

Colon Cancer Alliance, Inc.

Financial Statements
and Independent Auditors' Report

June 30, 2010 and 2009

Colon Cancer Alliance, Inc.

Financial Statements
June 30, 2010 and 2009

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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, 2010 and 2009, 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, 2010 and 2009, 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, 2010 and 2009 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 2, 2011

Colon Cancer Alliance, Inc.

Statements of Financial Position
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash	\$ 504,001	\$ 577,714
Contributions receivable	70,000	-
Other receivables	943	10,100
Prepaid expenses and deposits	54,122	22,194
Property and equipment, net	<u>4,691</u>	<u>10,184</u>
Total assets	<u>\$ 633,757</u>	<u>\$ 620,192</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 16,722	\$ 51,388
Accrued expenses	<u>78,271</u>	<u>22,648</u>
Total liabilities	<u>94,993</u>	<u>74,036</u>
Net Assets		
Unrestricted	468,154	444,592
Temporarily restricted	<u>70,610</u>	<u>101,564</u>
Total net assets	<u>538,764</u>	<u>546,156</u>
Total liabilities and net assets	<u>\$ 633,757</u>	<u>\$ 620,192</u>

See accompanying notes.

Colon Cancer Alliance, Inc.

Statement of Activities
For the Year Ended June 30, 2010

	Unrestricted	Temporarily Restricted	Total
Revenue and Support			
Grants and contributions	\$ 997,028	\$ 793,200	\$ 1,790,228
Merchandise income	6,092	-	6,092
Investment income	749	-	749
Released from restrictions	824,154	(824,154)	-
	1,828,023	(30,954)	1,797,069
Expenses			
Program services:			
Connection Campaign	158,269	-	158,269
Awareness	747,758	-	747,758
Conferences	192,634	-	192,634
Education	193,574	-	193,574
Chapters	151,233	-	151,233
	1,443,468	-	1,443,468
Total program services	1,443,468	-	1,443,468
Supporting services:			
General and administrative	120,054	-	120,054
Fundraising	240,939	-	240,939
	360,993	-	360,993
Total supporting services	360,993	-	360,993
Total expenses	1,804,461	-	1,804,461
Change in Net Assets	23,562	(30,954)	(7,392)
Net Assets, beginning of year	444,592	101,564	546,156
Net Assets, end of year	\$ 468,154	\$ 70,610	\$ 538,764

See accompanying notes.

Colon Cancer Alliance, Inc.

Statement of Activities
For the Year Ended June 30, 2009

	Unrestricted	Temporarily Restricted	Total
Revenue and Support			
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)	-
Total revenue and support	<u>1,427,553</u>	<u>34,637</u>	<u>1,462,190</u>
Expenses			
Program services:			
Connection Campaign	220,075	-	220,075
Awareness	433,515	-	433,515
Conferences	170,293	-	170,293
Education	173,089	-	173,089
Chapters	95,114	-	95,114
Total program services	<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
Total supporting services	<u>254,396</u>	<u>-</u>	<u>254,396</u>
Total expenses	<u>1,346,482</u>	<u>-</u>	<u>1,346,482</u>
Change in Net Assets	81,071	34,637	115,708
Net Assets, beginning of year	<u>363,521</u>	<u>66,927</u>	<u>430,448</u>
Net Assets, end of year	<u>\$ 444,592</u>	<u>\$ 101,564</u>	<u>\$ 546,156</u>

See accompanying notes.

Colon Cancer Alliance, Inc.

Statements of Cash Flows
For the Years Ended June 30, 2010 and 2009

	2010	2009
Cash Flows from Operating Activities		
Change in net assets	\$ (7,392)	\$ 115,708
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	10,110	4,190
Change in operating assets and liabilities:		
(Increase) decrease in contributions receivable	(70,000)	60,000
Decrease in other receivables	9,157	2,614
Increase in prepaid expenses and deposits	(31,928)	(4,948)
Decrease in accounts payable	(34,666)	(26,850)
Increase (decrease) in accrued expenses	55,623	(3,833)
	<u>(69,096)</u>	<u>146,881</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	(4,617)	(688)
	<u>(4,617)</u>	<u>(688)</u>
Net (Decrease) Increase in Cash	(73,713)	146,193
Cash, beginning of year	<u>577,714</u>	<u>431,521</u>
Cash, end of year	<u>\$ 504,001</u>	<u>\$ 577,714</u>

See accompanying notes.

