

**ZERO - THE END OF PROSTATE CANCER**

**AUDITED FINANCIAL STATEMENTS**

**December 31, 2013 and 2012**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Zero - The End of Prostate Cancer  
Alexandria, VA

***Report on the Financial Statements***

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, 2013 and 2012, and the related statements of activities, functional expenses 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 control 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 audits to obtain reasonable assurance about whether the financial statements are free from 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.

Zero - The End of Prostate Cancer  
Independent Auditor's Report

***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, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Drolet + Associates, P.L.L.C.*

Washington, DC  
March 12, 2014

**ZERO - THE END OF PROSTATE CANCER**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2013 and 2012

	2013	2012
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,272,151	\$ 251,921
Contributions receivable	30,115,324	95,801
Employee receivable and other receivable	1,892	5,790
Prepaid expenses	143,003	51,190
<b>TOTAL CURRENT ASSETS</b>	<b>32,532,370</b>	404,702
<b>INVESTMENTS</b>	<b>818,032</b>	752,617
<b>PROPERTY AND EQUIPMENT, net</b>	<b>263,716</b>	261,069
<b>CONTRIBUTIONS RECEIVABLE, net of current portion and discount</b>	<b>-0-</b>	59,364
<b>SECURITY DEPOSIT</b>	<b>6,378</b>	6,378
<b>TOTAL ASSETS</b>	<b>\$ 33,620,496</b>	\$ 1,484,130
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 144,096	\$ 254,339
Grants payable	31,255,587	267,330
Line of credit payable	-0-	450,000
Deferred revenue	-0-	17,369
<b>TOTAL CURRENT LIABILITIES</b>	<b>31,399,683</b>	989,038
<b>DEFERRED RENT</b>	<b>31,122</b>	28,065
<b>TOTAL LIABILITIES</b>	<b>31,430,805</b>	1,017,103
<b>NET ASSETS</b>		
Unrestricted	1,226,268	273,549
Temporarily restricted	963,423	193,478
<b>TOTAL NET ASSETS</b>	<b>2,189,691</b>	467,027
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 33,620,496</b>	\$ 1,484,130

*The accompanying notes are an integral part of these financial statements.*

**ZERO - THE END OF PROSTATE CANCER**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended December 31, 2013**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES</b>			
Grants and contributions	\$ 46,938,438	\$ 887,993	\$ 47,826,431
In-kind contributions	705,822		705,822
Special events	265,665		265,665
Interest and dividends	13,512		13,512
Gain on investments	57,195		57,195
Merchandise sales	2,802		2,802
Net assets released from restrictions	118,048	(118,048)	-0-
<b>TOTAL REVENUES</b>	<b>48,101,482</b>	<b>769,945</b>	<b>48,871,427</b>
<b>EXPENSES</b>			
Programs	46,345,829		46,345,829
Special events expense	136,195		136,195
Management and general	399,078		399,078
Fundraising	267,661		267,661
<b>TOTAL EXPENSES</b>	<b>47,148,763</b>		<b>47,148,763</b>
<b>CHANGE IN NET ASSETS</b>	<b>952,719</b>	<b>769,945</b>	<b>1,722,664</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>273,549</b>	<b>193,478</b>	<b>467,027</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 1,226,268</b>	<b>\$ 963,423</b>	<b>\$ 2,189,691</b>

*The accompanying notes are an integral part of these financial statements.*

**ZERO - THE END OF PROSTATE CANCER**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended December 31, 2012**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES</b>			
Grants and contributions:	\$ 3,332,574	\$ 80,000	\$ 3,412,574
In-kind contributions	939,875		939,875
Special events	215,482		215,482
Interest and dividends	14,056		14,056
Gain on investments	41,285		41,285
Merchandise sales	1,427		1,427
Net assets released from restrictions	100,571	(100,571)	-0-
<b>TOTAL REVENUES</b>	4,645,270	(20,571)	4,624,699
<b>EXPENSES</b>			
Programs	4,114,625		4,114,625
Special events expense	173,458		173,458
Management and general	286,180		286,180
Fundraising	322,238		322,238
<b>TOTAL EXPENSES</b>	4,896,501		4,896,501
<b>CHANGE IN NET ASSETS</b>	(251,231)	(20,571)	(271,802)
<b>NET ASSETS, BEGINNING OF YEAR</b>	524,780	214,049	738,829
<b>NET ASSETS, END OF YEAR</b>	\$ 273,549	\$ 193,478	\$ 467,027

