

FINANCIAL STATEMENTS



FOR THE YEAR ENDED DECEMBER 31, 2024

COLORECTAL CANCER ALLIANCE, INC.

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Colorectal Cancer Alliance, Inc. (the Alliance), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alliance as of December 31, 2024, and the change 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Alliance and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Alliance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Alliance's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Alliance's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Friedman".

July 15, 2025

COLORECTAL CANCER ALLIANCE, INC.

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024

ASSETS

Cash and cash equivalents	\$ 4,165,366
Investments	5,192,264
Grants and contributions receivable, net	6,077,341
Prepaid expenses and other assets	169,904
Property and equipment, net	272,751
Security deposit	73,822
Right-of-use asset, net	<u>399,398</u>

TOTAL ASSETS **\$ 16,350,846**

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued liabilities	\$ 998,462
Accrued salaries and related benefits	772,350
Operating lease liability	<u>388,678</u>

Total liabilities 2,159,490

NET ASSETS

Without donor restrictions	3,464,442
With donor restrictions	<u>10,726,914</u>

Total net assets 14,191,356

TOTAL LIABILITIES AND NET ASSETS **\$ 16,350,846**

COLORECTAL CANCER ALLIANCE, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributed nonfinancial assets	\$ 45,771,298	\$ -	\$ 45,771,298
Grants and contributions	11,664,736	9,686,047	21,350,783
Net investment return	471,313	-	471,313
Merchandise sales	175,797	-	175,797
Other income	47,966	-	47,966
Loss on uncollectable grants and contributions	(11,795)	(225,825)	(237,620)
Net assets released from donor restrictions	<u>7,618,742</u>	<u>(7,618,742)</u>	<u>-</u>
Total support and revenue	<u>65,738,057</u>	<u>1,841,480</u>	<u>67,579,537</u>
EXPENSES			
Program Services:			
Cancer Care	47,800,468	-	47,800,468
Project Cure CRC	4,712,320	-	4,712,320
Screening Awareness and Navigation	3,966,902	-	3,966,902
Grassroots Community Engagement and Advocacy	<u>2,524,860</u>	<u>-</u>	<u>2,524,860</u>
Total program services	<u>59,004,550</u>	<u>-</u>	<u>59,004,550</u>
Supporting Services:			
Fundraising	4,106,802	-	4,106,802
Management and General	<u>1,443,915</u>	<u>-</u>	<u>1,443,915</u>
Total supporting services	<u>5,550,717</u>	<u>-</u>	<u>5,550,717</u>
Total expenses	<u>64,555,267</u>	<u>-</u>	<u>64,555,267</u>
Change in net assets	1,182,790	1,841,480	3,024,270
Net assets at beginning of year	<u>2,281,652</u>	<u>8,885,434</u>	<u>11,167,086</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,464,442</u>	<u>\$ 10,726,914</u>	<u>\$ 14,191,356</u>

COLORECTAL CANCER ALLIANCE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services					Supporting Services			
	Cancer Care	Project Cure CRC	Screening Awareness and Navigation	Grassroots Community Engagement and Advocacy	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total Expenses
Donated services	\$ 45,114,069	\$ -	\$ 439,333	\$ 138,674	\$ 45,692,076	\$ -	\$ -	\$ -	\$ 45,692,076
Personnel	966,398	744,294	1,862,118	969,627	4,542,437	1,598,291	917,599	2,515,890	7,058,327
Projects	582,082	3,004,757	731,780	541,801	4,860,420	1,423,116	9,243	1,432,359	6,292,779
Professional fees	901,208	649,699	585,569	541,869	2,678,345	328,737	366,347	695,084	3,373,429
Facilities	83,594	83,022	192,318	134,131	493,065	147,483	114,557	262,040	755,105
Operations	17,425	13,461	72,273	136,569	239,728	462,158	13,077	475,235	714,963
Travel	135,692	217,087	83,511	62,189	498,479	147,017	23,092	170,109	668,588
TOTAL	\$ 47,800,468	\$ 4,712,320	\$ 3,966,902	\$ 2,524,860	\$ 59,004,550	\$ 4,106,802	\$ 1,443,915	\$ 5,550,717	\$ 64,555,267

See accompanying notes to financial statements.

