COLORECTAL CANCER COALITION, INC.

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

JUNE 30, 2013

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TABLE OF CONTENTS

	Page #
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-9

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Chaconas & Wilson, P.C.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Colorectal Cancer Coalition, Inc.
Alexandria, VA

We have audited the accompanying financial statements of the Colorectal Cancer Coalition, Inc. (a not for profit organization), which comprise the statement of financial position as of June 30, 2013 and the related statements of activities, functional expenses 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 of 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Colorectal Cancer Coalition, Inc. as of June 30, 2013 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.

Chaconas & Wilson, P.C.

Washington, DC
October 22, 2013

COLORECTAL CANCER COALITION, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2013

ASSETS

CURRENT ASSETS:		
Cash (Note 2)	$	455,372
Unconditional promises to give (Notes 2 and 4)		105,000
Prepaid expenses		16,539
Inventory (Note 2)		6,426
Total Current Assets	$	583,337
PROPERTY AND EQUIPMENT, at cost (Note 2)		
Furniture and equipment	$	25,257
Less: accumulated depreciation		(19,350)
Property and Equipment, net	$	5,907
OTHER ASSETS:		
Security deposit	$	3,500
TOTAL ASSETS	$	592,744

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	$	30,484
Accrued payroll and vacation		21,986
Total Current Liabilities	$	52,470
NET ASSETS:		
Unrestricted (Note 2)	$	336,646
Temporarily restricted (Notes 2 and 6)		203,628
Total Net Assets	$	540,274
TOTAL LIABILITIES AND NET ASSETS	$	592,744

The accompanying notes are an integral part of this statement.

COLORECTAL CANCER COALITION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

	Unrestricted	Temporarily Restricted	Total
REVENUES:			
Contributions	$ 1,114,879	$ 176,288	$ 1,291,167
Product Sales	27,691	-	27,691
Program fees	4,591	-	4,591
In kind donations (Note 2)	39,700	-	39,700
Interest income	1,195	-	1,195
Other income	2,250	-	2,250
Net assets released from restriction:			
Satisfaction of program accomplishment	107,814	(107,814)	-
Total Revenues	$ 1,298,120	$ 68,474	$ 1,366,594
PROGRAM AND SUPPORTING SERVICES EXPENSES:			
Program services:			
Awareness	$ 835,991	$ -	$ 835,991
Policy	261,256	-	261,256
Research	171,835	-	171,835
Total Program Expenses	$ 1,269,082	$ -	$ 1,269,082
Supporting services:			
Management and general	$ 66,406	$ -	$ 66,406
Fundraising	41,932	-	41,932
Total Supporting Expenses	$ 108,338	$ -	$ 108,338
Total Expenses	$ 1,377,420	$ -	$ 1,377,420
CHANGE IN NET ASSETS	$ (79,300)	$ 68,474	$ (10,826)
NET ASSETS, BEGINNING OF YEAR	415,946	135,154	551,100
NET ASSETS, END OF YEAR	$ 336,646	$ 203,628	$ 540,274

The accompanying notes are an integral part of this statement.

COLORECTAL CANCER COALITION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2013

	Program Services				Supporting Services			
	Awareness	Policy	Research	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Accounting and bookkeeping	$ 25,654	$ 3,773	$ 2,302	$ 31,729	$ 2,775	$ 2,251	$ 5,026	$ 36,755
Advertising In kind	39,700	-	-	39,700	-	-	-	39,700
Bank charges and credit card fees	888	163	51	1,102	15	3,707	3,722	4,824
Depreciation expense	1,540	556	2,071	4,167	162	130	292	4,459
Dues and subscriptions	131	6,499	1,093	7,723	726	11	737	8,460
Employee benefits	18,143	3,658	1,882	23,683	2,359	1,452	3,811	27,494
Equipment rental	2,451	522	259	3,232	309	197	506	3,738
Filing fees	-	-	-	-	5,517	100	5,617	5,617
Insurance	3,391	689	358	4,438	459	275	734	5,172
Meeting expense	33,490	42,248	494	76,232	879	3,830	4,709	80,941
Miscellaneous	2,655	958	3,673	7,286	296	104	400	7,686
Office supplies and maintenance	8,542	2,116	636	11,294	964	863	1,827	13,121
Payroll service	1,518	283	169	1,970	193	124	317	2,287
Payroll taxes	24,883	4,758	2,522	32,163	3,610	2,077	5,687	37,850
Postage	15,024	537	817	16,378	173	740	913	17,291
Printing/Photography	14,724	3,322	259	18,305	63	917	980	19,285
Professional services	198,595	77,973	1,793	278,361	6,690	995	7,685	286,046
Promotion	19,089	10,021	23	29,133	3	617	620	29,753
Rent	29,966	6,079	3,125	39,170	4,019	2,441	6,460	45,630
Salaries	318,209	63,870	32,871	414,950	29,316	18,547	47,863	462,813
Sponsorships	1,000	-	98,488	99,488	-	-	-	99,488
Technology	19,640	3,128	2,162	24,930	1,970	1,067	3,037	27,967
Telephone and internet	8,618	3,041	865	12,524	1,156	682	1,838	14,362
Travel	48,140	27,062	15,922	91,124	4,752	805	5,557	96,681
Total Expenses	$ 835,991	$ 261,256	$ 171,835	$ 1,269,082	$ 66,406	$ 41,932	$ 108,338	$ 1,377,420

The accompanying notes are an integral part of this statement.