*The accompanying notes are an integral part of these financial statements.*

**ZERO - THE END OF PROSTATE CANCER**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For The Year Ended December 31, 2013**

	Programs	Special Events	Management & General	Fundraising	Total
Salaries	\$ 883,925		\$ 181,874	\$ 137,174	\$ 1,202,973
Payroll taxes	61,595		12,685	9,528	83,808
Benefits	78,388		13,824	5,697	97,909
Consultants	372,361			15,015	387,376
Advertising and public relations	826,925		7,272	23,911	858,108
Special events expense		\$ 136,195			136,195
Printing and publications	6,357				6,357
Postage	24,431		1,705	1,474	27,610
Travel	360,173		14,854	18,626	393,653
Occupancy	65,792		13,956	10,526	90,274
Equipment and facilities rental	82,935		1,933	1,326	86,194
Licenses and permits	14,052			198	14,250
Entry fees	67,894				67,894
Insurance	33,023		1,962	634	35,619
Telephone service	20,878		4,853	2,768	28,499
Repairs and maintenance	4,590		2,932	973	8,495
Vehicle operating expense	19,982				19,982
Depreciation	77,949		4,308	11,971	94,228
Dues and state registration	32,777		4,320	9,402	46,499
Office supplies	6,125		4,366	924	11,415
Professional fees	135,350		119,474	7,375	262,199
Bank and credit card fees	34,778		716	2,146	37,640
Interest expense	4,289		949	686	5,924
Medical supplies	3,163				3,163
Medical testing expense	16,551				16,551
Website & database management	60,218		2,520	6,824	69,562
Miscellaneous	3,021		4,575	483	8,079
Grants	43,048,307				43,048,307
<b>TOTAL</b>	<b>\$ 46,345,829</b>	<b>\$ 136,195</b>	<b>\$ 399,078</b>	<b>\$ 267,661</b>	<b>\$ 47,148,763</b>

*The accompanying notes are an integral part of these financial statements.*



**ZERO - THE END OF PROSTATE CANCER**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For The Year Ended December 31, 2012**

	Programs	Special Events	Management & General	Fundraising	Total
Salaries	\$ 877,280		\$ 114,844	\$ 172,958	\$ 1,165,082
Payroll taxes	56,505		6,797	10,829	74,131
Benefits	82,380		4,767	7,998	95,145
Consultants	345,121		36,500		381,621
Advertising and public relations	1,235,311		725	7,225	1,243,261
Special events expense		\$ 173,458			173,458
Printing and publications	5,857		99	148	6,104
Postage	14,444		1,860	2,796	19,100
Travel	384,973		42,741	64,243	491,957
Occupancy	70,458		9,075	13,641	93,174
Equipment and facilities rental	132,108		2,413	3,627	138,148
Licenses and permits	20,116		442	664	21,222
Entry fees	68,111				68,111
Insurance	38,602		1,087	1,633	41,322
Telephone service	23,369		3,010	4,524	30,903
Repairs and maintenance	5,031		628	943	6,602
Vehicle operating expense	25,586				25,586
Depreciation	65,369		3,511	5,276	74,156
Dues and state registration	33,821		400	6,610	40,831
Office supplies	4,100		528	794	5,422
Professional fees	92,218		47,630	4,830	144,678
Bank and credit card fees	15,820		2,038	3,063	20,921
Interest expense	7,162		922	1,386	9,470
Medical supplies	9,495				9,495
Medical testing expense	18,031				18,031
Website & database management	135,165		5,524	8,303	148,992
Miscellaneous	3,848		639	747	5,234
Grants	344,344				344,344
<b>TOTAL</b>	<b>\$ 4,114,625</b>	<b>\$ 173,458</b>	<b>\$ 286,180</b>	<b>\$ 322,238</b>	<b>\$ 4,896,501</b>