COLORECTAL CANCER ALLIANCE, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 3,024,270
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Net realized and unrealized gain on investments	(262,076)
Loss on uncollectable grants and contributions	237,620
Change in discount on grants and contributions receivable	(24,629)
Depreciation and amortization of property and equipment	71,153
Amortization of right-of-use asset	387,243
Gain on lease termination	(402,582)
Increase in:	
Grants and contributions receivable	(829,349)
Prepaid expenses and other assets	(41,029)
Increase (decrease) in:	
Accounts payable and accrued liabilities	169,898
Accrued salaries and related benefits	(34,819)
Operating lease liability	<u>(435,217)</u>
Net cash provided by operating activities	<u>1,860,483</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales of investments	2,106,902
Purchases of investments	<u>(2,236,430)</u>
Net cash used by investing activities	<u>(129,528)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on line of credit	<u>(1,617,429)</u>
Net cash used by financing activities	<u>(1,617,429)</u>
Net increase in cash and cash equivalents	113,526
Cash and cash equivalents at beginning of year	<u>4,051,840</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u>4,165,366</u>

SUPPLEMENTAL CASH FLOW INFORMATION:

Interest Paid	\$ <u>7,691</u>
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SCHEDULE OF NONCASH OPERATING TRANSACTIONS

Donated Securities	\$ <u>249,870</u>
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COLORECTAL CANCER ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Colorectal Cancer Alliance, Inc. (the Alliance) was formed in 1999 as a non-profit organization in accordance with the laws of the State of Delaware. The Alliance exists to end colorectal cancer in our lifetime. The Alliance is the nation's leading non-profit dedicated to colorectal cancer. Together with a nation of passionate allies, the Alliance advocates for prevention through screening, magnifies support, and accelerates research to end this disease.

Program services descriptions -

Cancer Care - The Alliance patient and family support program provides cancer care education, medical advocacy, and direct navigation through a helpline, chat and group chat navigation, online community forums, a national conference, and financial assistance to those in treatment for colorectal cancer.

Project Cure CRC - The Alliance supports research aimed at discovering innovative treatments and ultimately a cure for the disease through Project Cure CRC, a groundbreaking initiative convening the world's top scientists at an annual summit and funding cutting-edge studies, clinical trials, and collaborations to drive progress toward a cure.

Screening Awareness and Navigation - The Alliance promotes prevention, screening, and early detection through a variety of awareness initiatives, partnerships and pilot programs, screening projects and tools, and campaigns at the national and local level.

Grassroots Community Engagement and Advocacy - The Alliance fosters community engagement through outreach and advocacy efforts across the nation and in local communities that give advocates the opportunity to share their stories, connect with each other, and become leaders to amplify the Alliance's mission to end this disease.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to non-profit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions. However, there are no Board Designated net assets.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. However, there are no endowment fund net assets.

COLORECTAL CANCER ALLIANCE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Cash and cash equivalents -

The Alliance considers all highly liquid investments with maturities of three months or less, which are not part of the investment portfolio, to be cash and cash equivalents. Money market funds held by investment managers totaled \$115,676 as of December 31, 2024. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Alliance maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, and realized and unrealized gains are included in net investment return, which includes investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Change in Net Assets.

Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. The Alliance's policy is to liquidate all gifts of investments as soon as possible after the gift.

Grants and contributions receivable -

Grants and contributions receivable include unconditional promises to give that are expected to be collected in future years. Grants and contributions receivable are recorded at their fair value, which is measured as the net present value of the future cash flows. The discount on long-term grants and contributions is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in contributions.

Management reviews grants and contributions receivable on a periodic basis for collectability. Each receivable balance is assessed based on management's knowledge of and relationship with the donor and the age of the receivable balance. As a result of these reviews, receivable balances for which collection is deemed doubtful are charged to loss on uncollectable grants and contributions and an allowance is recorded. While certain balances were written off during the year, management believes all balances to be collectable as of December 31, 2024. Therefore, there was no allowance for uncollectable grants and contributions receivable as of December 31, 2024.

Property and equipment -

Property and equipment in excess of \$5,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Leasehold improvements are amortized over the lesser of the useful life of the asset or the remaining term of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense totaled \$71,153 for the year ended December 31, 2024.

