



Financial Statements

For the Year Ended December 31, 2017

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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, 2017, 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, 2017, 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, 2016, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 10, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, 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 19, 2018

BRIGHT PINK NFP

**Statement of Financial Position
December 31, 2017
(With Comparative Totals for 2016)**

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 1,365,687	\$ 1,429,577
Investments	2,556,361	1,804,679
Sponsorship and contribution receivables, net	576,875	620,976
Prepaid expenses and deposits	30,162	123,905
Property and equipment, net	<u>33,020</u>	<u>48,500</u>
Total Assets	<u>\$ 4,562,105</u>	<u>\$ 4,027,637</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 24,970	\$ 48,896
Accrued liabilities	45,837	86,345
Deferred rent		<u>3,250</u>
Total Liabilities	70,807	138,491
Net Assets:		
Unrestricted	4,344,164	3,679,978
Temporarily restricted	<u>147,134</u>	<u>209,168</u>
Total Net Assets	<u>4,491,298</u>	<u>3,889,146</u>
Total Liabilities and Net Assets	<u>\$ 4,562,105</u>	<u>\$ 4,027,637</u>

See accompanying notes.

BRIGHT PINK NFP

**Statement of Activities
For the Year Ended December 31, 2017
(With Comparative Totals for 2016)**

	Unrestricted	Temporarily Restricted	2017 Total	2016 Total
Support, Revenue and Gains:				
Sponsorship and contributions	\$ 2,875,194	\$ 147,134	\$ 3,022,328	\$ 3,469,208
In-kind goods and services	1,046,242		1,046,242	199,323
Investment return	245,599		245,599	147,909
Net assets released from restrictions	209,168	(209,168)		
Total Support, Revenue and Gains	4,376,203	(62,034)	4,314,169	3,816,440
Expenses:				
Program services	3,073,450		3,073,450	2,714,532
Management and general	195,263		195,263	187,086
Fundraising	443,304		443,304	404,067
Total Expenses	3,712,017		3,712,017	3,305,685
Change in Net Assets	664,186	(62,034)	602,152	510,755
Net assets, beginning of year	3,679,978	209,168	3,889,146	3,378,391
Net Assets, End of Year	\$ 4,344,164	\$ 147,134	\$ 4,491,298	\$ 3,889,146

See accompanying notes.

BRIGHT PINK NFP**Statement of Cash Flows
For the Year Ended December 31, 2017
(With Comparative Totals for 2016)**

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 602,152	\$ 510,755
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Depreciation	15,480	17,719
Realized and unrealized gain	(178,834)	(79,766)
Changes in certain assets and liabilities:		
Sponsorship and contribution receivables	44,101	(195,893)
Prepaid expenses and deposits	93,743	29,628
Accounts payable	(23,926)	31,493
Accrued liabilities	(40,508)	(25,130)
Deferred rent	(3,250)	
	<u>508,958</u>	<u>288,806</u>
Net Cash Provided by Operating Activities	508,958	288,806
Cash Flows From Investing Activities:		
Purchase of property and equipment		(17,744)
Purchase of investments	(664,885)	(820,163)
Proceeds from the sale of investments	92,037	748,168
	<u>(572,848)</u>	<u>(89,739)</u>
Net Cash Used by Investing Activities	(572,848)	(89,739)
Net Change in Cash and Cash Equivalents	(63,890)	199,067
Cash and cash equivalents balance, beginning of year	<u>1,429,577</u>	<u>1,230,510</u>
Cash and Cash Equivalents Balance, End of Year	<u>\$ 1,365,687</u>	<u>\$ 1,429,577</u>

See accompanying notes.

BRIGHT PINK NFP

Notes to Financial Statements For the Year Ended December 31, 2017

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 them to live 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:

Brighten Up - Thirty-minute interactive educational program designed to ground participants in foundational knowledge of breast and ovarian self-awareness, introduce them to early detection techniques, help them to understand and collect family health history, and to share life-saving risk reduction and mitigation strategies.