*The accompanying notes are an integral part of these financial statements.*

**ZERO - THE END OF PROSTATE CANCER**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2013 and 2012

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>CHANGE IN NET ASSETS</b>	<b>\$ 1,722,664</b>	<b>\$ (271,802)</b>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	94,228	74,156
Loss on disposal	136	-0-
Gain on investments	(57,195)	(41,285)
(Increase) decrease in contributions receivable	(29,960,159)	43,887
Decrease (increase) in employee receivable and other receivables	3,898	(3,218)
(Increase) decrease in prepaid expenses	(91,813)	885
Decrease in inventory	-0-	8,441
(Decrease) increase in accounts payable and accrued expenses	(110,243)	106,208
Increase in grants payable	30,988,257	118,154
(Decrease) increase in deferred revenue	(17,369)	6,525
Increase in deferred rent	3,057	5,501
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>2,575,461</b>	<b>47,452</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(97,011)	(183,013)
Purchase of investments	(408,777)	(139,108)
Proceeds from sales of investments	400,557	134,452
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(105,231)</b>	<b>(187,669)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings on line of credit	-0-	250,000
Principal payments on line of credit	(450,000)	(100,000)
<b>NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES</b>	<b>(450,000)</b>	<b>150,000</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,020,230</b>	<b>9,783</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>251,921</b>	<b>242,138</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 2,272,151</b>	<b>\$ 251,921</b>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid	\$ 5,924	\$ 9,470

*The accompanying notes are an integral part of these financial statements.*

**ZERO - THE END OF PROSTATE CANCER**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013 and 2012**

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**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization** Zero - The End of Prostate Cancer (ZERO) formerly known as Zero - The Project to End Prostate Cancer and the National Prostate Cancer Coalition Fund (NPCCF). NPCCF was formerly known as the National Prostate Cancer Coalition, Inc. (NPCCI). NPCCI was originally incorporated under the laws of the state of Florida on September 6, 1996, and NPCCF was incorporated under the laws of the District of Columbia on July 7, 1998. On December 21, 1998, NPCCI merged with NPCCF. On May 8, 2008, the Board of Directors voted to change the organization's name from 'National Prostate Cancer Coalition Fund' to "ZERO - The Project to End Prostate Cancer". On June 6, 2012, the Board of Directors voted to further change the organization's name to ZERO - The End of Prostate Cancer.

ZERO's primary activities and programs are created to advance research, encourage action, provide patient financial assistance, and promote education and awareness of prostate cancer.

**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](http://www.zerocancer.org), 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. The ZERO Prostate Cancer Drive, a mobile medical testing program, provides free prostate cancer testing across the U.S. For men with advanced stage prostate cancer, ZERO provides direct copay assistance and education.

**Sources of  
Revenue**

Contributions and grants are primarily received from individuals, corporations, foundations and special events.

**Cash and Cash  
Equivalents**

Cash equivalents consist of funds invested in interest and non-interest bearing checking and operating accounts.

**Investments**

Investments consist of money market funds, fixed income mutual funds, foreign exchange funds and equity securities which are recorded at fair market value.

**ZERO - THE END OF PROSTATE CANCER**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2013 and 2012**

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**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**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 is required. It is management's policy to charge off uncollectible receivables when management determines the receivable will not be collected.

**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 is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expense as incurred.

**Tax Status**

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

ZERO requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. ZERO does not believe its financial statements include, or reflect, any uncertain tax positions.

ZERO's Form 990, *Return of Organization Exempt from Income Tax*, is open to examination by the taxing authorities, generally for three years after it is filed.

**Contributions**

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. Restricted contributions for which the restrictions are met in the year received are considered unrestricted for financial statement purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Functional  
Expense Allocation**

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

**Donated Services**

Donated 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 ZERO.

