

ZERO - The End of Prostate Cancer

Financial Statements
and Independent Auditors' Report

December 31, 2015 and 2014

ZERO - The End of Prostate Cancer

Financial Statements
December 31, 2015 and 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
ZERO - The End of Prostate Cancer

We have audited the accompanying financial statements of ZERO - The End of Prostate Cancer ("ZERO"), which comprise the statements of financial position as of December 31, 2015 and 2014, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ZERO as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 18-19 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Vienna, Virginia
March 30, 2016

ZERO - The End of Prostate Cancer

Statements of Financial Position December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 14,489,223	\$ 3,354,484
Contributions receivable	180,394	25,043,035
Prepaid expenses	189,164	96,365
Employee receivable and other receivable	<u>646</u>	<u>2,744</u>
Total current assets	14,859,427	28,496,628
Investments	1,197,692	837,997
Property and equipment, net	96,580	121,621
Security deposit	<u>13,218</u>	<u>7,213</u>
Total assets	<u>\$ 16,166,917</u>	<u>\$ 29,463,459</u>
Liabilities and Net Assets		
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 86,749	\$ 175,140
Grants payable	<u>13,785,299</u>	<u>27,031,571</u>
Total current liabilities	13,872,048	27,206,711
Deferred rent	60,843	31,663
Charitable gift annuities	<u>7,174</u>	<u>-</u>
Total liabilities	<u>13,940,065</u>	<u>27,238,374</u>
Net Assets		
Unrestricted	2,072,880	1,162,085
Temporarily restricted	<u>153,972</u>	<u>1,063,000</u>
Total net assets	<u>2,226,852</u>	<u>2,225,085</u>
Total liabilities and net assets	<u>\$ 16,166,917</u>	<u>\$ 29,463,459</u>

See accompanying notes.

ZERO - The End of Prostate Cancer

Statement of Activities
For the Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
Revenue and Support			
Grants and contributions	\$ 3,440,503	\$ 12,232,025	\$ 15,672,528
In-kind contributions	628,461	-	628,461
Registration income	297,556	-	297,556
Special events	40,841	-	40,841
Interest and dividends	32,501	-	32,501
Net realized and unrealized loss	(31,151)	-	(31,151)
Merchandise sales	1,884	-	1,884
Net assets released from restrictions	13,141,053	(13,141,053)	-
Total revenue and support	17,551,648	(909,028)	16,642,620
Expenses			
Program services:			
Patient support	11,785,233	-	11,785,233
Research and awareness	3,518,110	-	3,518,110
Advocacy	451,723	-	451,723
Total program services	15,755,066	-	15,755,066
Supporting services:			
Management and general	384,834	-	384,834
Fundraising	480,872	-	480,872
Special events	20,081	-	20,081
Total supporting services	885,787	-	885,787
Total expenses	16,640,853	-	16,640,853
Change in Net Assets	910,795	(909,028)	1,767
Net Assets, beginning of year	1,162,085	1,063,000	2,225,085
Net Assets, end of year	\$ 2,072,880	\$ 153,972	\$ 2,226,852

See accompanying notes.

ZERO - The End of Prostate Cancer

Statement of Activities
For the Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
Revenue and Support			
Grants and contributions	\$ 27,100,357	\$ 1,200,338	\$ 28,300,695
In-kind contributions	554,955	-	554,955
Registration income	291,328	-	291,328
Special events	117,662	-	117,662
Interest and dividends	25,135	-	25,135
Net realized and unrealized gain	6,393	-	6,393
Merchandise sales	1,514	-	1,514
Other income	8	-	8
Net assets released from restrictions	1,100,761	(1,100,761)	-
Total revenue and support	29,198,113	99,577	29,297,690
Expenses			
Program services:			
Patient support	24,234,356	-	24,234,356
Research and awareness	3,855,963	-	3,855,963
Advocacy	329,002	-	329,002
Total program services	28,419,321	-	28,419,321
Supporting services:			
Management and general	332,534	-	332,534
Fundraising	436,149	-	436,149
Special events	74,292	-	74,292
Total supporting services	842,975	-	842,975
Total expenses	29,262,296	-	29,262,296
Change in Net Assets	(64,183)	99,577	35,394
Net Assets, beginning of year	1,226,268	963,423	2,189,691
Net Assets, end of year	\$ 1,162,085	\$ 1,063,000	\$ 2,225,085

See accompanying notes.

