



FINANCIAL STATEMENTS

JUNE 30, 2019

FIGHT COLORECTAL CANCER

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JUNE 30, 2019

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Independent Auditors' Report

To the Board of Directors of
Fight Colorectal Cancer
Washington, D.C.

We have audited the accompanying financial statements of Fight Colorectal Cancer (the Organization), which comprise the statement of financial position as of June 30, 2019, 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.

Auditors' 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 auditors' 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 auditors consider 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 Organization as of June 30, 2019, 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.

Emphasis of Matter

As discussed in Note 3 of the financial statements, the Organization adopted the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Councilor, Buchanan + Mitchell, P.C.

Washington, D.C.
January 28, 2020

Certified Public Accountants

FIGHT COLORECTAL CANCER
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

Assets

Current Assets

Cash and Cash Equivalents	\$ 2,181,074
Prepaid Expenses	3,890
	<hr/>
Total Current Assets	2,184,964
	<hr/>

Noncurrent Assets

Furniture and Equipment	38,102
Leasehold Improvements	614
Website	71,700
	<hr/>
Total Property and Equipment	110,416
Less Accumulated Depreciation	(66,441)
	<hr/>
Property and Equipment, Net	43,975
	<hr/>

Other Assets

Security Deposit	1,650
	<hr/>
Total Assets	\$ 2,230,589
	<hr/> <hr/>

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 78,739
Accrued Payroll and Vacation	67,972
	<hr/>
Total Current Liabilities	146,711

Net Assets

Without Donor Restrictions	1,735,615
With Donor Restrictions	348,263
	<hr/>
Total Net Assets	2,083,878
	<hr/>
Total Liabilities and Net Assets	\$ 2,230,589
	<hr/> <hr/>

See accompanying Notes to Financial Statements.

FIGHT COLORECTAL CANCER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support			
Contributions	\$ 2,160,988	\$ 137,763	\$ 2,298,751
Product Sales	35,640	-	35,640
In-Kind Donation	300,000	-	300,000
Program Fees	12,134	-	12,134
Other Income	4,824	-	4,824
Net Assets Released from Restrictions			
Satisfaction of Program Accomplishments or Time Restrictions	<u>109,254</u>	<u>(109,254)</u>	<u>-</u>
Total Revenue and Support	<u>2,622,840</u>	<u>28,509</u>	<u>2,651,349</u>
Expenses			
Program Services			
Awareness	1,021,036	-	1,021,036
Advocacy	490,716	-	490,716
Research	338,577	-	338,577
Patient Education	<u>237,414</u>	<u>-</u>	<u>237,414</u>
Total Program Services	<u>2,087,743</u>	<u>-</u>	<u>2,087,743</u>
Supporting Services			
General	242,954	-	242,954
Fundraising	<u>210,549</u>	<u>-</u>	<u>210,549</u>
Total Supporting Services	<u>453,503</u>	<u>-</u>	<u>453,503</u>
Total Expenses	<u>2,541,246</u>	<u>-</u>	<u>2,541,246</u>
Change in Net Assets	81,594	28,509	110,103
Net Assets, Beginning of Year	<u>1,654,021</u>	<u>319,754</u>	<u>1,973,775</u>
Net Assets, End of Year	<u><u>\$ 1,735,615</u></u>	<u><u>\$ 348,263</u></u>	<u><u>\$ 2,083,878</u></u>

See accompanying Notes to Financial Statements.

