

COLORECTAL CANCER COALITION, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
JUNE 30, 2017

COLORECTAL CANCER COALITION, INC.

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

JUNE 30, 2017

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Chaconas & Wilson, P.C.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Colorectal Cancer Coalition, Inc.
Springfield, MO

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, 2017 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, 2017 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 26, 2017

COLORECTAL CANCER COALITION, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2017

ASSETS

CURRENT ASSETS:

Cash (Note 2)	\$ 1,261,657
Contributions receivable (Notes 2 and 4)	280,744
Prepaid expenses	17,085
Inventory (Note 2)	13,852
Total Current Assets	<u>\$ 1,573,338</u>

PROPERTY AND EQUIPMENT, at cost (Note 2)

Furniture and equipment	\$ 21,543
Website	56,100
Total property and equipment	<u>\$ 77,643</u>
Less: accumulated depreciation	(18,551)
Property and Equipment, net	<u>\$ 59,092</u>

OTHER ASSETS:

Security deposit	<u>\$ 1,650</u>
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TOTAL ASSETS

\$ 1,634,080

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 47,700
Accrued payroll and vacation	45,010
Total Current Liabilities	<u>\$ 92,710</u>

NET ASSETS:

Unrestricted (Note 2)	\$ 884,838
Temporarily restricted (Notes 2 and 8)	656,532
Total Net Assets	<u>\$ 1,541,370</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 1,634,080

The accompanying notes are an integral part of this statement.

COLORECTAL CANCER COALITION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES:			
Contributions	\$ 1,502,473	\$ 1,086,543	\$ 2,589,016
Product Sales	26,549	-	26,549
In-kind donations (Notes 2 and 5)	365,320	-	365,320
Interest income	583	-	583
Program fees	15,081	-	15,081
Other income	2,500	-	2,500
Net assets released from restriction:			
Satisfaction of program accomplishment	<u>715,560</u>	<u>(715,560)</u>	<u>-</u>
 Total Revenues	 <u>\$ 2,628,066</u>	 <u>\$ 370,983</u>	 <u>\$ 2,999,049</u>
 PROGRAM AND SUPPORTING SERVICES EXPENSES:			
Program services:			
Awareness	\$ 1,367,766	\$ -	\$ 1,367,766
Policy	470,115	-	470,115
Research	302,770	-	302,770
Total Program Expenses	<u>\$ 2,140,651</u>	<u>\$ -</u>	<u>\$ 2,140,651</u>
Supporting services:			
Management and general	\$ 56,784	\$ -	\$ 56,784
Fundraising	102,329	-	102,329
Total Supporting Expenses	<u>\$ 159,113</u>	<u>\$ -</u>	<u>\$ 159,113</u>
 Total Expenses	 <u>\$ 2,299,764</u>	 <u>\$ -</u>	 <u>\$ 2,299,764</u>
 CHANGE IN NET ASSETS	 \$ 328,302	 \$ 370,983	 \$ 699,285
 NET ASSETS, BEGINNING OF YEAR	 <u>556,536</u>	 <u>285,549</u>	 <u>842,085</u>
 NET ASSETS, END OF YEAR	 <u><u>\$ 884,838</u></u>	 <u><u>\$ 656,532</u></u>	 <u><u>\$ 1,541,370</u></u>

The accompanying notes are an integral part of this statement.

COLORECTAL CANCER COALITION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2017

	Program Services			Total Program Services	Supporting Services		Total Supporting Services	Total
	Awareness	Policy	Research		Management and General	Fundraising		
Accounting and audit	\$ 14,760	\$ 5,804	\$ 3,150	\$ 23,714	\$ 9,890	\$ 1,787	\$ 11,677	\$ 35,391
Advertising In kind	365,320	-	-	365,320	-	-	-	365,320
Bank charges and credit card fees	1,400	-	-	1,400	273	13,031	13,304	14,704
Dues and subscriptions	133	5,402	951	6,486	705	18	723	7,209
Employee benefits	38,641	15,569	7,699	61,909	1,342	4,622	5,964	67,873
Equipment rental	213	85	160	458	14	23	37	495
Filing fees	-	-	-	-	6,463	-	6,463	6,463
Insurance	3,876	1,538	719	6,133	237	462	699	6,832
Meeting expense	73,142	94,147	13,170	180,459	1,105	20,077	21,182	201,641
Miscellaneous	7,213	2,741	1,102	11,056	533	705	1,238	12,294
Office supplies and maintenance	5,969	2,498	1,276	9,743	4,199	742	4,941	14,684
Payroll service	1,839	710	353	2,902	66	220	286	3,188
Payroll taxes	25,914	10,029	4,759	40,702	912	3,070	3,982	44,684
Postage	16,138	3,427	1,303	20,868	464	2,810	3,274	24,142
Printing	55,682	7,664	1,415	64,761	2,184	2,286	4,470	69,231
Professional services	170,396	89,154	29,664	289,214	9,778	12,290	22,068	311,282
Promotion	117,487	14,236	41	131,764	9	270	279	132,043
Rent	18,948	7,917	4,504	31,369	768	2,631	3,399	34,768
Retirement (Note 7)	3,331	1,225	519	5,075	104	346	450	5,525
Salaries	325,754	131,159	62,530	519,443	9,314	31,165	40,479	559,922
Sponsorships	4,750	-	103,750	108,500	-	-	-	108,500
Technology	22,130	5,896	6,800	34,826	588	2,931	3,519	38,345
Telephone and internet	10,293	4,142	1,977	16,412	347	1,212	1,559	17,971
Travel	84,437	66,772	56,928	208,137	7,489	1,631	9,120	217,257
Total Expenses	\$1,367,766	\$ 470,115	\$ 302,770	\$ 2,140,651	\$ 56,784	\$ 102,329	\$ 159,113	\$ 2,299,764