ZERO - The End of Prostate Cancer

Statements of Cash Flows For the Years Ended December 31, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities		
Change in net assets	\$ 1,767	\$ 35,394
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized loss (gain)	31,151	(6,393)
Depreciation and amortization	50,812	93,336
Loss on disposal of assets	2,140	65,471
Change in operating assets and liabilities:		
(Increase) decrease in:		
Contributions receivable	24,862,641	5,072,289
Prepaid expenses	(92,799)	46,638
Employee receivable and other receivable	2,098	(852)
Security deposit	(6,005)	(835)
Increase (decrease) in:		
Accounts payable and accrued expenses	(88,391)	31,044
Grants payable	(13,246,272)	(4,224,016)
Deferred rent	29,180	541
Charitable gift annuities	7,174	-
	11,553,496	1,112,617
Cash Flows from Investing Activities		
Purchases of property and equipment	(27,911)	(16,712)
Purchases of investments	(396,299)	(16,963)
Proceeds from sales of investments	5,453	3,391
	(418,757)	(30,284)
Net Increase in Cash and Cash Equivalents	11,134,739	1,082,333
Cash and Cash Equivalents, beginning of year	3,354,484	2,272,151
Cash and Cash Equivalents, end of year	\$ 14,489,223	\$ 3,354,484
Supplementary Disclosure of Cash Flow Information		
Cash paid for interest	\$ 278	\$ 27

See accompanying notes.

ZERO - The End of Prostate Cancer

Notes to Financial Statements
December 31, 2015 and 2014

1. Nature of Operations

Zero - The End of Prostate Cancer (“ZERO”) was formerly known as ZERO - The Project to End Prostate Cancer before changing its name on June 6, 2012. Prior to that date, the organization had been known since May 8, 2008 as National Prostate Cancer Coalition Fund (NPCCF). NPCCF, incorporated under the laws of the District of Columbia on July 7, 1998, was the surviving organization from a merger on December 21, 1998 between NPCCF and National Prostate Cancer Coalition, Inc. (NPCCI), an organization incorporated under the laws of the state of Florida on September 6, 1996.

ZERO’s activities and programs are created to advance research, encourage action, provide patient financial assistance, and promote education and awareness of prostate cancer. Programs are funded primarily through contributions from individuals, foundations, and corporations.

Program Description

ZERO’s mission is to end prostate cancer by protecting federal research dollars and directly funding the most promising prostate cancer research. ZERO will stop the pain and suffering of the disease by educating men and their families, encouraging action, and providing direct financial support to patients. ZERO’s goal is to create Generation ZERO, the first generation of men free from prostate cancer.

ZERO provides comprehensive treatment and education information to patients and their families throughout their prostate cancer journey through ZERO’s website, www.zerocancer.org, a monthly electronic newsletter, and widely distributed videos and printed materials. Through a series of nationwide events including ZERO Prostate Cancer Run/Walk, ZERO Prostate Cancer Golf, ZERO Prostate Cancer Endurance, and the ZERO Prostate Cancer Summit, ZERO is activating the prostate cancer community and increasing research funding while raising awareness and protecting access to care. For men with advanced stage prostate cancer, ZERO provides direct copay assistance and education.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

ZERO’s financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions.

ZERO - The End of Prostate Cancer

Notes to Financial Statements
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2. Summary of Significant Accounting Policies (continued)

Classification of Net Assets

- *Unrestricted net assets* represent funds that are not subject to donor-imposed stipulations and are available for support of ZERO's operations.
- *Temporarily restricted net assets* represent funds subject to donor-imposed restrictions that are met either by actions of ZERO or by the passage of time. Temporarily restricted net assets were \$153,972 and \$1,063,000 at December 31, 2015 and 2014, respectively.

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.

Cash Equivalents

For the purpose of the statements of cash flows, ZERO considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of ninety days or less at the time of purchase. Excluded from this definition of cash equivalents are amounts held in investment portfolios, which are included in investments in the accompanying statements of financial position.

Contributions Receivable

Contributions receivable primarily consist of pledges from corporations, foundations, and individuals. Management expects all contributions receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If management determines the receivable to be uncollectable, it is directly charged off at that time.

All contributions receivable at December 31, 2015 and 2014 are due within one year and are recorded at net realizable value. When contributions are receivable beyond one year, ZERO's policy is to discount those receivables to net present value.

