

Concord Coalition, Corp.

Financial Statements

Years Ended December 31, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Concord Coalition, Corp.

I have audited the accompanying statements of financial position of Concord Coalition, Corp. (a nonprofit organization) as of December 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Concord Coalition, Corp. as of December 31, 2015 and 2014, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Richard A. Pitterle
Certified Public Accountant

Alexandria, Virginia
November 14, 2016

CONCORD COALITION, CORP.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

ASSETS

	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	\$ 732,109	\$ 492,942
ACCOUNTS RECEIVABLE	-	-
PREPAID EXPENSES	<u>12,301</u>	<u>12,485</u>
TOTAL CURRENT ASSETS	<u>744,410</u>	<u>505,427</u>
PROPERTY AND EQUIPMENT		
FURNITURE AND EQUIPMENT	96,991	96,991
DISPLAY EQUIPMENT	<u>24,215</u>	<u>24,215</u>
	121,206	121,206
LESS ACCUMULATED DEPRECIATION	<u>(121,206)</u>	<u>(121,206)</u>
TOTAL PROPERTY AND EQUIPMENT	<u>-</u>	<u>-</u>
OTHER ASSETS		
DEPOSIT -- OFFICE RENTAL	<u>20,290</u>	<u>20,290</u>
TOTAL ASSETS	<u><u>\$ 764,700</u></u>	<u><u>\$ 525,717</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 30,859	\$ 21,012
COMMITMENTS (NOTE 1)		
NET ASSETS		
UNRESTRICTED	733,841	496,517
TEMPORARILY RESTRICTED	<u>-</u>	<u>8,188</u>
TOTAL NET ASSETS	<u>733,841</u>	<u>504,705</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 764,700</u></u>	<u><u>\$ 525,717</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CONCORD COALITION, CORP.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
UNRESTRICTED NET ASSETS		
SUPPORT		
GRANTS, CONTRIBUTIONS AND GIFTS	\$ 1,186,468	\$ 1,276,104
PUBLICATIONS AND EVENTS	210,978	283,300
INTEREST INCOME	445	794
	1,397,891	1,560,198
NET ASSETS RELEASED FROM RESTRICTIONS	135,688	73,212
	1,533,579	1,633,410
EXPENSES		
PROGRAM SERVICES	830,515	837,724
MANAGEMENT AND GENERAL	306,248	306,567
FUND RAISING	159,492	134,149
	1,296,255	1,278,440
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	237,324	354,970
TEMPORARILY RESTRICTED NET ASSETS		
SUPPORT FOR RESTRICTED ACTIVITIES	127,500	76,400
NET ASSETS RELEASED FROM RESTRICTIONS		
RESTRICTIONS SATISFIED BY PAYMENT	(135,688)	(73,212)
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	(8,188)	3,188
INCREASE (DECREASE) IN NET ASSETS	229,136	358,157
NET ASSETS AT BEGINNING OF YEAR	504,705	146,548
NET ASSETS AT END OF YEAR	\$ 733,841	\$ 504,705

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CONCORD COALITION, CORP.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
INCREASE (DECREASE) IN NET ASSETS	\$ 229,136	\$ 358,157
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
DEPRECIATION EXPENSES	-	-
CHANGE IN OPERATING ASSETS AND LIABILITIES		
ACCOUNTS RECEIVABLE	-	11,070
PREPAID EXPENSES	184	414
DEPOSITS	-	-
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	<u>9,847</u>	<u>(10,342)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>239,167</u>	<u>359,299</u>
NET INCREASE (DECREASE) IN CASH	239,167	359,299
CASH, BEGINNING OF YEAR	<u>492,942</u>	<u>133,643</u>
CASH, END OF YEAR	<u>\$ 732,109</u>	<u>\$ 492,942</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CONCORD COALITION, CORP.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015				2014			
	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUNDRAISING	TOTAL	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUNDRAISING	TOTAL
SALARIES AND WAGES	\$ 521,465	\$ 88,783	\$ 90,483	\$ 700,731	\$ 595,677	\$ 53,121	\$ 74,706	\$ 723,504
OTHER EMPLOYEE BENEFITS	40,221	9,647	9,239	59,107	39,691	1,852	2,558	44,101
PAYROLL TAXES	39,002	6,237	6,088	51,327	44,454	3,817	5,291	53,562
GRANTS AND ALLOCATIONS	-	-	-	-	12,281	-	-	12,281
SUPPLIES	1,628	4,049	-	5,677	73	2,726	-	2,799
TELEPHONE	1,067	24,587	-	25,654	813	23,582	-	24,395
POSTAGE AND SHIPPING	-	2,046	7,701	9,747	-	1,784	6,321	8,105
RENT (OCCUPANCY)	-	125,581	-	125,581	-	122,226	-	122,226
EQUIPMENT RENTAL AND MAINTENANCE	-	2,766	-	2,766	-	3,710	-	3,710
PRINTING AND PUBLICATIONS	84,403	-	6,347	90,750	73,870	-	4,460	78,330
TRAVEL	41,944	7,030	6,345	55,319	20,777	15,196	6,444	42,417
PRESENTATIONS, CONFERENCES AND MEETINGS	14,988	3,071	-	18,059	7,233	11,695	-	18,928
CONSULTING AND PROFESSIONAL FEES	43,617	19,576	-	63,193	39,000	26,150	-	65,150
ADMINISTRATIVE	42,145	12,290	2,422	56,857	3,855	39,911	3,327	47,093
OTHER	35	585	-	620	-	797	-	797
FUNDRAISING EVENTS	-	-	30,867	30,867	-	-	31,042	31,042
	\$ 830,515	\$ 306,248	\$ 159,492	\$ 1,296,255	\$ 837,724	\$ 306,567	\$ 134,149	\$ 1,278,440

