

**Concord Coalition, Corp.**

**Financial Statements**

**Years Ended December 31, 2016 and 2015**

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# RICHARD A. PITTERLE

CERTIFIED PUBLIC ACCOUNTANT  
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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, 2016 and 2015, 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, 2016 and 2015, 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 10, 2017

**CONCORD COALITION, CORP.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2016 AND 2015**

**ASSETS**

	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS</b>		
CASH AND CASH EQUIVALENTS	\$ 565,927	\$ 732,109
ACCOUNTS RECEIVABLE	-	-
PREPAID EXPENSES	26,464	12,301
	592,391	744,410
<b>TOTAL CURRENT ASSETS</b>		
	592,391	744,410
<b>PROPERTY AND EQUIPMENT</b>		
FURNITURE AND EQUIPMENT	96,991	96,991
DISPLAY EQUIPMENT	24,215	24,215
	121,206	121,206
LESS ACCUMULATED DEPRECIATION	(121,206)	(121,206)
	-	-
<b>TOTAL PROPERTY AND EQUIPMENT</b>		
	-	-
<b>OTHER ASSETS</b>		
DEPOSIT -- OFFICE RENTAL	27,340	20,290
	27,340	20,290
<b>TOTAL ASSETS</b>		
	\$ 619,731	\$ 764,700

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 41,552	\$ 30,859
<b>COMMITMENTS (NOTE 1)</b>		
<b>NET ASSETS</b>		
UNRESTRICTED	578,179	733,841
TEMPORARILY RESTRICTED	-	-
	578,179	733,841
<b>TOTAL NET ASSETS</b>		
	578,179	733,841
<b>TOTAL LIABILITIES AND NET ASSETS</b>		
	\$ 619,731	\$ 764,700

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**CONCORD COALITION, CORP.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>UNRESTRICTED NET ASSETS</b>		
SUPPORT		
GRANTS, CONTRIBUTIONS AND GIFTS	\$ 1,172,485	\$ 1,186,468
PUBLICATIONS AND EVENTS	286,125	210,978
INTEREST INCOME	1,126	445
	1,459,736	1,397,891
NET ASSETS RELEASED FROM RESTRICTIONS	-	135,688
	1,459,736	1,533,579
EXPENSES		
PROGRAM SERVICES	1,079,026	830,515
MANAGEMENT AND GENERAL	383,072	306,248
FUND RAISING	153,300	159,492
	1,615,398	1,296,255
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	<b>(155,662)</b>	<b>237,324</b>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
SUPPORT FOR RESTRICTED ACTIVITIES	-	127,500
NET ASSETS RELEASED FROM RESTRICTIONS		
RESTRICTIONS SATISFIED BY PAYMENT	-	(135,688)
<b>INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS</b>	<b>-</b>	<b>(8,188)</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(155,662)</b>	<b>229,136</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>733,841</b>	<b>504,705</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 578,179</b>	<b>\$ 733,841</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**CONCORD COALITION, CORP.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016				2015			
	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUNDRAISING	TOTAL	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUNDRAISING	TOTAL
SALARIES AND WAGES	\$ 669,463	\$ 114,850	\$ 49,187	\$ 833,500	\$ 521,465	\$ 88,783	\$ 90,483	\$ 700,731
OTHER EMPLOYEE BENEFITS	52,883	12,578	5,852	71,313	40,221	9,647	9,239	59,107
PAYROLL TAXES	48,964	8,216	3,285	60,465	39,002	6,237	6,088	51,327
GRANTS AND ALLOCATIONS	-	-	-	-	-	-	-	-
SUPPLIES	1,177	12,734	-	13,911	1,628	4,049	-	5,677
TELEPHONE	752	25,498	-	26,250	1,067	24,587	-	25,654
POSTAGE AND SHIPPING	-	2,371	4,689	7,060	-	2,046	7,701	9,747
RENT (OCCUPANCY)	-	115,609	-	115,609	-	125,581	-	125,581
EQUIPMENT RENTAL AND MAINTENANCE	-	7,473	-	7,473	-	2,766	-	2,766
PRINTING AND PUBLICATIONS	74,515	-	2,348	76,863	84,403	-	6,347	90,750
TRAVEL	21,277	16,868	5,094	43,239	41,944	7,030	6,345	55,319
PRESENTATIONS, CONFERENCES AND MEETINGS	16,494	27,467	-	43,961	14,988	3,071	-	18,059
CONSULTING AND PROFESSIONAL FEES	174,627	16,500	-	191,127	43,617	19,576	-	63,193
ADMINISTRATIVE	18,874	22,340	6,093	47,307	42,145	12,290	2,422	56,857
OTHER	-	568	147	715	35	585	-	620
FUNDRAISING EVENTS	-	-	76,605	76,605	-	-	30,867	30,867
	<b>\$1,079,026</b>	<b>\$ 383,072</b>	<b>\$ 153,300</b>	<b>\$1,615,398</b>	<b>\$ 830,515</b>	<b>\$ 306,248</b>	<b>\$ 159,492</b>	<b>\$1,296,255</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**CONCORD COALITION, CORP.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
INCREASE (DECREASE) IN NET ASSETS	\$ (155,662)	\$ 229,136
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
DEPRECIATION EXPENSES	-	-
CHANGE IN OPERATING ASSETS AND LIABILITIES		
ACCOUNTS RECEIVABLE	-	-
PREPAID EXPENSES	(14,163)	184
DEPOSITS	(7,050)	-
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	10,693	9,847
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(166,182)</b>	<b>239,167</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	(166,182)	239,167
<b>CASH, BEGINNING OF YEAR</b>	732,109	492,942
<b>CASH, END OF YEAR</b>	\$ 565,927	\$ 732,109

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Concord Coalition, Corp.**  
**Notes to the Financial Statements**  
**December 31, 2016 and 2015**

**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, 2016 and 2015**

**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.

**Notes to the Financial Statements**

**Note 1. Commitments**

The Organization currently leases 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, a period of eighty-four months. The rent expense incurred in 2016 and 2015, was \$115,609 and \$125,581, respectively.

**Concord Coalition, Corp.**  
**Notes to Financial Statements**  
**December 31, 2016 and 2015**

**Note 1. Commitments (cont'd)**

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, 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, 2016 and 2015, the Organization's uninsured cash balances totaled \$ 229,217 and \$ 361,585 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 2016 and 2015 and expenses associated with the events are as follows:

	<u>2016</u>	<u>2015</u>
Revenue	\$ 277,000	\$ 197,000
Expenses	76,605	30,867

**Note 4. Operating Leases**

The Organization leases office equipment under two operating leases expiring in 2019 and 2021. As of December 31, 2016 future minimum rental payments are:

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