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Notes to Financial Statements
December 31, 2015 and 2014

2. Summary of Significant Accounting Policies (continued)

Investments

Investments are recorded at fair value based on quoted market prices. All realized and unrealized gains and losses are included in the accompanying statements of activities.

Property and Equipment

ZERO capitalizes all property and equipment acquisitions of \$1,000 and above. Property and equipment are carried at cost, if purchased, or fair value at date of donation, if contributed. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 7 years. Expenditures for maintenance and repairs are charged to expenses as incurred.

Charitable Gift Annuities

Annuity obligations arising from split-interest gifts are recognized as charitable gift annuities in the accompanying statements of financial position. The initial liabilities resulting from these gifts are measured at fair value using the present value of the future payments to be made to beneficiaries. These liabilities are subsequently remeasured at the present value of future payments to beneficiaries based on changes in life expectancy and other actuarial assumptions.

Revenue Recognition

Contributions are recognized when the donor makes an unconditional promise to give. ZERO reports gifts of cash and other assets as temporarily restricted if they are received with donor stipulations that limit the use of the donated assets. Temporarily restricted net assets are reported as unrestricted net assets if the restrictions are met in the same period received. 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 statements of activities as net assets released from restrictions. Revenue from all other sources is recognized when earned.

In-Kind Contributions

In-kind contributions consist primarily of advertising, legal fees, promotional items, and meals. These donations are utilized in ZERO's programmatic activities and are recorded at their fair value at the time of donation.

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Notes to Financial Statements
December 31, 2015 and 2014

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

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

Advertising Expense

ZERO expenses advertising costs as incurred. ZERO spent approximately \$545,000 and \$406,000 on advertising during the years ended December 31, 2015 and 2014, respectively, of which approximately \$469,000 and \$372,000 was donated during the years ended December 31, 2015 and 2014, respectively.

Allocation of Joint Costs

For the year ended December 31, 2015, ZERO incurred joint costs of approximately \$104,000 for program event activities that included fundraising appeals. Of those costs, approximately \$86,000 was allocated to program expense, \$10,000 was allocated to fundraising expense, and \$8,000 was allocated to management and general.

For the year ended December 31, 2014, ZERO incurred joint costs of approximately \$178,000 for program event activities that included fundraising appeals. Of those costs, approximately \$149,000 was allocated to program expense, \$17,500 was allocated to fundraising expense, and \$11,500 was allocated to management and general.

Reclassifications

Certain amounts in the 2014 financial statements have been reclassified to conform to the 2015 presentation. These reclassifications have no effect on the change in net assets previously reported.

Subsequent Events

In preparing these financial statements, ZERO has evaluated events and transactions for potential recognition or disclosure through March 30, 2016, the date the financial statements were available to be issued.

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Notes to Financial Statements
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3. Concentrations

Credit Risk

ZERO maintains cash and cash equivalents, and investments at financial institutions in the Washington, DC metropolitan area. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). At times, deposits exceed federally insured limits. Management believes the risk in these situations to be minimal.

Major Donors

As of December 31, 2014, approximately 99% of contributions receivable were due from one donor. During the years ended December 31, 2015 and 2014, approximately \$12,000,000 and \$25,000,000, or 77% and 88%, respectively, of contributions were received from one donor.

4. Investments and Fair Value Measurements

ZERO follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. ZERO recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

Level 1 Investments

Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 assets include money market funds, fixed income securities, bonds, and mutual funds held as investments.

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4. Investments and Fair Value Measurements (continued)

Level 2 Investments

When quoted market prices for similar assets are available in markets that are not active, securities are classified within Level 2 of the valuation hierarchy. Level 2 includes hedge funds and hard assets held as alternative investments. The hedge funds and hard assets are measured in quantifiable units at quoted market prices on a monthly basis by the broker, and the broker's pricing methodology is assessed when determining the fair value hierarchy. Due to the frequency of the availability of market quotations, the hedge funds and hard assets are categorized as Level 2 in the valuation hierarchy.

