



Financial Statements

For the Year Ended December 31, 2015

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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, 2015, 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.



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

10900 NE 4th St  
Suite 1700  
Bellevue WA  
98004

[clarknuber.com](http://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 December 31, 2015, 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.

## **Adjustments to Prior Period Financial Statements**

The financial statements of Bright Pink as of December 31, 2014, were audited by other auditors whose report dated March 5, 2015, expressed an unmodified opinion on those financial statements. As discussed in Note 8 to the financial statements, Bright Pink has restated its net asset balances as of December 31, 2014 to be in accordance with accounting principles generally accepted in the United States of America. The other auditors reported on the 2014 financial statements before the restatement.

As part of our audit of the 2015 financial statements, we also audited the adjustments described in Note 8 that were applied to restate the 2014 net asset balances. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2014 financial statements of Bright Pink other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2014 financial statements as a whole. Our opinion on the 2015 financial statements is not modified with respect to that matter.

## **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 12 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 25, 2016

**BRIGHT PINK NFP**

**Statement of Financial Position**

**December 31, 2015**

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<b>Assets</b>	
Cash and cash equivalents	\$ 1,230,510
Investments	1,652,918
Sponsorship and contribution receivables, net	425,083
Prepaid expenses and deposits	153,533
Property and equipment, net	<u>48,475</u>
<b>Total Assets</b>	<b><u>\$ 3,510,519</u></b>
<b>Liabilities and Net Assets</b>	
<b>Current Liabilities:</b>	
Accounts payable	\$ 17,403
Accrued liabilities	111,475
Deferred rent	<u>3,250</u>
<b>Total Liabilities</b>	<b><u>132,128</u></b>
<b>Net Assets:</b>	
Unrestricted	3,243,057
Temporarily restricted	<u>135,334</u>
<b>Total Net Assets</b>	<b><u>3,378,391</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 3,510,519</u></b>

See accompanying notes.

**BRIGHT PINK NFP****Statement of Activities  
For the Year Ended December 31, 2015**

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support, Revenue and Gains:</b>				
Sponsorship and contributions	\$ 3,266,309	\$ 194,000	\$ -	\$ 3,460,309
Investment return	5			5
Miscellaneous	27,765			27,765
Net assets released from restrictions	<u>265,593</u>	<u>(265,593)</u>		
<b>Total Support, Revenue, and Gains</b>	<b>3,559,672</b>	<b>(71,593)</b>		<b>3,488,079</b>
<b>Expenses:</b>				
Program services	2,622,811			2,622,811
Management and general	166,803			166,803
Fundraising	<u>360,856</u>			<u>360,856</u>
<b>Total Expenses</b>	<b>3,150,470</b>			<b>3,150,470</b>
<b>Change in Net Assets</b>	<b>409,202</b>	<b>(71,593)</b>		<b>337,609</b>
Net assets, beginning of year (as restated, Note 8)	<u>2,833,855</u>	<u>206,927</u>		<u>3,040,782</u>
<b>Net Assets, End of Year</b>	<b><u>\$ 3,243,057</u></b>	<b><u>\$ 135,334</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,378,391</u></b>

See accompanying notes.

**BRIGHT PINK NFP**

**Statement of Cash Flows  
For the Year Ended December 31, 2015**

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**Cash Flows From Operating Activities:**

Change in net assets	\$ 337,609
Adjustments to reconcile change in net assets to net cash provided by operating activities-	
Depreciation	15,694
Realized and unrealized loss	81,663
Changes in certain assets and liabilities:	
Sponsorship and contribution receivables	(54,910)
Prepaid expenses and other assets	(93,303)
Beneficial interest in assets held by others	9,860
Accounts payable	(15,611)
Accrued liabilities	110,505
Deferred rent	(5,475)

**Net Cash Provided by Operating Activities** **386,032**

**Cash Flows From Investing Activities:**

Payments for the purchase of fixed assets	(5,307)
Payments for the purchase of investments	(111,586)
Proceeds from the sale of investments	35,413

**Net Cash Used by Investing Activities** **(81,480)**

**Net Change in Cash and Cash Equivalents** **304,552**

Cash and cash equivalents balance, beginning of year 925,958

**Cash and Cash Equivalents Balance, End of Year** **\$ 1,230,510**

See accompanying notes.

