

COLORECTAL CANCER COALITION, INC.

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

JUNE 30, 2014

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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, 2014 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, 2014 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
September 19, 2014

COLORECTAL CANCER COALITION, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2014

ASSETS

CURRENT ASSETS:

Cash (Note 2)	\$	567,023
Unconditional promises to give (Notes 2 and 4)		18,000
Prepaid expenses		20,439
Inventory (Note 2)		7,815
Total Current Assets	\$	<u>613,277</u>

PROPERTY AND EQUIPMENT, at cost (Note 2)

Furniture and equipment	\$	25,834
Less: accumulated depreciation		(18,887)
Property and Equipment, net	\$	<u>6,947</u>

OTHER ASSETS:

Security deposit	\$	<u>3,500</u>
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TOTAL ASSETS

\$ 623,724

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$	42,922
Accrued payroll and vacation		40,322
Total Current Liabilities	\$	<u>83,244</u>

NET ASSETS:

Unrestricted (Note 2)	\$	106,437
Temporarily restricted (Notes 2 and 6)		434,043
Total Net Assets	\$	<u>540,480</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 623,724

The accompanying notes are an integral part of this statement.

COLORECTAL CANCER COALITION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

	Unrestricted	Temporarily Restricted	Total
REVENUES:			
Contributions	\$ 733,623	\$ 611,648	\$ 1,345,271
Product Sales	63,071	-	63,071
In kind donations (Note 2)	118,703	-	118,703
Interest income	647	-	647
Other income	1,500	-	1,500
Net assets released from restriction:			
Satisfaction of program accomplishment	381,233	(381,233)	-
	<u>\$ 1,298,777</u>	<u>\$ 230,415</u>	<u>\$ 1,529,192</u>
PROGRAM AND SUPPORTING SERVICES EXPENSES:			
Program services:			
Awareness	\$ 965,958	\$ -	\$ 965,958
Policy	355,073	-	355,073
Research	119,515	-	119,515
Total Program Expenses	<u>\$ 1,440,546</u>	<u>\$ -</u>	<u>\$ 1,440,546</u>
Supporting services:			
Management and general	\$ 34,588	\$ -	\$ 34,588
Fundraising	53,852	-	53,852
Total Supporting Expenses	<u>\$ 88,440</u>	<u>\$ -</u>	<u>\$ 88,440</u>
Total Expenses	<u>\$ 1,528,986</u>	<u>\$ -</u>	<u>\$ 1,528,986</u>
CHANGE IN NET ASSETS	\$ (230,209)	\$ 230,415	\$ 206
NET ASSETS, BEGINNING OF YEAR	<u>336,646</u>	<u>203,628</u>	<u>540,274</u>
NET ASSETS, END OF YEAR	<u>\$ 106,437</u>	<u>\$ 434,043</u>	<u>\$ 540,480</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, 2014

	Program Services			Supporting Services			Total
	Awareness	Policy	Research	Program Services	Management and General	Fundraising	
Accounting and bookkeeping	\$ 12,793	\$ 4,616	\$ 695	\$ 18,104	\$ 10,500	\$ 1,327	\$ 29,931
Advertising In kind	118,703	-	-	118,703	-	-	118,703
Bank charges and credit card fees	588	104	8	700	1	3,298	3,999
Dues and subscriptions	140	6,644	504	7,288	923	12	8,223
Employee benefits	29,555	10,392	2,136	42,083	1,120	2,864	46,067
Equipment rental	2,470	911	177	3,558	94	235	3,887
Filing fees	-	-	-	-	4,778	-	4,778
Insurance	4,137	1,512	312	5,961	164	399	6,524
Meeting expense	107,195	38,787	1,046	147,028	132	4,706	151,866
Miscellaneous	3,254	1,479	277	5,010	121	669	5,800
Office supplies and maintenance	6,261	3,388	290	9,939	236	514	10,689
Payroll service	1,422	521	113	2,056	55	131	2,242
Payroll taxes	22,796	8,185	1,624	32,605	1,001	2,253	35,859
Postage	10,772	1,540	322	12,634	52	299	12,985
Printing/Photography	14,495	3,194	370	18,059	22	1,056	19,137
Professional services	198,997	94,142	15,025	308,164	461	5,178	313,803
Promotion	13,260	1,508	3	14,771	1	723	15,495
Rent	29,697	10,902	2,215	42,814	1,220	2,895	46,929
Salaries	310,400	110,517	22,156	443,073	9,820	21,582	474,475
Sponsorships	-	-	55,000	55,000	-	-	55,000
Technology	27,716	8,330	2,338	38,384	593	1,514	40,491
Telephone and internet	9,897	3,532	706	14,135	393	898	15,426
Travel	41,410	44,869	14,198	100,477	2,901	3,299	106,677
Total Expenses	\$ 965,958	\$ 355,073	\$ 119,515	\$ 1,440,546	\$ 34,588	\$ 53,852	\$ 1,528,986

The accompanying notes are an integral part of this statement.

COLORECTAL CANCER COALITION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 206
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	3,534
Changes in assets and liabilities:	
Decrease in unconditional promises to give	87,000
Increase in prepaid expenses	(3,900)
Increase in inventory	(1,389)
Increase in accounts payable	12,438
Increase in accrued payroll and vacation	18,336
	<hr/>
Net cash provided by operating activities	\$ 116,225

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of equipment	<u>\$ (4,574)</u>
Net cash used in investing activities	<u>\$ (4,574)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

\$ 111,651

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

455,372

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 567,023

The accompanying notes are an integral part this statement.

COLORECTAL CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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, 2014 the Coalition received \$118,703 of donated services for publicity at colorectal cancer awareness events.

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, 2014

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, 2014, the Coalition's allowance for doubtful accounts was \$0. The Coalition had no bad debt expense for the year ended June 30, 2014.

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, 2014.

COLORECTAL CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

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.

The Coalition's Form 990, *Return of Organization Exempt from Income Tax* for the years ended 2011, 2012, and 2013 are subject to examination by the IRS, generally for three years after they were filed.

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, 2014 the balance of unconditional promises to give was \$18,000.

COLORECTAL CANCER COALITION, INC.
NOTES TO FINANCIAL STATEMENTS (CONCLUDED)
JUNE 30, 2014

Note 5. Operating Lease:

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

2015		\$	45,926
2016			47,304
2017			<u>15,923</u>
Total			<u>\$ 109,153</u>

Rent expense for the year ended June 30, 2014 was \$46,929.

Note 6. Temporarily Restricted Net Assets:

As of June 30, 2014 temporarily restricted net assets were available for the following purposes:

Time Restricted	\$	190,000
Research		199,719
Awareness		<u>44,324</u>
Total		<u>\$ 434,043</u>

Note 7. Subsequent Events

The Coalition has evaluated all subsequent events through September 19, 2014 which is the date the financial statements were available to be issued. No subsequent events requiring disclosure were identified based on this evaluation.