The following table presents ZERO's fair value hierarchy for those assets measured on a recurring basis at December 31:

	Level 1	Level 2	Level 3	value
<u>2015:</u>				
Cash and money market funds	\$ 81,113	\$ -	\$ -	\$ 81,113
U.S. fixed income – bonds	427,436	-	-	427,436
Mutual funds:				
Large cap	276,157	-	-	276,157
U.S. mid cap	58,096	-	-	58,096
U.S. fixed income	18,672	-	-	18,672
Equities	233,041	-	-	233,041
Alternative assets:				
Hedge funds	-	103,177	-	103,177
Total investments	\$ 1,094,515	\$ 103,177	\$ -	\$ 1,197,692
<u>2014:</u>				
Cash and money market funds	\$ 53,585	\$ -	\$ -	\$ 53,585
U.S. fixed income – bonds	330,697	-	-	330,697
Mutual funds:				
U.S. large cap	152,247	-	-	152,247
U.S. mid cap	37,700	-	-	37,700
U.S. fixed income	13,196	-	-	13,196
Equities	155,401	-	-	155,401
Alternative assets:				
Hedge funds	-	82,323	-	82,323
Hard assets	-	12,848	-	12,848
Total investments	\$ 742,826	\$ 95,171	\$ -	\$ 837,997

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Notes to Financial Statements
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4. Investments and Fair Value Measurements (continued)

Investment income consists of the following for the years ended December 31:

	<u>2015</u>	<u>2014</u>
Interest and dividends	\$ 32,501	\$ 25,135
Net realized and unrealized (loss) gain	<u>(31,151)</u>	<u>6,393</u>
Total investment income	<u>\$ 1,350</u>	<u>\$ 31,528</u>

5. Property and Equipment

Property and equipment consists of the following at December 31:

	<u>2015</u>	<u>2014</u>
Database	\$ 119,378	\$ 119,378
Furniture and equipment	79,698	107,168
Website	<u>49,350</u>	<u>80,700</u>
Total property and equipment	248,426	307,246
Less: accumulated depreciation and amortization	<u>(151,846)</u>	<u>(185,625)</u>
Property and equipment, net	<u>\$ 96,580</u>	<u>\$ 121,621</u>

6. Temporarily Restricted Net Assets

Temporarily restricted net assets were restricted for the following at December 31:

	<u>2015</u>	<u>2014</u>
Purpose restricted	\$ 93,972	\$ 1,063,000
Time restricted	<u>60,000</u>	<u>-</u>
Total temporarily restricted net assets	<u>\$ 153,972</u>	<u>\$ 1,063,000</u>

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Notes to Financial Statements
December 31, 2015 and 2014

6. Temporarily Restricted Net Assets (continued)

Temporarily restricted net assets were released from restrictions as follows for the years ended December 31:

	<u>2015</u>	<u>2014</u>
Purpose restricted	\$ 13,081,053	\$ 1,042,609
Time restricted	<u>60,000</u>	<u>58,152</u>
Total temporarily restricted net assets released from restrictions	<u><u>\$ 13,141,053</u></u>	<u><u>\$ 1,100,761</u></u>

7. Commitments and Contingencies

Operating Lease

ZERO entered into an operating lease for office space, which commenced on August 5, 2009 and expires August 4, 2019. During the year ended December 31, 2015, ZERO entered into an amended lease with the same landlord for a new office space, which commenced on July 27, 2015 and expires July 31, 2025. The amended lease includes incentives and an annual escalation clause of 2.75%, as defined in the lease agreement. ZERO is responsible for its prorated share of real estate taxes and operating expenses. Under accounting principles generally accepted in the United States of America (GAAP), all rental payments, including fixed rent increases, are recognized on a straight-line basis over the term of the lease. The difference between the GAAP rent expense and the required lease payments is reflected as deferred rent in the accompanying statements of financial position.

On September 1, 2009, ZERO entered into an operating lease agreement for office equipment. The lease term was for 39 months and expired on October 31, 2015, requiring monthly payments of \$246. In July 2015, ZERO entered into a new operating lease agreement for office equipment. The lease requires monthly payments of \$208 and expires in June 2018.

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Notes to Financial Statements
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7. Commitments and Contingencies (continued)

Operating Lease (continued)

Future minimum lease payments under all leases are as follows for the years ending December 31:

2016	\$	126,280
2017		155,607
2018		158,568
2019		161,646
2020		166,091
Thereafter		<u>821,017</u>
Total future minimum lease payments	\$	<u>1,589,209</u>

Occupancy expense was approximately \$120,000 and \$91,000 for the years ended December 31, 2015 and 2014, respectively.

8. Line of Credit

ZERO has a secured line of credit (LOC) with a bank expiring June 30, 2016. Under the terms of the agreement, ZERO can draw up to a maximum amount of \$500,000 and ZERO may repay the LOC with interest at either the adjusted LIBOR rate plus 2.30% or a fixed rate per annum equal to the offered rate applicable to such LOC. The bank has a security interest in and a lien upon all marketable securities maintained by ZERO at the bank. The LOC is renewed each year. There was no outstanding balance on the LOC at December 31, 2015 and 2014.