**ZERO - THE END OF PROSTATE CANCER**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2013 and 2012**

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**Advertising Expenses**

ZERO expenses advertising costs as incurred. ZERO spent approximately \$496,000 and \$842,000 on advertising during the years ended December 31, 2013 and 2012, respectively, of which approximately \$461,000 and \$365,000 was donated during the years ended December 31, 2013 and 2012, respectively.

**Allocation of Joint Costs**

For the year ended December 31, 2013, ZERO incurred joint costs of approximately \$142,200 for program events activities that included fundraising appeals. Of those costs, approximately \$115,600 was allocated to program expense, \$13,400 was allocated to fundraising expense and \$13,200 was allocated to management and general.

For the year ended December 31, 2012, ZERO incurred joint costs of approximately \$115,500 for program events activities that included fundraising appeals. Of those costs, approximately \$103,900 was allocated to program expense, \$5,800 was allocated to fundraising expense and \$5,800 was allocated to management and general.

**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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassifications**

Certain 2012 amounts have been reclassified for comparative purposes.

**NOTE B - CONTRIBUTIONS RECEIVABLE**

ZERO has recorded contributions receivable at the present value of estimated future cash flows as of December 31, 2013 and 2012. Contributions receivable due in more than one year are discounted at a rate 2%. ZERO had contributions receivable as follows as of December 31, 2013 and 2012:

<b>Description</b>	<b>2013</b>	<b>2012</b>
Receivable in less than one year	<b>\$ 30,115,324</b>	\$ 95,801
Receivable in one to five years	<b>-0-</b>	63,048
Total contributions receivable	<b>30,115,324</b>	158,849
Less: discount to net present value	<b>-0-</b>	(3,684)
<b>Net contributions receivable</b>	<b>\$ 30,115,324</b>	<b>\$ 155,165</b>

**ZERO - THE END OF PROSTATE CANCER**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2013 and 2012**

**NOTE C - FAIR VALUE MEASUREMENTS**

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

**Level 1** - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets (examples include equity securities);

**Level 2** - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active (examples include corporate or municipal bonds);

**Level 3** - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs into the determination of fair value require significant management judgment (examples include certain private equity securities and split interest agreements).

The following presents ZERO's assets measured at fair value as of December 31, 2013 and 2012:

<b>December 31, 2013</b>	<b>Fair Value</b>	<b>Level 1</b>
Cash and money market funds	\$ 55,609	\$ 55,609
US fixed income - bonds	203,883	203,883
US fixed income - mutual funds	130,276	130,276
Foreign exchange	5,769	5,769
Equities	324,291	324,291
Mutual funds	98,204	98,204
<b>Total investments</b>	<b>\$ 818,032</b>	<b>\$ 818,032</b>
<b>December 31, 2012</b>	<b>Fair Value</b>	<b>Level 1</b>
Cash and money market funds	\$ 35,375	\$ 35,375
US fixed income - bonds	203,630	203,630
US fixed income - mutual funds	145,330	145,330
Foreign exchange	16,464	16,464
Equities	270,901	270,901
Mutual funds	80,917	80,917
<b>Total investments</b>	<b>\$ 752,617</b>	<b>\$ 752,617</b>

**ZERO - THE END OF PROSTATE CANCER**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2013 and 2012**

**NOTE D - PROPERTY AND EQUIPMENT**

As of December 31, 2013 and 2012, property and equipment consisted of the following:

<b>Description</b>	<b>2013</b>	<b>2012</b>
Property and equipment	\$ 137,117	\$ 126,380
Screening vehicles	506,723	500,388
Website	66,700	49,850
Database	119,378	56,807
Less accumulated depreciation	(566,202)	(472,356)
<b>Property and equipment, net</b>	<b>\$ 263,716</b>	<b>\$ 261,069</b>

**NOTE E - OPERATING LEASES**

ZERO entered into an operating lease for office space which commenced on August 5, 2009 and expires August 4, 2019. The lease includes an annual escalation clause 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 statement of financial position.

On September 1, 2009, ZERO entered into an operating lease agreement for office equipment. The lease term was for three years and expired August 31, 2012. Upon termination, ZERO entered into a new lease agreement for office equipment which expires October 31, 2015.