FIGHT COLORECTAL CANCER

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Services				Supporting Services				Total
	Awareness	Advocacy	Research	Patient Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Audit and Accounting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,765	\$ -	\$ 42,765	\$ 42,765
Bank and Merchant Fees	40	-	-	-	40	17,606	2,308	19,914	19,954
Depreciation	5,549	4,717	3,046	3,220	16,532	5,506	3,641	9,147	25,679
Dues and Subscriptions	724	7,825	2,812	1,423	12,784	619	-	619	13,403
Employee Benefits	22,615	10,714	8,991	12,186	54,506	8,981	9,600	18,581	73,087
Filing Fees	-	-	-	-	-	8,600	-	8,600	8,600
In-Kind Promotion	300,000	-	-	-	300,000	-	-	-	300,000
Insurance	1,770	1,096	1,180	1,475	5,521	1,116	1,180	2,296	7,817
Meetings and Events	100,470	130,981	20,525	1,870	253,846	5,904	32,072	37,976	291,822
Miscellaneous	2,321	433	201	3,905	6,860	5,984	319	6,303	13,163
Office Supplies and Maintenance	5,884	3,014	3,281	4,256	16,435	3,634	1,425	5,059	21,494
Payroll Service	-	-	-	-	-	5,053	-	5,053	5,053
Payroll Taxes	25,695	12,174	10,216	13,846	61,931	10,205	10,907	21,112	83,043
Postage	11,721	3,227	1,407	3,840	20,195	43	2,614	2,657	22,852
Printing	17,642	2,409	1,726	6,796	28,573	2,056	1,848	3,904	32,477
Professional Services	122,810	106,870	66,613	39,442	335,735	24,137	23,810	47,947	383,682
Promotion	90,578	1,271	2,541	7,098	101,488	-	7,722	7,722	109,210
Rent	6,615	5,624	3,631	3,838	19,708	6,563	4,341	10,904	30,612
Retirement Benefits	2,799	1,326	1,113	1,508	6,746	1,114	1,188	2,302	9,048
Salaries	189,244	91,570	73,256	103,779	457,849	73,256	79,361	152,617	610,466
Sponsorships	2,500	-	57,559	10,750	70,809	-	-	-	70,809
Technology	24,119	21,370	6,630	7,963	60,082	6,146	6,944	13,090	73,172
Telephone and Internet	3,971	2,410	2,629	3,348	12,358	2,629	2,629	5,258	17,616
Travel	83,969	83,685	71,220	6,871	245,745	11,037	18,640	29,677	275,422
Total Expenses	\$ 1,021,036	\$ 490,716	\$ 338,577	\$ 237,414	\$ 2,087,743	\$ 242,954	\$ 210,549	\$ 453,503	\$ 2,541,246

See accompanying Notes to Financial Statements.

FIGHT COLORECTAL CANCER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

Cash Flows from Operating Activities	
Change in Net Assets	\$ 110,103
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	25,679
<u>(Increase) Decrease in Assets</u>	
Contributions Receivable	19,313
Inventory	13,916
Prepaid Expenses	14,733
<u>Increase (Decrease) in Liabilities</u>	
Accounts Payable	29,113
Accrued Payroll	10,862
Deferred Revenue	<u>(63,333)</u>
Net Cash Provided by Operating Activities	<u>160,386</u>
Cash Flows from Investing Activities	
Purchases of Property and Equipment	<u>(25,158)</u>
Net Cash Used in Investing Activities	<u>(25,158)</u>
Net Increase in Cash and Cash Equivalents	135,228
Cash and Cash Equivalents, Beginning of Year	<u>2,045,846</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,181,074</u></u>

See accompanying Notes to Financial Statements.

FIGHT COLORECTAL CANCER

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

1. ORGANIZATION

Fight Colorectal Cancer (the Organization) is a nonprofit organization incorporated in March 2005 in Delaware. The Organization demands a cure for colon and rectal cancer. The Organization 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 Organization's program areas are:

Awareness - Through their public relations, social media campaigns, events and website, the Organization educates the public on key issues regarding prevention, diagnosis, and treatment of colorectal cancer.

Advocacy - The Organization advocated for increased funding for research, screening, and access to care for patients and their families.

Research - The Organization works with researches to make sure that research and treatment is responsive to patient needs. Ensuring patient engagement, the Organization trains patients and caregivers on how to inform the research process.

Education - The Organization provides educational resources to patients and their caregivers. These resources include webinars, blogs, publications, podcasts, and downloadable materials.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting.