9. Retirement Plan

In 2005, ZERO adopted a Section 403(b) Retirement Plan (“the Plan”). All regular full-time and part-time employees who work seventeen-and-one-half (17.5) hours or more weekly are eligible to participate in the Plan through salary deferrals. Participation in the Plan begins on the first day of employment, and employees become eligible for employer matching contributions after attaining one year of service. Upon eligibility, participants are immediately vested in employer matching contributions. During the year ended December 31, 2015, ZERO began contributing 100% of the first 3% of compensation a participant contributes to the Plan and 50% of the next 2% of compensation a participant contributes to the Plan. The maximum annual employer contribution for a participant is 4% of a participant’s annual salary. Total contribution expense was approximately \$37,000 for the year ended December 31, 2015.

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10. Consultants

Consultant expenses are allocated as follows for the years ended December 31:

	<u>2015</u>	<u>2014</u>
Programs:		
ZPCC	\$ 328,321	\$ 342,588
Advocacy	158,000	25,000
Communications	50,363	12,000
Patient Support	<u>2,441</u>	<u>4,173</u>
Total consultant expenses	<u>\$ 539,125</u>	<u>\$ 383,761</u>

11. In-Kind Contributions

Donated Services

During the years ended December 31, 2015 and 2014, ZERO received donated advertising, legal, and other professional fees amounting to \$570,173 and \$450,742, respectively, which are included in in-kind contributions in the accompanying statements of activities.

Donated Goods

ZERO received promotional items, meals, and various gifts and giveaways for its race programs, which are recorded in the accompanying statements of activities at their estimated fair value at the date of receipt. Donated goods for the years ended December 31, 2015 and 2014 were \$58,288 and \$104,213, respectively.

In-kind contributions consisted of the following for the years ended December 31:

	<u>2015</u>	<u>2014</u>
Advertising	\$ 469,154	\$ 371,853
Gifts and giveaways	43,707	80,741
Legal services	77,999	61,681
Race programs and special events	36,739	37,530
Medical services	<u>862</u>	<u>3,150</u>
Total in-kind contributions	<u>\$ 628,461</u>	<u>\$ 554,955</u>

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12. Patient Assistance Program

During 2013, ZERO established a partnership with another not-for-profit organization to provide assistance for patients being treated for metastatic castrate-resistant prostate cancer (“the Program”). For the years ended December 31, 2015 and 2014, ZERO received contributions of approximately \$12,000,000 and \$25,000,000, respectively, and awarded grants of approximately \$11,500,000 and \$24,000,000, respectively, related to the Program.

13. Income Taxes

ZERO is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). ZERO is, however, subject to income taxes on any unrelated business income. In addition, the Internal Revenue Service (IRS) has determined that ZERO is not a private foundation within the meaning of IRC Section 509(a).

Management has evaluated all tax positions and has concluded that ZERO has taken no uncertain tax positions that qualify for either recognition or disclosure in the accompanying financial statements.