Digital Tools - Bright Pink's suite of digital tools includes:

Assess Your Risk - digital breast and ovarian cancer risk assessment tool;

Explore Your Genetics - website that helps women to navigate the genetic testing landscape; and

Breast Health Reminders - monthly text message reminders that help women practice breast and ovarian self-awareness.

Women's Health Professional Education Initiative (WHPEI) - Research-based lectures and case-based learning modules designed to engage and train women's health providers (i.e. OB/GYNs, nurse practitioners, physician assistants, and family practice doctors) to stratify and manage breast and ovarian cancer risk in young women.

Support Programs - Peer support community for young women who are high-risk for breast and ovarian cancer, including mentorship and support programs to help high-risk women navigate their risk mitigation options.

Public Engagement - Activities that help women to understand the value of knowing their breast and ovarian cancer risk and drive them to assess their risk and take risk-mitigating action. Activities include themed, multichannel digital campaigns, social media engagement, printing and distribution of educational materials, and delivering educational content through partner distribution channels.

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, 2017 and 2016, Bright Pink had no permanently restricted net assets.

BRIGHT PINK NFP

Notes to Financial Statements For the Year Ended December 31, 2017

Note 1 - Continued

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, 2017 and 2016, 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 at December 31, 2017 or 2016.

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.

BRIGHT PINK NFP

Notes to Financial Statements For the Year Ended December 31, 2017

Note 1 - Continued

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.

Concentrations - At December 31, 2017 and 2016, 62% and 36% of the sponsorship and contribution receivables were due from four and two supporters, respectively.

Subsequent Events - Bright Pink has evaluated subsequent events through May 19, 2018, 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, 2017 or 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.

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

	Investments at Fair Value				
	Level 1	Level 2	Level 3	2017 Total	2016 Total
Cash and money market funds	\$ 300,308	\$ -	\$ -	\$ 300,308	\$ 364,548
Stocks	1,440,212			1,440,212	926,822
Fixed income securities		815,841		815,841	513,309
Total Investments	\$ 1,740,520	\$ 815,841	\$ -	\$ 2,556,361	\$ 1,804,679

BRIGHT PINK NFP**Notes to Financial Statements
For the Year Ended December 31, 2017****Note 2 - Continued**

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

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 66,765	\$ 68,143
Realized and unrealized gain	<u>178,834</u>	<u>79,766</u>
	<u>\$ 245,599</u>	<u>\$ 147,909</u>

Note 3 - Property and Equipment

Property and equipment consists of the following at December 31:

	<u>2017</u>	<u>2016</u>
Leasehold improvements	\$ 8,865	\$ 8,865
Furniture and equipment	54,949	54,949
Computer equipment	47,293	47,293
Software	<u>20,913</u>	<u>20,913</u>
	132,020	132,020
Less accumulated depreciation	<u>(99,000)</u>	<u>(83,520)</u>
Total Property and Equipment, Net	<u>\$ 33,020</u>	<u>\$ 48,500</u>

Note 4 - Net Asset Restrictions

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

	<u>2017</u>	<u>2016</u>
Due in future periods - time restricted	\$ 147,134	\$ 201,668
Program related purposes	<u> </u>	<u>7,500</u>
Total Temporarily Restricted Net Assets	<u>\$ 147,134</u>	<u>\$ 209,168</u>

Net assets were released by satisfying the following restrictions during the year ended December 31, 2017:

Program restrictions	\$ -
Time restrictions	<u>209,168</u>
Total Restrictions Released	<u>\$ 209,168</u>

BRIGHT PINK NFP

Notes to Financial Statements For the Year Ended December 31, 2017

Note 5 - Commitments

Lease - 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. The lease was extended for one year and expires on March 31, 2019. Rent expense was \$35,420 and \$56,513 for the years ended December 31, 2017 and 2016, respectively.