COLORECTAL CANCER ALLIANCE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Leases -

The Alliance determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to and the agreement creates enforceable rights and obligations. The Alliance also considers whether its services agreements include the right to control the use of an asset. The Alliance recognizes most leases on its Statement of Financial Position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria as defined by GAAP. The Alliance made an accounting policy election not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of lease payments over the term of the lease at the commencement or modification date. The Alliance made the accounting policy election to use a risk-free discount rate, which is aligned with the lease term. The Alliance has made an accounting policy election that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes.

Income taxes -

The Alliance is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). The Alliance has no unrelated business income activities. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Alliance is not a private foundation.

Contributed nonfinancial assets -

Contributed nonfinancial assets are recorded at their estimated fair value as of the date of the gift. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Alliance. None of the contributed nonfinancial assets were restricted by donors. In addition, none of contributed nonfinancial assets were monetized through sales to customers.

Support from grants and contributions -

Grants and contributions are recognized in the appropriate category of net assets in the period received. The Alliance performs an analysis of the individual grant or contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction, depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from grants and contributions is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Grants and contributions that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Grants and contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements.

COLORECTAL CANCER ALLIANCE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Support from grants and contributions (continued) -

Conditional grants and contributions contain a right of return and a measurable barrier. Conditional grants and contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, the Alliance had no refundable advances as of December 31, 2024.

In addition, the Alliance may obtain funding source agreements related to conditional grants and contributions, which will be received in future years. However, the Alliance had no conditional contributions to be received in future years as of December 31, 2024.

Revenue from contracts with customers -

The Alliance's revenue from merchandise sales is the most significant revenue stream that is treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. The Alliance has elected to opt out of all disclosures not required for nonpublic entities. Transaction price is based on sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. The Alliance's contracts with customers generally have initial terms of one year or less. Merchandise sales are recognized as revenue at the point in time when the merchandise is shipped to the customer.

Use of estimates -

The preparation of the 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Advertising -

The Alliance expenses advertising costs as incurred. Excluding the contributed media services, which are described in Note 9, advertising expense totaled \$518,928 for the year ended December 31, 2024.

Functional allocation of expenses -

The costs of providing the Alliance's programs and supporting services have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and indirect expenses that benefited more than one functional area, such as personnel costs, were allocated based on estimated time and effort.

Risks and uncertainties -

The Alliance invests in investment securities, which are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

COLORECTAL CANCER ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, the Alliance has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Alliance has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Alliance had a transfer between levels in the fair value hierarchy during the year ended December 31, 2024. Transfers between levels are recorded at the end of the reporting period. The Series C Stock was determined to be an investment in a private company and, as such, the fair value of the investment was transferred from Level 2 to Level 3 during the year ended December 31, 2024.

Following is a description of the valuation methodology used for investments measured at fair value. Other than the aforementioned transfer, there have been no changes in the methodologies used during the year ended December 31, 2024.

- *Common Stocks and Options* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Exchange Traded Funds* - Valued at the closing price reported on the active market in which the funds are traded.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Alliance are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by the Alliance are deemed to be actively traded.
- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Series C Stock* - Valued based on the Alliance's percent ownership in a private cancer research company.
- *Non-Fungible Tokens (NFTs)* - Valued based on the average exchange sales price of similar NFTs. An NFT is a unique digital asset that is stored on a blockchain, representing ownership of specific digital item. Each NFT is unique and cannot be directly exchanged for another NFT.

COLORECTAL CANCER ALLIANCE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy, as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks and options	\$ 2,042,837	\$ -	\$ -	\$ 2,042,837
Exchange traded funds	2,850,071	-	-	2,850,071
Mutual funds	156,362	-	-	156,362
Money market funds	115,676	-	-	115,676
Series C stock	-	-	25,000	25,000
Non-fungible tokens	<u>-</u>	<u>-</u>	<u>2,318</u>	<u>2,318</u>
TOTAL INVESTMENTS	<u>\$ 5,164,946</u>	<u>\$ -</u>	<u>\$ 27,318</u>	<u>\$ 5,192,264</u>

