

Colon Cancer Alliance, Inc.

Financial Statements
and Independent Auditors' Report

June 30, 2008

Colon Cancer Alliance, Inc.

Financial Statements
June 30, 2008

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Colon Cancer Alliance, Inc.

We have audited the accompanying statement of financial position of Colon Cancer Alliance, Inc. as of June 30, 2008, and the related statements of activities and cash flows for the year 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 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 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 audit provides 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, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Colon Cancer Alliance, Inc. taken as a whole. The schedule of functional expenses for the year ended June 30, 2008 is presented for purposes of additional analysis and is 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 audit 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.

A handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, flowing style.

Vienna, Virginia
May 11, 2009

Colon Cancer Alliance, Inc.

Statement of Financial Position
June 30, 2008

Assets	
Cash	\$ 431,521
Contributions receivable	60,000
Other receivables	12,714
Prepaid expenses and deposits	17,246
Property and equipment, net	<u>13,686</u>
Total assets	<u>\$ 535,167</u>
Liabilities and Net Assets	
Liabilities	
Accounts payable	\$ 78,238
Accrued expenses	<u>26,481</u>
Total liabilities	<u>104,719</u>
Net Assets	
Unrestricted	363,521
Temporarily restricted	<u>66,927</u>
Total net assets	<u>430,448</u>
Total liabilities and net assets	<u>\$ 535,167</u>

See accompanying notes.

Colon Cancer Alliance, Inc.

Statement of Activities For the Year Ended June 30, 2008

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

See accompanying notes.

Colon Cancer Alliance, Inc.

Statement of Cash Flows
For the Year Ended June 30, 2008

Cash Flows from Operating Activities	
Change in net assets	\$ (564,395)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	3,914
Change in operating assets and liabilities:	
(Increase) decrease in:	
Contributions receivable	(38,985)
Other receivables	(7,363)
Prepaid expenses and deposits	(10,961)
Increase (decrease) in:	
Accounts payable	67,973
Accrued expenses	7,642
	<hr/>
Net cash used in operating activities	(542,175)
	<hr/>
Cash Flows from Investing Activities	
Purchases of property and equipment	(11,899)
	<hr/>
Net cash used in investing activities	(11,899)
	<hr/>
Net Decrease in Cash	(554,074)
Cash, beginning of year	985,595
	<hr/>
Cash, end of year	<u><u>\$ 431,521</u></u>

See accompanying notes.

Colon Cancer Alliance, Inc.

Notes to Financial Statements
June 30, 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, 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 \$363,521 in unrestricted net assets at June 30, 2008.
- *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 \$66,927 in temporarily restricted net assets at June 30, 2008.

Colon Cancer Alliance, Inc.

Notes to Financial Statements
June 30, 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, 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, 2008

4. Property and Equipment

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

Office equipment	\$ 24,546
Less: accumulated depreciation	<u>(10,860)</u>
Property and equipment, net	<u>\$ 13,686</u>

5. Commitments

During the year ended June 30, 2008, the Alliance leased office space in Washington, DC and Florida under non-cancellable operating leases expiring in January 2008. Subsequent to year end, the Alliance renewed its Washington, DC lease, which increased the monthly payments and extended the lease term until July 31, 2009. The Florida lease, however, was not renewed upon expiration. Total rent expense for the year ended June 30, 2008 was \$62,419.

Future minimum lease payments under the Alliance's continuing leases are as follows for the years ending June 30:

2009	\$ 14,160
2010	<u>1,180</u>
Total future minimum payments	<u>\$ 15,340</u>

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, 2008:

Conferences	\$ 66,892
Connections Campaign	<u>35</u>
Total temporarily restricted net assets	<u>\$ 66,927</u>

Colon Cancer Alliance, Inc.

Notes to Financial Statements
June 30, 2008

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 year ended June 30, 2008 the Alliance received donated accounting services valued at \$6,000.

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 year ended June 30, 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).

9. Prior Period Adjustment

Beginning net assets at July 1, 2007 have been restated to correct an understatement of cash in the amount of \$225,398. The restatement is necessary to recognize funds that were in a separate bank account utilized by the recently closed Florida office, and relating to revenue earned in prior years from one of the Alliance's fund raising events.

SUPPLEMENTAL INFORMATION

Colon Cancer Alliance, Inc.

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

	Program Services					Total Program Services	Supporting Services		Total Expenses
	Connection Campaign	Awareness	Conferences	Education	Chapters		General & Administrative	Fundraising	
Personnel	\$ 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	-
Total Expenses	\$ 265,964	\$ 182,702	\$ 300,398	\$ 149,904	\$ 50,550	\$ 949,518	\$ 66,855	\$ 154,157	\$ 1,170,530