,668	\$ 95,334
Program related purposes	<u>7,500</u>	<u>40,000</u>
Total Temporarily Restricted Net Assets	<u>\$ 209,168</u>	<u>\$ 135,334</u>

Net assets were released by satisfying the following restrictions during the year ended December 31, 2016:

Program restrictions	\$ 42,500
Time restrictions	<u>213,666</u>
Total Restrictions Released	<u>\$ 256,166</u>

Note 6 - Lease Commitments

Bright Pink leases office space under a five year noncancelable operating lease that expires on March 31, 2018 with monthly payments ranging from \$3,125 to \$3,825. Deferred rent in the accompanying statement of financial position results from the straight-line recognition of rent expense over the term of the lease agreement. Rent expense was \$56,513 and \$38,675 for the years ended December 31, 2016 and 2015, respectively.

Future minimum payments under this lease are as follows:

For the Year Ending December 31,

2017	\$ 47,106
2018	<u>12,075</u>
	<u>\$ 59,181</u>

Note 7 - Pension Plan

Bright Pink sponsors a defined contribution plan (ERISA 403(b)). 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, determined by Bright Pink, of the participants' contribution for the plan year. Bright Pink's retirement plan expense was \$18,838 and \$20,855 for the years ended December 31, 2016 and 2015, respectively.

SUPPLEMENTARY INFORMATION

BRIGHT PINK**Schedule of Functional Expenses
For the Year Ended December 31, 2016
(With Comparative Total for 2015)**

	General Public Awareness	Digital Resources	Content Distribution	Health Conferences & Associations	Outreach	Brighten Up
Salaries and related costs	\$ 368,598	\$ 178,393	\$ 128,571	\$ 4,238	\$ 8,542	\$ 203,365
Professional fees	212,764	207,285	27,999	3,449	1,194	37,247
Licenses and fees	40,654	20,757	5,501	11,528	301	18,109
Printing	6,861	1,053	536	74	26	723
Travel	22,198	4,569	1,607	5,494	80	22,035
Insurance	19,616	9,064	6,169	258	315	9,704
Events	14,580	7,209	2,869	5,044	176	4,948
Occupancy and equipment	17,292	9,586	3,814	676	234	6,579
Marketing	96,554	7,762	844	150	52	1,456
Processing fees	8,548	4,780	1,902	337	117	3,280
Other	9,572	5,616	1,404	249	134	3,452
Postage and shipping	2,789	1,216	1,186	757	28	3,462
Merchandise	4,279	1,270	505	90	31	871
Supplies	3,570	1,794	625	109	38	1,305
Meals	2,657	1,010	335	146	21	588
Telephone	1,038	481	191	34	12	330
Donated goods and services		350				
	<u>\$ 831,570</u>	<u>\$ 462,195</u>	<u>\$ 184,058</u>	<u>\$ 32,633</u>	<u>\$ 11,301</u>	<u>\$ 317,454</u>

See independent auditor's report.

	Pink Pal	Printed Educational Collateral	Ambassadors	WHPEI	Total Program Services	Management and General	Fundraising	2016 Total	2015 Total
\$	14,087	\$ 53,696	\$ 59,529	\$ 198,959	\$ 1,217,978	\$ 57,173	\$ 123,277	\$ 1,398,428	\$ 1,359,847
	43,901	14,474	8,393	203,732	760,438	46,434	26,633	833,505	799,265
	1,755	3,654	2,119	17,608	121,986	12,791	23,200	157,977	139,969
	150	50,924	181	4,709	65,237	63	3,883	69,183	122,757
	467	973	595	75,703	133,721	1,277	7,345	142,343	104,825
	774	2,752	2,968	10,058	61,678	5,653	4,476	71,807	79,692
	1,025	2,135	1,238	14,677	53,901	1,854	15,173	70,928	71,596
	1,363	2,838	1,646	12,310	56,338	21,748	8,699	86,785	64,858
	302	628	364	5,924	114,036		4,558	118,594	64,334
	680	1,415	821	6,138	28,018	10,844	4,338	43,200	42,550
	502	1,045	636	4,533	27,143	8,119	15,821	51,083	37,481
	164	1,195	198	6,796	17,791	1,519	1,575	20,885	30,614
	180	376	218	1,631	9,451		2,496	11,947	22,734
	220	457	265	3,597	11,980	3,360	1,482	16,822	14,940
	120	249	162	1,173	6,461	1,536	1,176	9,173	11,300
	68	142	83	618	2,997	1,087	440	4,524	5,621
				25,028	25,378	13,628	159,495	198,501	178,087
\$	65,758	\$ 136,953	\$ 79,416	\$ 593,194	\$ 2,714,532	\$ 187,086	\$ 404,067	\$ 3,305,685	\$ 3,150,470