Future minimum payments under this lease are as follows:

For the Year Ending December 31,

2018	\$	47,470
2019		<u>11,925</u>
	\$	<u><u>59,395</u></u>

Employment Agreement - Bright Pink has an employment agreement with a key member of management. The agreement calls for six-months' severance pay if terminated without cause.

Operating Line of Credit - Bright Pink has an operating line of credit in the amount of \$220,000. The interest rate is 1.5% plus prime rate. As of December 31, 2017 and 2016, there were no borrowings on the line-of-credit.

Note 6 - 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 \$1,279 and \$18,838 for the years ended December 31, 2017 and 2016, respectively.

Note 7 - In-Kind Goods and Services

For the years ended December 31, 2017 and 2016, donated services include strategic assessment, legal, website development, and WHPEI speakers' fees, and donated goods include gift certificates, promotional items, and food for events. Bright Pink estimates the fair value of these services to be as follows during the years ended December 31:

	<u>2017</u>	<u>2016</u>
Strategic assessment	\$ 992,250	\$ -
Other donated services	6,952	45,000
Donated goods	<u>47,040</u>	<u>154,323</u>
Total In-Kind Goods and Services	<u><u>\$ 1,046,242</u></u>	<u><u>\$ 199,323</u></u>

In October 2017, Bright Pink engaged in a seven-week strategic assessment facilitated pro bono by a six-member consulting team from the Boston Consulting Group (BCG). This engagement included an organizational assessment, a community needs assessment, and competitive landscape analysis. BCG's final deliverable was Bright Pink's 5-year strategic plan. In-kind services related to this project totaled \$992,250 for the year ended December 31, 2017.

SUPPLEMENTARY INFORMATION

BRIGHT PINK**Schedule of Functional Expenses
For the Year Ended December 31, 2017
(With Comparative Totals for 2016)**

	<u>Brighten Up</u>	<u>Digital Tools</u>	<u>WHPEI</u>	<u>Support Programs</u>
Salaries and related costs	\$ 139,550	\$ 131,791	\$ 166,280	\$ 18,448
Donated goods and services	656	1,428	8,374	165
Professional fees	6,603	211,883	144,059	21,267
Licenses, fees and subscriptions	4,690	14,060	10,658	1,178
Travel and meals	11,539	1,852	28,301	208
Media spend	305	807	661	77
Occupancy and equipment	2,760	6,006	5,979	693
Printing, postage and shipping	3,305	1,320	2,760	411
Other	1,492	2,851	2,689	312
Processing fees	1,653	3,598	3,581	415
Special events	1,738	3,636	3,647	420
Supplies	583	1,269	1,794	336
Insurance	373	812	808	94
	<u>\$ 175,247</u>	<u>\$ 381,313</u>	<u>\$ 379,591</u>	<u>\$ 44,024</u>

See independent auditor's report.

Public Engagement	Total Program Services	Management and General	Fundraising	2017 Total	2016 Total
\$ 586,554	\$ 1,042,623	\$ 52,548	\$ 259,386	\$ 1,354,557	\$ 1,398,428
1,000,089	1,010,712		30,530	1,041,242	833,505
184,414	568,226	66,391	34,446	669,063	157,977
67,718	98,304	25,046	39,973	163,323	151,516
24,003	65,903	6,144	12,859	84,906	71,807
79,459	81,309		3,064	84,373	70,928
32,972	48,410	18,598	7,496	74,504	91,309
46,967	54,763	1,097	14,296	70,156	118,594
17,855	25,199	5,293	17,959	48,451	43,200
19,750	28,997	11,294	4,831	45,122	51,083
21,530	30,971	919	13,104	44,994	90,068
7,508	11,490	2,691	4,354	18,535	28,769
4,456	6,543	5,242	1,006	12,791	198,501
\$ 2,093,275	\$ 3,073,450	\$ 195,263	\$ 443,304	\$ 3,712,017	\$ 3,305,685