SUPPLEMENTARY INFORMATION

ZERO - The End of Prostate Cancer

Schedule of Functional Expenses
For the Year Ended December 31, 2015

	Program Services				Supporting Services			Total Expenses
	Patient Support	Research and Awareness	Advocacy	Total Program Services	Management and General	Fundraising	Special Events	
Salaries	\$ 122,399	\$ 899,646	\$ 99,864	\$ 1,121,909	\$ 207,548	\$ 285,967	\$ -	\$ 1,615,424
Payroll taxes	8,445	62,417	7,847	78,709	14,529	19,629	-	112,867
Benefits	12,126	130,681	4,197	147,004	40,011	33,988	-	221,003
Consultants	-	329,125	150,000	479,125	30,000	30,000	-	539,125
Advertising and public relations	27,466	917,678	13,837	958,981	1,659	11,602	-	972,242
Special events expense	-	-	-	-	-	-	19,784	19,784
Printing and publications	-	12,785	5,200	17,985	-	-	-	17,985
Postage	5,674	29,868	139	35,681	884	5,581	78	42,224
Travel	-	148,181	136,719	284,900	23,898	6,737	-	315,535
Occupancy	-	83,032	-	83,032	15,644	21,660	-	120,336
Equipment and facilities rental	-	152,128	12,334	164,462	1,181	1,635	-	167,278
Licenses and permits	-	7,580	-	7,580	-	-	-	7,580
Entry fees	-	96,421	-	96,421	-	-	-	96,421
Insurance	-	8,608	-	8,608	5,413	953	-	14,974
Telephone service	-	26,822	-	26,822	7,357	6,740	-	40,919
Repairs and maintenance	-	5,520	-	5,520	1,919	1,440	-	8,879
Depreciation and amortization	-	35,113	-	35,113	6,583	9,116	-	50,812
Dues and state registration	-	36,400	19,767	56,167	14,549	30,556	-	101,272
Office supplies	-	8,685	635	9,320	6,757	2,029	-	18,106
Professional fees	89,123	147,277	-	236,400	2,410	3,337	-	242,147
Bank and credit card fees	-	44,563	500	45,063	924	6,173	219	52,379
Interest expense	-	24	-	24	248	6	-	278
Medical supplies	-	16,540	-	16,540	-	-	-	16,540
Medical testing expense	-	7,316	-	7,316	-	-	-	7,316
Website and database management	-	52,808	684	53,492	694	3,052	-	57,238
Miscellaneous	-	2,573	-	2,573	2,626	671	-	5,870
Grants	11,520,000	256,319	-	11,776,319	-	-	-	11,776,319
Total Expenses	\$ 11,785,233	\$ 3,518,110	\$ 451,723	\$ 15,755,066	\$ 384,834	\$ 480,872	\$ 20,081	\$ 16,640,853

ZERO - The End of Prostate Cancer

Schedule of Functional Expenses
For the Year Ended December 31, 2014

	Program Services				Supporting Services			Total Expenses
	Patient Support	Research and Awareness	Advocacy	Total Program Services	Management and General	Fundraising	Special Events	
Salaries	\$ 106,625	\$ 780,511	\$ 204,097	\$ 1,091,233	\$ 219,828	\$ 267,577	\$ -	\$ 1,578,638
Payroll taxes	7,531	54,542	13,712	75,785	15,377	19,492	-	110,654
Benefits	8,775	72,543	11,620	92,938	22,574	18,099	-	133,611
Consultants	-	358,761	25,000	383,761	-	-	-	383,761
Advertising and public relations	33,867	812,231	1,548	847,646	2,244	11,858	-	861,748
Special events expense	-	-	-	-	-	-	74,292	74,292
Printing and publications	-	9,811	-	9,811	2,218	-	-	12,029
Postage	1,959	32,657	31	34,647	1,715	4,010	-	40,372
Travel	1,042	148,909	41,419	191,370	9,919	2,856	-	204,145
Occupancy	-	62,922	-	62,922	12,660	15,314	-	90,896
Equipment and facilities rental	-	115,029	-	115,029	901	1,089	-	117,019
Licenses and permits	-	7,565	-	7,565	-	54	-	7,619
Entry fees	-	117,099	-	117,099	-	-	-	117,099
Insurance	-	39,254	-	39,254	4,890	1,537	-	45,681
Telephone service	-	21,861	9	21,870	4,597	4,417	-	30,884
Repairs and maintenance	-	2,798	-	2,798	1,557	623	-	4,978
Vehicle operating expense	-	14,949	-	14,949	-	-	-	14,949
Depreciation and amortization	-	64,611	-	64,611	13,000	15,725	-	93,336
Dues and state registration	-	28,552	20,235	48,787	6,353	40,254	-	95,394
Office supplies	-	18,050	1,019	19,069	6,820	4,026	-	29,915
Professional fees	74,557	154,784	10,000	239,341	5,804	9,019	-	254,164
Bank and credit card fees	-	37,497	136	37,633	527	4,910	-	43,070
Interest expense	-	-	-	-	7	20	-	27
Medical supplies	-	5,801	-	5,801	-	-	-	5,801
Medical testing expense	-	11,485	-	11,485	-	-	-	11,485
Website and database management	-	48,982	176	49,158	735	14,294	-	64,187
Miscellaneous	-	4,009	-	4,009	808	975	-	5,792
Grants	24,000,000	830,750	-	24,830,750	-	-	-	24,830,750
Total Expenses	\$ 24,234,356	\$ 3,855,963	\$ 329,002	\$ 28,419,321	\$ 332,534	\$ 436,149	\$ 74,292	\$ 29,262,296