

**Colon Cancer Alliance, Inc.**

Financial Statements  
and Independent Auditors' Report

June 30, 2009 and 2008

**Colon Cancer Alliance, Inc.**

Financial Statements  
June 30, 2009 and 2008

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Colon Cancer Alliance, Inc.

We have audited the accompanying statements of financial position of Colon Cancer Alliance, Inc. as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Colon Cancer Alliance, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Colon Cancer Alliance, Inc. at June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of Colon Cancer Alliance, Inc. taken as a whole. The schedules of functional expenses for the years ended June 30, 2009 and 2008 are presented for purposes of additional analysis and are not a required part of the financial statements of Colon Cancer Alliance, Inc. Such information has been subject to the auditing procedures applied in the audits of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Vienna, Virginia  
February 04, 2010

**Colon Cancer Alliance, Inc.**

Statement of Financial Position  
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Cash	\$ 577,714	\$ 431,521
Contributions receivable	-	60,000
Other receivables	10,100	12,714
Prepaid expenses and deposits	22,194	17,246
Property and equipment, net	<u>10,184</u>	<u>13,686</u>
 Total assets	 <u>\$ 620,192</u>	 <u>\$ 535,167</u>
 <b>Liabilities and Net Assets</b>		
 <b>Liabilities</b>		
Accounts payable	\$ 51,388	\$ 78,238
Accrued expenses	<u>22,648</u>	<u>26,481</u>
 Total liabilities	 <u>74,036</u>	 <u>104,719</u>
 <b>Net Assets</b>		
Unrestricted	444,592	363,521
Temporarily restricted	<u>101,564</u>	<u>66,927</u>
 Total net assets	 <u>546,156</u>	 <u>430,448</u>
 Total liabilities and net assets	 <u>\$ 620,192</u>	 <u>\$ 535,167</u>

*See accompanying notes.*

**Colon Cancer Alliance, Inc.**

Statement of Activities  
For the Year Ended June 30, 2009

	Unrestricted	Temporarily Restricted	Total
<b>Revenue and Support</b>			
Grants and contributions	\$ 757,606	\$ 701,330	\$ 1,458,936
Merchandise income	1,993	-	1,993
Investment income	1,078	-	1,078
Other income	183	-	183
Released from restrictions	666,693	(666,693)	-
<b>Total revenue and support</b>	<u>1,427,553</u>	<u>34,637</u>	<u>1,462,190</u>
<b>Expenses</b>			
Program services:			
Connection Campaign	220,075	-	220,075
Awareness	433,515	-	433,515
Conferences	170,293	-	170,293
Education	173,089	-	173,089
Awareness	95,114	-	95,114
<b>Total program services</b>	<u>1,092,086</u>	<u>-</u>	<u>1,092,086</u>
Supporting services:			
General and administrative	90,374	-	90,374
Fundraising	164,022	-	164,022
<b>Total supporting services</b>	<u>254,396</u>	<u>-</u>	<u>254,396</u>
<b>Total expenses</b>	<u>1,346,482</u>	<u>-</u>	<u>1,346,482</u>
<b>Change in Net Assets</b>	81,071	34,637	115,708
<b>Net Assets, beginning of year</b>	<u>363,521</u>	<u>66,927</u>	<u>430,448</u>
<b>Net Assets, end of year</b>	<u>\$ 444,592</u>	<u>\$ 101,564</u>	<u>\$ 546,156</u>

See accompanying notes.

**Colon Cancer Alliance, Inc.**

Statement of Activities  
For the Year Ended June 30, 2008

	Unrestricted	Temporarily Restricted	Total
<b>Revenue and Support</b>			
Grants and contributions	\$ 404,016	\$ 180,712	\$ 584,728
Conference registration fees	3,250	-	3,250
Merchandise income	3,785	-	3,785
Investment income	2,693	-	2,693
Other income	11,679	-	11,679
Released from restrictions	582,148	(582,148)	-
<b>Total revenue and support</b>	<b>1,007,571</b>	<b>(401,436)</b>	<b>606,135</b>
<b>Expenses</b>			
Program services:			
Connection Campaign	265,964	-	265,964
Awareness	182,702	-	182,702
Conferences	300,398	-	300,398
Education	149,904	-	149,904
Awareness	50,550	-	50,550
<b>Total program services</b>	<b>949,518</b>	<b>-</b>	<b>949,518</b>
Supporting services:			
General and administrative	66,855	-	66,855
Fundraising	154,157	-	154,157
<b>Total supporting services</b>	<b>221,012</b>	<b>-</b>	<b>221,012</b>
<b>Total expenses</b>	<b>1,170,530</b>	<b>-</b>	<b>1,170,530</b>
<b>Change in Net Assets</b>	<b>(162,959)</b>	<b>(401,436)</b>	<b>(564,395)</b>
<b>Net Assets, beginning of year</b>	<b>526,480</b>	<b>468,363</b>	<b>994,843</b>
<b>Net Assets, end of year</b>	<b>\$ 363,521</b>	<b>\$ 66,927</b>	<b>\$ 430,448</b>

See accompanying notes.