The accompanying notes are an integral part of this statement.

COLORECTAL CANCER COALITION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 699,285
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	10,286
Realized loss on equipment disposal	480
Changes in assets and liabilities:	
Increase in contributions receivable	(255,094)
Decrease in prepaid expenses	19,521
Increase in inventory	(498)
Decrease in security deposit	1,850
Increase in accounts payable	18,830
Increase in accrued payroll and accrued vacation	14,003
	<hr/>
Net cash provided by operating activities	\$ 508,663

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of website	\$ (56,100)
Purchase of equipment	(6,467)
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Net cash used in investing activities	\$ (62,567)

NET INCREASE IN CASH AND CASH EQUIVALENTS **\$ 446,096**

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR **815,561**

CASH AND CASH EQUIVALENTS, END OF YEAR **\$ 1,261,657**

The accompanying notes are an integral part this statement.

COLORECTAL CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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

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.

COLORECTAL CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2017

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

Accounts Receivable

Accounts receivable and promises to give are recorded at the amount the Coalition expects to collect on balances outstanding at the end of the fiscal year. Management closely monitors amounts receivable and charges off any balances that are determined to be uncollectible. At June 30, 2017, the Coalition's allowance for doubtful accounts was \$0. The Coalition had no bad debt expense for the year ended June 30, 2017.

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, 2017.

COLORECTAL CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2017

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

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

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.

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. **Contributions Receivable:**

All contributions receivable are due in one year or less. As of June 30, 2017 the balance of contributions receivable was \$280,744.

COLORECTAL CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2017

Note 5. In-Kind Contributions

The Coalition recognizes contribution revenue for certain services received at their fair value. For the year ended June 30, 2017 the Coalition received \$365,320 of donated services for publicity at colorectal cancer awareness events. This amount is recorded in the accompanying statement of activities.

The Coalition also received donated air space from various media outlets to distribute its Public Service Announcement on colorectal cancer awareness. No amounts are included in these financial statements because the value cannot be reasonably estimated.

Note 6. Operating Lease:

The Coalition had an operating lease for office space in Alexandria, VA that expired on November 1, 2017. On July 8, 2017, the Coalition signed a new lease for office space located in Springfield, MO. The lease commenced on September 1, 2017 and ends on August 31, 2019 with a renewal option through August 31, 2028.

Future minimum rental payments under the leases are as follows for the years ending June 30;

2018	\$	21,300
2019		23,100
2020		<u>3,900</u>
Total	\$	<u>48,300</u>

Rent expense for the year ended June 30, 2017 was \$34,768.

Note 7. Retirement Plan:

The Coalition has a 403(b) retirement plan which is available to all employees after one year of service. The Coalition will match up to 2% of employee contributions at the discretion of the Board of Directors. Employees are also eligible to make voluntary contributions to the plan one month after their hire date. The retirement expense for the year ended June 30, 2017 was \$5,525.

Note 8. Temporarily Restricted Net Assets:

As of June 30, 2017 temporarily restricted net assets were available for the following purposes:

Awareness	\$	409,013
Research		<u>247,519</u>
Total	\$	<u>656,532</u>

COLORECTAL CANCER COALITION, INC.
NOTES TO FINANCIAL STATEMENTS (CONCLUDED)
JUNE 30, 2017

Note 9. Subsequent Events

The Coalition has evaluated all subsequent events through October 26, 2017, which is the date the financial statements were available to be issued. No subsequent events requiring disclosure were identified based on this evaluation.