## BRIGHT PINK NFP

### Notes to Financial Statements For the Year Ended December 31, 2015

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#### 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.

Bright Pink University - Bright Pink's Ambassador training program. BPU is held several times a year on a virtual basis.

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.

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.

Mission Delivery - A project that will allow Bright Pink to drive towards ambitious, measurable goals focused on changing breast and ovarian health behavior in thousands of young women in the short and long-term.

Mission Focused Event - These events are gatherings that educate and support young women in their journey to be proactive advocates for their health.

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.

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, 2015

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#### 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. As of December 31, 2015, the Foundation 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, 2015, Bright Pink had cash deposits and investments in financial institutions in excess of the federally insured limits.

**Allowance for Doubtful Accounts** - Sponsorship 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. The allowance for doubtful accounts at December 31, 2015 was \$12,500.

**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, 2015

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#### 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 year ended December 31, 2015, donated professional services include legal, accounting, management, printing, and website development. Bright Pink estimates the fair value of these services to be approximately \$99,000 during the year ended December 31, 2015. 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 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 25, 2016, 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, 2015.

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, 2015**

**Note 2 - Continued**

At December 31, 2015, investments are stated at fair value and consist of the following:

	Investments at Fair Value			
	Level 1	Level 2	Level 3	Total
Cash and money market funds	\$ 58,929	\$ -	\$ -	\$ 58,929
Stocks-				
Financials	248,756			248,756
Consumer staples	193,953			193,953
Healthcare	165,491			165,491
Information technology	77,892			77,892
Energy	80,701			80,701
Consumer discretionary	80,701			80,701
Industrials	93,872			93,872
Utilities	50,772			50,772
Telecom	80,566			80,566
Materials	15,986			15,986
Total stocks	1,088,690			1,088,690
Fixed income securities-				
Treasuries		58,063		58,063
Government		28,144		28,144
Mortgage-backed securities		77,268		77,268
Corporates		341,824		341,824
Total fixed income securities		505,299		505,299
<b>Total Investments</b>	<b>\$ 1,147,619</b>	<b>\$ 505,299</b>	<b>\$ -</b>	<b>\$ 1,652,918</b>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2015:

Interest and dividends	\$ 81,668
Realized and unrealized losses	(81,663)
	<u>\$ 5</u>

**BRIGHT PINK NFP**

**Notes to Financial Statements  
For the Year Ended December 31, 2015**

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**Note 3 - Property and Equipment**

Property and equipment consists of the following at June 30, 2015:

Leasehold improvements	\$	8,865
Furniture and equipment		43,336
Computer equipment		41,162
Software		<u>20,913</u>
		114,276
Less accumulated depreciation		<u>(65,801)</u>
<b>Total Property and Equipment, Net</b>	<b>\$</b>	<b><u><u>48,475</u></u></b>

**Note 4 - Line of Credit**

Bright Pink has a \$220,000 open revolving credit line with Chase Bank for operating activities. No amount is outstanding at December 31, 2015. The line has an interest rate of 4.40% and is secured by assets of Bright Pink.

**Note 5 - Net Asset Restrictions**

Temporarily restricted net assets are available for the following purposes at December 31, 2015:

Due in future periods - time restricted	\$	95,334
Program related purposes		<u>40,000</u>
<b>Total Temporarily Restricted Net Assets</b>	<b>\$</b>	<b><u><u>135,334</u></u></b>

Net assets were released by satisfying the following restrictions during the year ended December 31, 2015:

Program restrictions	\$	25,000
Time restrictions		<u>240,593</u>
<b>Total Restrictions Released</b>	<b>\$</b>	<b><u><u>265,593</u></u></b>

**Note 6 - Lease Commitments**

Bright Pink leases office space under a five year noncancelable operating lease that expires on February 28, 2017 with monthly payments ranging from \$3,125 to \$3,625. 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 \$38,675 for the year ended December 31, 2015.

**BRIGHT PINK NFP**

**Notes to Financial Statements  
For the Year Ended December 31, 2015**

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**Note 6 - Continued**

Future minimum payments under this lease are as follows:

For the Year Ending December 31,

2016	\$	43,250
2017		<u>7,250</u>
	\$	<u><u>50,500</u></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 \$20,855 for the year ended December 31, 2015.