**Colon Cancer Alliance, Inc.**

Statement of Cash Flows  
For the Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 115,708	\$ (564,395)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	4,190	3,914
Change in operating assets and liabilities:		
Decrease (increase) in contributions receivable	60,000	(38,985)
Decrease (increase) in other receivables	2,614	(7,363)
Increase in prepaid expenses and deposits	(4,948)	(10,961)
(Decrease) increase in accounts payable	(26,850)	67,973
(Decrease) increase in accrued expenses	(3,833)	7,642
Net cash provided by (used in) operating activities	<u>146,881</u>	<u>(542,175)</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of property and equipment	<u>(688)</u>	<u>(11,899)</u>
Net cash used in investing activities	<u>(688)</u>	<u>(11,899)</u>
<b>Net Increase (Decrease) in Cash</b>	146,193	(554,074)
<b>Cash, beginning of year</b>	<u>431,521</u>	<u>985,595</u>
<b>Cash, end of year</b>	<u>\$ 577,714</u>	<u>\$ 431,521</u>

*See accompanying notes.*

## Colon Cancer Alliance, Inc.

Notes to Financial Statements  
June 30, 2009 and 2008

### 1. Nature of Operations

Colon Cancer Alliance, Inc. (the Alliance) was incorporated on March 18, 1999 as a 501(c)(3) exempt corporation under the laws of the state of Delaware. The Alliance is a national patient advocacy organization dedicated to increasing rates of screening and survivorship from colorectal cancer through patient support, education, research and advocacy.

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting

The financial statements are prepared on the accrual basis of accounting whereby revenue is recognized when earned and expenses are recognized when incurred.

#### Contributions Receivable

Contributions receivable consists of amounts promised from donors. The entire amount of contributions receivable is expected to be collected within one year and is recorded at net realizable value at June 30, 2009 and 2008. No allowance for doubtful accounts is recorded as the management believes that all receivables are fully collectible.

#### Property and Equipment

Property and equipment with a cost greater than \$500 and a projected useful life exceeding one year are capitalized and recorded at cost. Property and equipment are stated at cost less accumulated depreciation which is computed using the straight-line method over the assets' estimated useful lives, which range from five to seven years. Upon the retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is included in revenue or expenses. Expenditures for maintenance and repairs are charged to expenses as incurred.

#### Classification of Net Assets

- *Unrestricted net assets* represent funds that are not subject to donor-imposed stipulations and are available for support of the Alliance's operations. There was \$444,592 and \$363,521 in unrestricted net assets at June 30, 2009 and 2008, respectively.
- *Temporarily restricted net assets* represent funds subject to donor-imposed restrictions that are met either by actions of the Alliance or the passage of time. There was \$101,564 and \$66,927 in temporarily restricted net assets at June 30, 2009 and 2008, respectively.

## **Colon Cancer Alliance, Inc.**

Notes to Financial Statements  
June 30, 2009 and 2008

### **2. Summary of Significant Accounting Policies (continued)**

#### Revenue Recognition

Unconditional grants and contributions are recognized as revenue when received or promised and are reported as temporarily restricted support if they are received with donor or grantor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Revenue from corporate partnership dues is recognized over the applicable partnership period. Dues and other revenues received which are applicable to future years are recorded as deferred revenue. There was no deferred revenue at June 30, 2009 and 2008.

Revenue from all other sources is recognized when earned.

#### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### **3. Concentration of Credit Risk**

Financial instruments that potentially subject the Alliance to significant concentrations of credit risk consist of cash. The Alliance maintains cash deposits with various financial institutions that may from time to time exceed insurable limits under the Federal Depository Insurance Corporation (FDIC). The Alliance has not experienced any losses on its cash and investments to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any loss is minimal.

## Colon Cancer Alliance, Inc.

Notes to Financial Statements  
June 30, 2009 and 2008

### 4. Property and Equipment

The Alliance held the following property and equipment at June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Computer equipment	\$ 25,234	\$ 24,546
Less: accumulated depreciation	<u>(15,050)</u>	<u>(10,860)</u>
Property and equipment, net	<u>\$ 10,184</u>	<u>\$ 13,686</u>

### 5. Commitments

During the year ended June 30, 2009, the Alliance renewed its office space lease in Washington, DC, which increased the monthly payments and extended the lease term until July 31, 2009. Rent expense for the years ended June 30, 2009 and 2008 was \$60,176 and \$62,419, respectively. Future minimum lease payments consist of \$1,180 for the year ending June 30, 2010.

### 6. Temporarily Restricted Net Assets

Temporarily restricted net assets contain donor-imposed restrictions that expire upon the passage of time or once specific actions are undertaken by the Alliance. These net assets are then released and reclassified to unrestricted support where they are expended.