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Concord Coalition, Corp.
Notes to the Financial Statements
December 31, 2015 and 2014

Summary of Significant Accounting Policies

Nature of Organization

The Concord Coalition is a nationwide grassroots organization dedicated to educating the public about the causes and consequences of federal budget deficits and the challenges facing America's unsustainable entitlement programs. A bipartisan, public interest organization, The Concord Coalition works to eliminate federal budget deficits, and seeks generationally equitable reform for Medicare and Social Security, through fiscally responsible policies; thus building a sound economy for future generations.

Basis of Accounting

The financial statements of Concord Coalition, Corp. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization reports its financial statements in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "*Financial Statements of Not-for-Profit Organizations*." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Donated Services

Many people have contributed significant amounts of time to the activities of the Organization without compensation. The financial statements do not reflect the value of those contributed services because, although clearly substantial, they do not meet the criteria for recognition under SFAS No. 116.

Expense Allocation

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

Concord Coalition, Corp.
Notes to the Financial Statements
December 31, 2015 and 2014

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Restricted and Unrestricted Revenue and Support

Contributions are recorded in the year received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed by the straight-line method over the following useful lives:

Furniture and equipment	5 years
Display equipment ("The Debt Clock")	7 years

Maintenance and repairs of property and equipment are charged to operations and major improvements are capitalized. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and gain or loss is included in operations.

Concord Coalition, Corp.
Notes to Financial Statements
December 31, 2015 and 2014

Note 1. Commitments

The Organization leased approximately 4,000 square feet of office space on Arlington Boulevard in Arlington, Virginia. This lease commenced on September 1, 2002, and terminated on August 31, 2009, a period of eighty-four months. The lease continued on a monthly term since August 31, 2009. The rent expense incurred in 2015 and 2014, was \$125,581 and \$122,306, respectively.

Subsequent to the year-end, the Organization leased approximately 1,792 square feet of office space on Wilson Boulevard in Arlington, Virginia. This lease commenced on August 15, 2016 and will terminate on September 30, 2019.

Initial rental amount and future annual lease price escalations under this lease are as follows:

Initial monthly rental amount:	\$ 6,645.33
Annual escalation factor:	1.03
Future minimum lease commitments:	
Year ending Dec. 31, 2016:	\$ 30,295
Year ending Dec. 31, 2017:	80,541
Year ending Dec. 31, 2018:	82,958
Year ending Dec. 31, 2019:	56,400

Note 2. Concentrations of Credit Risk

The Organization maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2015 and 2014, the Organization's uninsured cash balances totaled \$361,585 and \$112,115 respectively. In the opinion of management, these funds are held in stable financial institutions and therefore any uninsured portion does not represent a serious risk to the Organization.

Note 3. Fund-Raising Events

The Organization holds an annual special event to raise funds for continuing operations. The gross revenue and expense amounts are included in the accompanying financial statements. Revenue from the annual event in 2015 and 2014 through ticket sales, revenue received as additional contributions and expenses associated with the events are as follows:

	<u>2015</u>	<u>2014</u>
Ticket Sales	\$ 27,000	\$ 16,600
Additional Contributions	<u>170,000</u>	<u>244,000</u>
Total Revenue	<u>\$197,000</u>	<u>\$ 261,600</u>
Expenses	<u>\$ 30,867</u>	<u>\$ 31,042</u>

Note 4. Operating Leases

The Organization leases office equipment under two operating leases expiring in 2019 and 2021. As of December 31, 2015 future minimum rental payments are:

Year ending: December 31, 2016	\$ 3,296
December 31, 2017	4,832
December 31, 2018	4,832
December 31, 2019	3,512
December 31, 2020	3,072
December 31, 2021	1,536