Colon Cancer Alliance, Inc.

Notes to Financial Statements
June 30, 2010 and 2009

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, 2010 and 2009. No allowance for doubtful accounts is recorded as management believes that all receivables are fully collectible.

Property and Equipment

Property and equipment acquisitions 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 \$468,154 and \$444,592 in unrestricted net assets at June 30, 2010 and 2009, 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 \$70,610 and \$101,564 in temporarily restricted net assets at June 30, 2010 and 2009, respectively.

Colon Cancer Alliance, Inc.

Notes to Financial Statements
June 30, 2010 and 2009

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 all other sources is recognized when earned.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services 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. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Colon Cancer Alliance, Inc.

Notes to Financial Statements
June 30, 2010 and 2009

4. Property and Equipment

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

	<u>2010</u>	<u>2009</u>
Computer equipment	\$ 29,851	\$ 25,234
Less: accumulated depreciation	<u>(25,160)</u>	<u>(15,050)</u>
Property and equipment, net	<u>\$ 4,691</u>	<u>\$ 10,184</u>

5. Lease

The Alliance operated under several office leases during the year, the last of which is set to expire on August 31, 2010. Rent expense for the years ended June 30, 2010 and 2009 was \$69,533 and \$60,176, respectively. Subsequent to year end, the Alliance signed a lease for office space through November 2013.

Future minimum lease payments consist of the following for the years ending June 30:

2011	\$ 40,042
2012	44,907
2013	46,030
2014	<u>19,375</u>
Total future minimum payments	<u>\$ 150,354</u>

6. Contributed Services

From time to time, the Alliance receives services. When significant, such contributed services are recognized at fair value at the time of receipt. During the years ended June 30, 2010 and 2009, the Alliance received donated accounting services valued at \$14,756 and \$12,500, respectively, which are included in grants and contributions on the statements of activities.

7. 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.

Colon Cancer Alliance, Inc.

Notes to Financial Statements
June 30, 2010 and 2009

7. Temporarily Restricted Net Assets (continued)

Temporarily restricted net assets consist of the following at June 30:

	<u>2010</u>	<u>2009</u>
Buddy program	\$ 17,654	\$ -
Helpline	3,766	-
My CRC Connections	17,369	-
Fiesta Azul/Hispanic Outreach	6,821	-
Conferences	-	46,679
Chapters	-	54,885
Time restricted	<u>25,000</u>	<u>-</u>
Total temporarily restricted net assets	<u>\$ 70,610</u>	<u>\$ 101,564</u>

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, 2010 and 2009, 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). The Alliance had no significant uncertain tax positions for the year ended June 30, 2010.

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 the year ended June 30, 2010. Events and transactions were evaluated through February 2, 2011, the date the financial statements were issued.

SUPPLEMENTAL INFORMATION

Colon Cancer Alliance, Inc.

Schedule of Functional Expenses
For the Year Ended June 30, 2010

	Program Services					Supporting Services			
	Connection Campaign	Awareness	Conferences	Education	Chapters	Total Program	General and Administrative	Fundraising	Total
Personnel	\$ 92,125	\$ 212,134	\$ 80,125	\$ 103,423	\$ 65,814	\$ 553,621	\$ 135,889	\$ 113,774	\$ 803,284
Professional fees	9,255	94,545	26,305	28,924	10,074	169,103	122,666	10,427	302,196
Travel & entertainment	606	31,932	12,807	3,666	17,672	66,683	22,032	31,539	120,254
Operations	483	103,953	1,393	1,010	3,577	110,416	48,604	9,729	168,749
Facilities	6,554	12,182	2,051	910	390	22,087	136,722	3,330	162,139
Projects	30	180,756	27,149	475	18,845	227,255	7,252	13,332	247,839
G&A allocation	49,216	112,256	42,804	55,166	34,861	294,303	(353,111)	58,808	-
Total Expenses	\$ 158,269	\$ 747,758	\$ 192,634	\$ 193,574	\$ 151,233	\$ 1,443,468	\$ 120,054	\$ 240,939	\$ 1,804,461

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
Personnel	\$ 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	-
Total Expenses	\$ 220,075	\$ 433,515	\$ 170,293	\$ 173,089	\$ 95,114	\$ 1,092,086	\$ 90,374	\$ 164,022	\$ 1,346,482