Temporarily restricted net assets were restricted as follows at June 30:

	<u>2009</u>	<u>2008</u>
Conferences	\$ 46,679	\$ 66,892
Chapters	54,885	-
Connections Campaign	<u>-</u>	<u>35</u>
Total temporarily restricted net assets	<u>\$ 46,679</u>	<u>\$ 66,927</u>

### 7. In-Kind Donations

From time to time, the Alliance receives donated goods or other intangible items. When significant, such amounts are recognized at fair value at the time of receipt. During the years ended June 30, 2009 and 2008 the Alliance received donated accounting services valued at \$12,500 and \$6,000 respectively.

## Colon Cancer Alliance, Inc.

Notes to Financial Statements  
June 30, 2009 and 2008

### 8. Income Taxes

The Alliance is exempt from payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code (IRC). For the years ended June 30, 2009 and 2008, there was no unrelated business income and, accordingly, no federal or state income taxes have been recorded. In addition, the Alliance qualifies as a public charity within the meaning of IRC Section 509(a)(1). Contributions to the Alliance are deductible as provided in IRC Section 170(b)(1)(A)(vi).

In December 2008, Financial Accounting Standards Board issued FASB Staff Position (FSP) FIN 48-3, *Effective Date of FASB "Interpretation No. 48 for Certain Nonpublic Enterprises"*. FSP FIN 48-3 permits an entity within its scope to defer the effective date of ASC 740 *"Income Taxes,"* to its annual financial statements for fiscal years beginning after December 15, 2008. The Alliance has elected to defer the application of ASC 740 for the year ended June 30, 2009. The Institute will continue to evaluate its uncertain tax positions using the provisions of ASC 450, *"Contingencies"* until ASC 740 is adopted.

### 9. Subsequent Events

The Alliance did not have any subsequent events that, based on the facts and circumstances, required recording or disclosure in the financial statements for year ended June 30, 2009. Events and transactions were evaluated through February 04, 2010, the date the financial statements were issued.

**SUPPLEMENTAL INFORMATION**

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**Colon Cancer Alliance, Inc.**

Schedule of Functional Expenses  
For the Year Ended June 30, 2009

	Program Services					Supporting Services			
	Connection Campaign	Awareness	Conferences	Education	Chapters	Total Program	General and Administrative	Fundraising	Total
Personell	\$ 122,309	\$ 111,303	\$ 83,203	\$ 100,074	\$ 49,504	\$ 466,393	\$ 108,235	\$ 76,651	\$ 651,279
Professional fees	10,044	35,511	4,676	2,900	2,897	56,028	137,360	16,710	210,098
Travel & entertainment	301	15,554	11,256	557	5,153	32,821	14,985	1,916	49,722
Operations	37	46,703	1,479	1,087	5,094	54,400	54,125	13,757	122,282
Facilities	10,332	11,303	2,824	5,880	659	30,998	92,932	2,734	126,664
Projects	294	146,023	14,062	-	2,012	162,391	20,925	3,121	186,437
G&A Allocation	76,758	67,118	52,793	62,591	29,795	289,055	(338,188)	49,133	-
<b>Total expenses</b>	<b>\$ 220,075</b>	<b>\$ 433,515</b>	<b>\$ 170,293</b>	<b>\$ 173,089</b>	<b>\$ 95,114</b>	<b>\$ 1,092,086</b>	<b>\$ 90,374</b>	<b>\$ 164,022</b>	<b>\$ 1,346,482</b>

**Colon Cancer Alliance, Inc.**

Schedule of Functional Expenses  
For the Year Ended June 30, 2008

	Program Services					Supporting Services			Total
	Connection Campaign	Awareness	Conferences	Education	Chapters	Total Program	General and Administrative	Fundraising	
Personell	\$ 125,112	\$ 109,456	\$ 110,577	\$ 91,030	\$ 19,299	\$ 455,474	\$ 93,532	\$ 72,850	\$ 621,856
Professional fees	15,812	750	4,162	2,426	21,420	44,570	153,829	12,055	210,454
Travel & entertainment	12,395	5,443	43,966	197	369	62,370	18,676	10,765	91,811
Operations	22,659	1,754	6,100	107	738	31,358	16,721	3,827	51,906
Facilities	13,849	7,504	7,604	7,513	910	37,380	46,236	11,315	94,931
Projects	12,645	95	70,727	378	2,384	86,229	7,983	5,360	99,572
G&A Allocation	63,492	57,700	57,262	48,253	5,430	232,137	(270,122)	37,985	-
<b>Total expenses</b>	<b>\$ 265,964</b>	<b>\$ 182,702</b>	<b>\$ 300,398</b>	<b>\$ 149,904</b>	<b>\$ 50,550</b>	<b>\$ 949,518</b>	<b>\$ 66,855</b>	<b>\$ 154,157</b>	<b>\$ 1,170,530</b>