The following table provides a summary of the changes in fair value of the Alliance's Level 3 investments as of and for the year ended December 31, 2024:

Beginning balance as of January 1, 2024	\$ 2,318
Transfer from Level 2	<u>25,000</u>
BALANCE AS OF DECEMBER 31, 2024	<u>\$ 27,318</u>

Net investment return consisted of the following for the year ended December 31, 2024:

Net realized and unrealized gain on investments	\$ 262,076
Interest and dividends	259,532
Investment expenses	<u>(50,295)</u>
NET INVESTMENT RETURN	<u>\$ 471,313</u>

3. GRANTS AND CONTRIBUTIONS RECEIVABLE

The Alliance has received written promises to give from various donors totaling \$6,122,506 as of December 31, 2024. Grants and contributions receivable that are due in more than one year have been recorded at the net present value of their estimated future cash flows using risk-adjusted discount rates ranging from 0.15% to 4.30%, based on the date the Alliance received the gift.

Grants and contributions receivable are expected to be collected as follows as of December 31, 2024:

Less than one year	\$ 4,894,503
One to five years	<u>1,228,003</u>
Grants and contributions receivable	6,122,506
Less: Discount to net present value	<u>(45,165)</u>
GRANTS AND CONTRIBUTIONS RECEIVABLE, NET	<u>\$ 6,077,341</u>

COLORECTAL CANCER ALLIANCE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2024:

Leasehold improvements	\$ 735,241
Furniture and equipment	<u>472,550</u>
Total Property and equipment	1,207,791
Less: Accumulated depreciation and amortization	<u>(935,040)</u>
PROPERTY AND EQUIPMENT, NET	<u>\$ 272,751</u>

5. LINE OF CREDIT

The Alliance has a liquidity line of credit secured by investments held by its investment manager. The line of credit continues in effect until terminated by either party. The maximum amount of credit that may be extended to the Alliance is based on the eligible securities maintained in the investment portfolio. The interest rate charged on outstanding amounts due is based on a variable rate. Interest expense totaled \$7,691 for the year ended December 31, 2024. The terms of the line of credit agreement require that the Alliance complies with certain covenants. There were no draw downs during the year ended December 31, 2024. As a result of the repayment of the balance due, there was no outstanding balance on the line of credit as of December 31, 2024.

6. JOINT COSTS

The Alliance incurred joint costs totaling \$3,972,736 related to events that were held during the year ended December 31, 2024. The joint costs were allocated to the following program and supporting services for the year ended December 31, 2024:

Program Services:	
Screening Awareness and Navigation	\$ 1,455,157
Grassroots Community Engagement and Advocacy	1,205,235
Supporting Services:	
Fundraising	<u>1,312,344</u>
TOTAL JOINT COSTS	<u>\$ 3,972,736</u>

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31, 2024:

Subject to expenditure for specified purpose:	
Project Cure CRC	\$ 7,435,500
Screening Awareness and Navigation	1,066,111
Cancer Care	60,000
Grassroots Community Engagement and Advocacy	32,500
Subject to the passage of time	<u>2,132,803</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 10,726,914</u>

COLORECTAL CANCER ALLIANCE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

7. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets released from donor restrictions consisted of the following for the year ended December 31, 2024:

Purpose restrictions accomplished:	
Project Cure CRC	\$ 4,040,328
Screening Awareness and Navigation	1,867,329
Cancer Care	677,686
Grassroots Community Engagement and Advocacy	105,207
Expiration of time restrictions	<u>928,192</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 7,618,742</u>

8. LIQUIDITY AND AVAILABILITY

The Alliance has a policy to structure its financial assets to be available and liquid as its obligations become due. Grants and contributions receivable are subject to implied time restrictions, but a portion are expected to be collected within one year. The Alliance monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Alliance has a goal to maintain financial assets on hand to meet 90 days of normal operating expenses.

