

COLORECTAL CANCER COALITION, INC.

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

JUNE 30, 2016

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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, 2016 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, 2016 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 21, 2016

COLORECTAL CANCER COALITION, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2016

ASSETS

CURRENT ASSETS:

Cash (Note 2)	\$ 815,561
Contributions receivable (Notes 2 and 4)	25,650
Prepaid expenses	36,606
Inventory (Note 2)	13,354
Total Current Assets	<u>\$ 891,171</u>

PROPERTY AND EQUIPMENT, at cost (Note 2)

Furniture and equipment	\$ 24,186
Less: accumulated depreciation	(16,895)
Property and Equipment, net	<u>\$ 7,291</u>

OTHER ASSETS:

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

\$ 901,962

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 28,881
Accrued payroll and vacation	31,007
Total Current Liabilities	<u>\$ 59,888</u>

NET ASSETS:

Unrestricted (Note 2)	\$ 556,525
Temporarily restricted (Notes 2 and 7)	285,549
Total Net Assets	<u>\$ 842,074</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 901,962

The accompanying notes are an integral part of this statement.

COLORECTAL CANCER COALITION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

	Unrestricted	Temporarily Restricted	Total
REVENUES:			
Contributions	\$ 1,342,107	\$ 424,166	\$ 1,766,273
Product Sales	15,215	-	15,215
In-kind donations (Notes 2 and 5)	315,100	-	315,100
Interest income	766	-	766
Program fees	13,582	-	13,582
Other income	6,550	-	6,550
Net assets released from restriction:			
Satisfaction of program accomplishment	663,472	(663,472)	-
Total Revenues	<u>\$ 2,356,792</u>	<u>\$ (239,306)</u>	<u>\$ 2,117,486</u>
PROGRAM AND SUPPORTING SERVICES EXPENSES:			
Program services:			
Awareness	\$ 1,053,888	\$ -	\$ 1,053,888
Policy	396,163	-	396,163
Research	304,881	-	304,881
Total Program Expenses	<u>\$ 1,754,932</u>	<u>\$ -</u>	<u>\$ 1,754,932</u>
Supporting services:			
Management and general	\$ 25,516	\$ -	\$ 25,516
Fundraising	76,164	-	76,164
Total Supporting Expenses	<u>\$ 101,680</u>	<u>\$ -</u>	<u>\$ 101,680</u>
Total Expenses	<u>\$ 1,856,612</u>	<u>\$ -</u>	<u>\$ 1,856,612</u>
CHANGE IN NET ASSETS	\$ 500,180	\$ (239,306)	\$ 260,874
NET ASSETS, BEGINNING OF YEAR	<u>56,345</u>	<u>524,855</u>	<u>581,200</u>
NET ASSETS, END OF YEAR	<u><u>\$ 556,525</u></u>	<u><u>\$ 285,549</u></u>	<u><u>\$ 842,074</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, 2016