**Note 8 - Adjustments to Beginning Net Assets**

Prior to 2015, Bright Pink had not properly recognized multi-year contributions as revenue in the year the contribution was made. As a result, sponsorship and contribution receivables and temporarily restricted net assets were understated at December 31, 2014. As such net assets have been restated as follows as of December 31, 2014:

	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>As Restated</u>
<b>Net Assets:</b>			
Unrestricted net assets	\$ 2,833,855	\$ -	\$ 2,833,855
Temporarily restricted net assets		<u>206,927</u>	<u>206,927</u>
<b>Total Net Assets at December 31, 2014</b>	<u>\$ 2,833,855</u>	<u>\$ 206,927</u>	<u>\$ 3,040,782</u>

**SUPPLEMENTARY INFORMATION**

**BRIGHT PINK****Schedule of Functional Expenses  
For the Year Ended December 31, 2015**

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	Mission Delivery	Mission Focused Events	Corporate Wellness	General Public Awareness	Digital Resources	Outreach
Salaries and related costs	\$ 62,245	\$ 140,637	\$ 61,203	\$ 261,883	\$ 133,828	\$ 41,473
Professional fees	9,475	25,561	11,943	95,491	341,388	8,093
Licenses and fees	2,987	28,477	4,841	10,191	31,528	2,224
Printing	4,222	1,697	12	19,818	26	8
Travel	6,601	3,203	3,225	12,794	2,010	603
Insurance	3,773	8,489	3,562	15,392	7,811	2,386
Events	811	31,546	383	376	836	3,390
Occupancy and equipment		2,170	3,984		8,712	2,700
Marketing	899	21,628		11,856	15,337	
Processing fees	2,866	16,224	889		2,023	603
Other	405	17,798	427	1,776	1,019	404
Postage and shipping	1,069	847	408	873	892	415
Merchandise	2,061	5,813		9,909		
Supplies	108		876	258	1,915	593
Meals	1,396	619	376	1,522	908	489
Telephone	11		347	187	758	235
Donated goods and services						
	<u>\$ 98,929</u>	<u>\$ 304,709</u>	<u>\$ 92,476</u>	<u>\$ 442,326</u>	<u>\$ 548,991</u>	<u>\$ 63,616</u>

See independent auditor's report.

Brighten Up	Pink Pal	Printed Educational Collateral	Volunteers	WHPEI	Total Program Services	Management and General	Fundraising	Total
\$ 144,566	\$ 10,988	\$ 37,754	\$ 89,133	\$ 210,789	\$ 1,194,499	\$ 35,887	\$ 129,461	\$ 1,359,847
28,091	38,983	9,431	66,163	105,875	740,494	31,470	27,301	799,265
9,356	589	2,024	5,830	12,680	110,727	5,593	23,649	139,969
	2	73,142		19,350	118,277	39	4,441	122,757
16,475	140	498	617	49,768	95,934	2,580	6,311	104,825
8,434	639	2,200	5,133	12,150	69,969	554	9,169	79,692
1,091	69	236		12,526	51,264	1,264	19,068	71,596
9,411	715	2,458	6,617	13,721	50,488	12,505	1,865	64,858
1,039					50,759		13,575	64,334
2,101	160	549	169	3,064	28,648	952	12,950	42,550
1,063	77	264		2,367	25,600	1,409	10,472	37,481
3,588	73	13,634	555	5,727	28,081	1,348	1,185	30,614
					17,783		4,951	22,734
2,398	157	540	1,480	3,653	11,978	2,893	69	14,940
1,008	67	232	602	1,431	8,650	1,242	1,408	11,300
819	62	214	586	1,212	4,431	1,134	56	5,621
130				15,099	15,229	67,933	94,925	178,087
<b>\$ 229,570</b>	<b>\$ 52,721</b>	<b>\$ 143,176</b>	<b>\$ 176,885</b>	<b>\$ 469,412</b>	<b>\$ 2,622,811</b>	<b>\$ 166,803</b>	<b>\$ 360,856</b>	<b>\$ 3,150,470</b>