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date consisted of the following as of December 31, 2024:

Cash and cash equivalents	\$ 4,165,366
Investments	5,192,264
Grants and contributions receivable, net	<u>6,077,341</u>
Subtotal financial assets	15,434,971
Less: Net assets with donor restrictions	<u>(10,726,914)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 4,708,057</u>

9. CONTRIBUTED NONFINANCIAL ASSETS

The Alliance was the beneficiary of contributed nonfinancial assets which allowed it to provide greater resources towards various programs. The contributed nonfinancial assets have been recorded in both support and functional expenses on the Statement of Activities and Change in Net Assets. The contributed nonfinancial assets included in support consisted of the following for the year ended December 31, 2024:

Donated media services	\$ 45,252,743
Donated cancer screening tests	439,333
Donated video production services	<u>79,222</u>
TOTAL CONTRIBUTED NONFINANCIAL ASSETS IN SUPPORT	<u>\$ 45,771,298</u>

COLORECTAL CANCER ALLIANCE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

9. CONTRIBUTED NONFINANCIAL ASSETS (Continued)

The contributed nonfinancial assets included in functional expenses consisted of the following for the year ended December 31, 2024:

Cancer Care	\$ 45,114,069
Screening Awareness and Navigation	439,333
Grassroots Community Engagement and Advocacy	<u>138,674</u>

TOTAL CONTRIBUTED NONFINANCIAL ASSETS IN EXPENSES	<u>\$ 45,692,076</u>
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The total of contributed nonfinancial assets that was included in support is greater than the total of contributed nonfinancial assets that was included in expenses due to the donated video production services totaling \$79,222 during the year ended December 31, 2024. The Alliance originally paid for and expensed the video production services during the year ended December 31, 2023. However, the donor decided to provide the services free of charge and refunded the Alliance's payment during the year ended December 31, 2024.

10. LEASE COMMITMENT

The Alliance has an operating lease for office space in Washington, D.C, the amended version of which was originally scheduled to terminate in October 2029. However, during October 2024, the Alliance exercised its option to terminate the lease early. As a result, the lease now terminates on October 31, 2025. As part of the early termination of the lease, the Alliance wrote off a portion of the right-of-use asset and related operating lease liability. The net effect of the write off was a gain on lease termination that totaled \$402,582 during the year ended December 31, 2024. The lease includes an escalation of base rentals which is being amortized on a basis to achieve straight-line rent expense over the life of the lease. The net present value of the operating lease liability was determined using a discount rate of 4.28%.

Lease cost is included in facilities expense in the accompanying Statement of Functional Expenses and totaled \$417,628 for the year ended December 31, 2024. Cash paid for base rent under the lease totaled \$465,600 for the year ended December 31, 2024. The Alliance also paid a termination fee to the landlord totaling \$402,583 during the year ended December 31, 2024. The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of December 31, 2024:

Year Ending December 31, 2025	\$ 396,359
Less: Imputed interest	<u>(7,681)</u>
OPERATING LEASE LIABILITY	<u>\$ 388,678</u>

11. RETIREMENT PLAN

The Alliance provides retirement benefits to eligible employees through a 401(k) defined contribution plan. In accordance with the provisions of the Plan, the Alliance contributes an amount for each employee based on the level of the employee's contribution to the Plan. The Alliance's contributions to the Plan have been included personnel in the accompanying Statement of Functional Expenses and totaled \$195,727 for the year ended December 31, 2024.

COLORECTAL CANCER ALLIANCE, INC.

**NOTES TO FINANCIAL STATEMENTS
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12. CONCENTRATION

Grants and contributions receivable include amounts due from two donors which comprise 61% of the Alliance's total grants and contributions receivable (approximately \$3.7 million) as of December 31, 2024. The Alliance has no reason to believe that its relationship with the two donors will be discontinued in the foreseeable future and the Alliance considers these receivables to be fully collectable.

13. SUBSEQUENT EVENTS

In preparing these financial statements, the Alliance has evaluated events and transactions for potential recognition or disclosure through July 15, 2025, the date the financial statements were issued.

During June 2025, the Alliance signed an operating lease for new office space in Washington, D.C. The lease has a term of 140 months, and the anticipated occupancy date is November 1, 2025. The lease includes both extension and early termination options, which are subject to certain conditions. Base monthly rent begins at \$23,218 and increases by 2.5% each subsequent lease year. The beginning of the lease term includes an abatement of rent equal to 20 months, and the landlord is required to complete and pay for certain improvements prior to the occupancy date. The future rental payments due under the new office lease approximate \$3,375,000.