	Program Services				Supporting Services			Total
	Awareness	Policy	Research	Program Services	Management and General	Fundraising	Supporting Services	
Accounting and bookkeeping	\$ 12,058	\$ 4,240	\$ 3,124	\$ 19,422	\$ 10,198	\$ 1,375	\$ 11,573	\$ 30,995
Advertising In kind	314,600	-	-	314,600	-	-	-	314,600
Bank charges and credit card fees	547	1	1	549	262	7,647	7,909	8,458
Dues and subscriptions	158	16,427	547	17,132	1,022	17	1,039	18,171
Employee benefits	23,255	8,719	5,862	37,836	503	2,570	3,073	40,909
Equipment rental	2,253	840	613	3,706	46	240	286	3,992
Filing fees	-	-	-	-	5,672	-	5,672	5,672
Insurance	4,240	1,624	1,015	6,879	88	426	514	7,393
Meeting expense	53,591	98,421	17,238	169,250	180	4,263	4,443	173,693
Miscellaneous	3,070	1,392	1,326	5,788	48	273	321	6,109
Office supplies and maintenance	4,015	1,529	904	6,448	96	404	500	6,948
Payroll service	1,579	586	375	2,540	35	158	193	2,733
Payroll taxes	22,489	8,497	5,460	36,446	502	2,274	2,776	39,222
Postage	13,083	1,131	760	14,974	38	4,835	4,873	19,847
Printing/Photography	20,502	5,207	2,867	28,576	7	3,602	3,609	32,185
Professional services	124,081	88,867	18,436	231,384	165	13,527	13,692	245,076
Professional services in kind	500	-	-	500	-	-	-	500
Promotion	35,717	5,235	37	40,989	2	5	7	40,996
Rent	27,700	10,449	6,677	44,826	606	2,832	3,438	48,264
Salaries	296,981	111,896	72,094	480,971	5,314	24,076	29,390	510,361
Sponsorships	1,250	-	101,250	102,500	-	-	-	102,500
Technology	18,679	5,013	3,211	26,903	339	3,534	3,873	30,776
Telephone and internet	9,086	3,469	2,238	14,793	190	934	1,124	15,917
Travel	64,454	22,620	60,846	147,920	203	3,172	3,375	151,295
Total Expenses	\$1,053,888	\$ 396,163	\$ 304,881	\$ 1,754,932	\$ 25,516	\$ 76,164	\$ 101,680	\$ 1,856,612

The accompanying notes are an integral part of this statement.

COLORECTAL CANCER COALITION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 260,874
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,774
Changes in assets and liabilities:	
Decrease in contributions receivable	24,300
Increase in prepaid expenses	(10,532)
Increase in inventory	(2,051)
Decrease in accounts payable	(6,189)
Increase in accrued payroll and accrued vacation	<u>833</u>
Net cash provided by operating activities	<u>\$ 270,009</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of equipment	<u>\$ (2,958)</u>
Net cash used in investing activities	<u>\$ (2,958)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS \$ 267,051

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 548,510

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 815,561

The accompanying notes are an integral part this statement.

COLORECTAL CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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, 2016

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, 2016, the Coalition's allowance for doubtful accounts was \$0. The Coalition had no bad debt expense for the year ended June 30, 2016.

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, 2016.

COLORECTAL CANCER COALITION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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 2013, 2014, and 2015 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. **Contributions Receivable:**

All contributions receivable are due in one year or less. As of June 30, 2016 the balance of contributions receivable was \$25,650.

COLORECTAL CANCER COALITION, INC.
NOTES TO FINANCIAL STATEMENTS (CONCLUDED)
JUNE 30, 2016

Note 5. In-Kind Contributions

The Coalitions recognizes contribution revenue for certain services received at their fair value. For the year ended June 30, 2016 the Coalition received \$314,600 of donated services for publicity at colorectal cancer awareness events and \$500 in donated printing/graphic design costs. These amounts are 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 has an operating lease for office space in Alexandria, VA that expires on November 1, 2016. On July 8, 2016, the Coalition signed a new lease for office space located in Springfield, MO. The lease commences on September 1, 2016 and ends on August 31, 2019.

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

2017	\$	24,461
2018		21,300
2019		23,100
2020		<u>3,900</u>
Total	\$	<u>72,761</u>

Rent expense for the year ended June 30, 2016 was \$48,264.

Note 7. Temporarily Restricted Net Assets:

As of June 30, 2016 temporarily restricted net assets were available for the following purposes:

Awareness	\$	15,939
Research		<u>269,610</u>
Total	\$	<u>285,549</u>

Note 8. Subsequent Events

The Coalition has evaluated all subsequent events through September 21, 2016 which is the date the financial statements were available to be issued. As discussed in Note 6, on July 8, 2016, the Coalition signed a new lease for office space commencing September 1, 2016. No other subsequent events requiring disclosure were identified based on this evaluation.