Contributions

The Organization recognizes contribution revenue when an unconditional pledge is made or when cash is received if a pledge was not made. Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends, or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization recognizes contribution revenue for certain services received at their fair value. For the year ended June 30, 2019, the Organization received \$300,000 of donated services for publicity at colorectal cancer awareness events. This amount is recorded in the accompanying statement of activities.

Cash and Cash Equivalents

The Organization considers all short-term investments with original maturities of three months or less to be cash equivalents included in cash.

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

FIGHT COLORECTAL CANCER

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Furniture and Equipment

The Organization capitalizes all property and equipment acquisitions of \$1,000 and above. Furniture and equipment are stated at cost. Depreciation is calculated on a straight-line basis over a three year or five year estimated useful life. Leasehold improvements and property under the capital lease are amortized over the terms of the leases.

Classes of Net Assets

The Organization has presented its financial statements in accordance with *U.S. Generally Accepted Accounting Principles*. Under those principles, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions - resources that are available for general operations and resources designated by the Organization's Board of Directors for approved expenditures.

Net Assets With Donor Restrictions - resources that are subject to donor-imposed time and/or program restrictions; temporary or permanent. Temporary restrictions are those that expire either by passage of time or fulfillment of purpose by actions of the Organization. This method of accounting is also followed when the restrictions on contributions are met in the same period that the contributions are received. Permanent restrictions are that neither expire by passage of time nor fulfillment of purpose. There were no permanently restricted net assets as of June 30, 2019.

Accounting for Uncertainty in Income Taxes

The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10, *Accounting for Uncertainty in 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 provisions. It is management's belief that the Organization does not hold any uncertain tax positions.

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 costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation, benefits, and general expenses, which are allocated on the basis of estimates of time and effort by employees. Expenses directly identifiable to specific programs and supporting activities are allocated accordingly.

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.

FIGHT COLORECTAL CANCER

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

3. ADOPTION OF ACCOUNTING STANDARDS UPDATE 2016-14

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this ASU made improvements to the information provided in financial statements and accompanying notes of not-for-profit entities. The amendments set forth the FASB's improvements to net asset classification requirements, the information presented about a not-for-profit's liquidity, financial performance, and cash flows. The ASU became effective for fiscal years beginning after December 31, 2017. See Note 5 for the disclosure of the Organization's liquidity at June 30, 2019.

4. TAX STATUS

The Organization 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.

5. LIQUIDITY

Liquidity and Available Resources

The Organization's cash flows have seasonal variations due to the timing of contributions. The Organization manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due.

Qualitative Analysis

As of June 30, 2019, the following financial assets and liquidity sources were available for general operating expenditures in the year ending June 30, 2020.

Financial Assets

Cash and Cash Equivalents	\$ 2,181,074
Total Financial Assets and Liquidity Resources Available within One Year	<u>\$ 2,181,074</u>

6. RETIREMENT PLAN

The Organization has a 403 (b) retirement plan which is available to all employees who meet the eligibility requirements. After one year of service, the Organization 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, 2019, was \$9,048.

7. OPERATING LEASE

The Organization leases office space under a lease agreement that expires April 3, 2024 but has a renewal option through April 30, 2029.

FIGHT COLORECTAL CANCER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

7. OPERATING LEASE (CONTINUED)

Future minimum payments for the lease are as follows:

For the Years Ending June 30,

2020	\$ 45,600
2021	45,600
2022	45,600
2023	45,600
2024	<u>38,000</u>
Future Minimum Rental Payments	<u><u>\$ 220,400</u></u>

Occupancy expense for the year ended June 30, 2019, was \$30,612 including \$2,959 for utilities.

8. NET ASSETS WITH DONOR RESTRICTIONS

The following is an analysis of restricted net assets at June 30, 2019:

Awareness	\$ 2,865
Research	335,438
Patient Education	<u>9,960</u>
Total	<u><u>\$ 348,263</u></u>

9. SUBSEQUENT EVENTS

The Organization evaluated subsequent events through January 28, 2020, which is the date the financial statements were available to be issued.