The following is a schedule of future minimum annual lease payments:

<b>Year ending December 31,</b>	<b>Amount</b>
<b>2014</b>	<b>\$ 89,349</b>
<b>2015</b>	<b>91,448</b>
<b>2016</b>	<b>91,658</b>
<b>2017</b>	<b>94,405</b>
<b>2018</b>	<b>97,241</b>
<b>Thereafter</b>	<b>58,772</b>
<b>Total future minimum lease payments</b>	<b>\$ 522,873</b>

Rent expense was approximately \$90,000 and \$93,000 for the years ended December 31, 2013 and 2012, respectively.

**ZERO - THE END OF PROSTATE CANCER**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2013 and 2012**

**NOTE F - LINE OF CREDIT**

ZERO has a secured line of credit (LOC) with a bank expiring December 31, 2014. 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 2.10% 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. As of December 31, 2013 and 2012, the outstanding balance on the LOC was \$0 and \$450,000, respectively.

**NOTE G - TEMPORARILY RESTRICTED NET ASSETS**

As of December 31, 2013 and 2012, temporarily restricted net assets consisted of the following:

<b>Description</b>	<b>2013</b>	<b>2012</b>
Time restriction	<b>\$ 58,152</b>	\$ 113,478
Purpose restriction	<b>905,271</b>	80,000
<b>Total temporarily restricted net assets</b>	<b>\$ 963,423</b>	\$ 193,478

For the years ended December 31, 2013 and 2012, net assets were released from restrictions as follows:

<b>Description</b>	<b>2013</b>	<b>2012</b>
Time restriction	<b>\$ 63,048</b>	\$ 85,571
Purpose restriction	<b>55,000</b>	15,000
<b>Total net assets released from restrictions</b>	<b>\$ 118,048</b>	\$ 100,571

**NOTE H - CONCENTRATIONS**

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

As of December 31, 2013, approximately \$30,000,000 or 99% of contributions receivable was due from one contributor. As of December 31, 2012, approximately \$146,000 or 94% of contributions receivable was due from two contributors.

As of December 31, 2013, approximately \$44,500,000 or 93% of contributions came from one donor.



**ZERO - THE END OF PROSTATE CANCER**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2013 and 2012**

**NOTE I - 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 the month following ninety (90) days after the date of hire. ZERO does not contribute to the Plan.

**NOTE J - CONSULTANTS**

For the years ended December 31, 2013 and 2012, consultant expenses are allocated as follows:

<b>Description</b>	<b>2013</b>	<b>2012</b>
Consultants - Drive Against Prostate Cancer	<b>\$ 9,060</b>	\$ 47,240
Consultants - Race Programs	<b>-0-</b>	12,455
Consultants - ZPCC	<b>269,075</b>	195,381
Consultants - Communications	<b>94,226</b>	90,045
<b>Total Programs</b>	<b>372,361</b>	345,121
Fundraising	<b>15,015</b>	-0-
Management & general	<b>-0-</b>	36,500
<b>Total Consultants</b>	<b>\$ 387,376</b>	\$ 381,621

**NOTE K - DONATED SERVICES AND SUPPLIES**

For the years ended December 31, 2013 and 2012, donated services and supplies consisted of the following:

<b>Description</b>	<b>2013</b>	<b>2012</b>
Medical services	<b>\$ 1,250</b>	\$ 35,380
Legal services	<b>76,180</b>	14,837
Advertising	<b>461,264</b>	365,511
Gifts and giveaways	<b>56,590</b>	25,905
Race programs and special events	<b>110,538</b>	498,242
<b>Total</b>	<b>\$ 705,822</b>	\$ 939,875

**ZERO - THE END OF PROSTATE CANCER**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2013 and 2012**

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**NOTE L – 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 year ended December 31, 2013, ZERO received contributions of approximately \$44,505,000 and awarded grants of approximately \$42,730,000 related to the Program.

**NOTE M - SUBSEQUENT EVENTS**

Subsequent events were evaluated through March 12, 2014, which is the date the financial statements were available to be issued.