COLORECTAL CANCER COALITION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$	(10,826)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation		4,459
Changes in assets and liabilities:		
Increase in unconditional promises to give		(37,658)
Increase in prepaid expenses		(6,071)
Increase in inventory		(2,185)
Increase in accounts payable		3,043
Decrease in accrued payroll and vacation		(5,511)
NET DECREASE IN CASH AND CASH EQUIVALENTS	$	(54,749)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		510,121
CASH AND CASH EQUIVALENTS, END OF YEAR	$	455,372

The accompanying notes are an integral part this statement.

COLORECTAL CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 1. **Organization:**

Colorectal Cancer Coalition, Inc. (the Coalition) (d/b/a Fight Colorectal Cancer) is a not for profit organization incorporated in March 2005 in Delaware. The Coalition demands a cure for colon and rectal cancer. The Coalition educates and supports patients, pushes for changes in policy that will increase and improve research, and empowers survivors to raise their voices against the status quo. The Coalition's program areas are:

Awareness – Through their newsletters, events and website, the Coalition educates the public on key issues regarding prevention, diagnosis and treatment of colorectal cancer.

Policy – The Coalition advocates for increased funding for research, early screening and other measures to help combat colorectal cancer and its costs to the public.

Research – The Coalition works with researchers and health care providers to make sure that research and treatment is responsive to patient needs.

Note 2. **Summary of Significant Accounting Policies:**

Method of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Contributions

The Coalition recognizes contribution revenue when an unconditional pledge is made or when cash is received if a pledge was not made. Contributions received are reported as unrestricted, temporarily restricted, or permanently restricted, based on donor intent.

Contributions made by the Coalition are recognized as expense in the period the commitment is made.

In kind contributions are recorded at fair market value. For the year ended June 30, 2013 the Coalition received $39,700 of donated services for publicity at a colorectal cancer awareness event.

Cash Equivalents

The Coalition considers all short term investments with original maturities of three months or less to be cash equivalents.

The Coalition's demand deposits with financial institutions at times exceeded federally insured limits. The Coalition has not experienced any losses in such accounts, and management believes the Coalition is not exposed to any significant credit risks.

Note 2. **Summary of Significant Accounting Policies:** (Continued)

Accounts Receivable

Accounts receivable are recorded at the amount the Coalition expects to collect on balances outstanding at year end. The Coalition considers accounts receivable, including unconditional promises to give to be fully collectible; accordingly, no allowance for doubtful accounts is made. If accounts become uncollectable they will be charged to operations when the determination is made. If the allowance method was used instead the results would not be materially different.

Inventory

Inventory is stated at the lower of cost (using first in first out method) or net realizable value.

Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation is calculated on a straight line basis over a three or five year estimated useful life. The Coalition capitalizes property and equipment purchases of $500 or more.

Classes of Net Assets

The Coalition is required to report its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets are net assets without a donor imposed time and/or program restriction. The funds are available to the Coalition to maintain its operations.

Temporarily restricted net assets are contributions with donor imposed time and/or program restrictions. These temporary restrictions require that resources be used for specific purposes and/or in a later period or after a specified date. Temporarily restricted net assets become unrestricted when the time restrictions expire or the funds are used for their restricted purposes and are reported in the accompanying statement of activities as net assets released from restrictions. This method of accounting is also followed when the restrictions on contributions are met in the same period that the contributions are received.

Permanently restricted net assets must be maintained by the Coalition in perpetuity. There were no permanently restricted net assets as of June 30, 2013.

Functional Allocation of Expenses

The allocation of the costs of providing various programs has been summarized on a functional basis in the accompanying statement of functional expenses. Accordingly, certain indirect costs have been allocated to program, fundraising, and management and general activities based on management's estimate of effort devoted to these activities.

Note 2. **Summary of Significant Accounting Policies:** (Concluded)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Accounting for Uncertainty in Income Taxes

The Coalition has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10, *Income Taxes,* which prescribes measurement and disclosure requirements for current and deferred income tax provisions. The interpretation provides for a consistent approach in identifying and reporting uncertain tax positions. It is management's belief that the Coalition does not hold any uncertain tax positions.

The Coalition's Form 990, *Return of Organization Exempt from Income Tax* for the years ended 2010, 2011, and 2012 are subject to examination by the IRS, generally for three years after they were filed.

Subsequent events

The Coalition has evaluated all subsequent events through October 22, 2013, which is the date the financial statements were available to be issued. No subsequent events requiring disclosure were identified based on this evaluation.

Note 3. **Tax Status:**

The Coalition has been recognized as exempt from federal income tax by the Internal Revenue Service under the provisions of Section 501(c)(3) of the Internal Revenue Code and is classified as an organization that is not a private foundation.

Note 4. **Unconditional Promises to Give:**

All unconditional promises to give are due in one year or less. As of June 30, 2013 the balance of unconditional promises to give was $105,000.

Note 5. **Operating Lease:**

The Coalition has an operating lease for office space that expires on November 1, 2016. The coalition also leases office equipment under a noncancelable operating lease. Future minimum rental payments under the leases are as follows for the years ending June 30;

	Office Lease	Office Equipment Lease	Total
2014	$ 44,589	$ 1,242	$ 45,831
2015	45,926	---	45,926
2016	47,304	---	47,304
2017	15,923	---	15,923
Total	$ 153,742	$ 1,242	$ 154,984

Rent expense for the year ended June 30, 2013 was $45,630.

Note 6. **Temporarily Restricted Net Assets:**

As of June 30, 2013 temporarily restricted net assets were available for the following purposes:

Research	$ 193,628
Awareness	10,000
Total	$ 203,628