

ZERO - THE PROJECT TO END PROSTATE CANCER
AUDITED FINANCIAL STATEMENTS
December 31, 2011 and 2010

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Drolet + Associates PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
ZERO - The Project to End Prostate Cancer
Washington, DC

Report of Independent Auditors

We have audited the accompanying statements of financial position of ZERO - The Project to End Prostate Cancer (ZERO) as of December 31, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of ZERO's management. 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. These standards require that we plan and perform the audits 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ZERO - The Project to End Prostate Cancer as of December 31, 2011 and 2010, 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, PLLC

Washington, DC
October 25, 2012

ZERO - THE PROJECT TO END PROSTATE CANCER
STATEMENTS OF FINANCIAL POSITION
December 31, 2011 and 2010

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 242,138	\$ 234,713
Contributions receivable	85,574	78,048
Employee receivable and other receivable	2,572	3,600
Prepaid expenses	52,075	10,462
Inventory	8,441	16,303
TOTAL CURRENT ASSETS	390,800	343,126
INVESTMENTS	706,676	-0-
PROPERTY AND EQUIPMENT		
Property and equipment	120,203	131,147
Screening vehicles	398,859	395,514
Website development	31,350	31,350
Less accumulated depreciation	(398,200)	(370,773)
TOTAL PROPERTY AND EQUIPMENT	152,212	187,238
CONTRIBUTION RECEIVABLE - net of current portion and discount	113,478	176,526
SECURITY DEPOSIT	6,378	6,344
TOTAL ASSETS	\$ 1,369,544	\$ 713,234
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 297,307	\$ 116,551
Line of credit payable	300,000	-0-
Deferred revenue	10,844	43,090
TOTAL CURRENT LIABILITIES	608,151	159,641
DEFERRED RENT	22,564	14,691
TOTAL LIABILITIES	630,715	174,332
NET ASSETS		
Unrestricted	524,780	243,828
Temporarily restricted	214,049	295,074
TOTAL NET ASSETS	738,829	538,902
TOTAL LIABILITIES AND NET ASSETS	\$ 1,369,544	\$ 713,234

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

ZERO - THE PROJECT TO END PROSTATE CANCER
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2011

	Unrestricted	Temporarily Restricted	Total
REVENUES			
Grants and contributions:			
Individuals	\$ 185,611		\$ 185,611
Foundations and Organizations	58,234		58,234
Corporations	1,279,706	\$ 32,523	1,312,229
Special event programs	2,410,250	5,000	2,415,250
In-kind contributions	569,275		569,275
Interest and dividends	7,568		7,568
Realized/unrealized loss on investments	(5,983)		(5,983)
Merchandise sales	4,914		4,914
Other	6,630		6,630
Net assets released from restrictions	118,548	(118,548)	-0-
TOTAL REVENUES	4,634,753	(81,025)	4,553,728
EXPENSES			
Programs	3,869,321		3,869,321
Management and general	187,277		187,277
Fundraising	297,203		297,203
TOTAL EXPENSES	4,353,801		4,353,801
CHANGE IN NET ASSETS	280,952	(81,025)	199,927
NET ASSETS, BEGINNING OF YEAR	243,828	295,074	538,902
NET ASSETS, END OF YEAR	\$ 524,780	\$ 214,049	\$ 738,829

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

ZERO - THE PROJECT TO END PROSTATE CANCER
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2010

	Unrestricted	Temporarily Restricted	Total
REVENUES			
Grants and contributions:			
Individuals	\$ 253,229	\$ 239,574	\$ 492,803
Foundations and Organizations	134,610		134,610
Corporations	433,610	55,500	489,110
Special event programs	1,096,896		1,096,896
In-kind contributions	791,761		791,761
Interest and dividends	122		122
Merchandise sales	1,307		1,307
Other	1,200		1,200
Net assets released from restrictions	169,250	(169,250)	-0-
TOTAL REVENUES	2,881,985	125,824	3,007,809
EXPENSES			
Programs	2,746,514		2,746,514
Management and general	103,479		103,479
Fundraising	193,012		193,012
TOTAL EXPENSES	3,043,005		3,043,005
CHANGE IN NET ASSETS	(161,020)	125,824	(35,196)
NET ASSETS, BEGINNING OF YEAR	404,848	169,250	574,098
NET ASSETS, END OF YEAR	\$ 243,828	\$ 295,074	\$ 538,902

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

ZERO - THE PROJECT TO END PROSTATE CANCER
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2011

	Programs	Management & General	Fundraising	Total
Salaries	\$ 912,555	\$ 69,352	\$ 87,422	\$ 1,069,329
Payroll taxes	61,790	4,697	5,920	72,407
Benefits	73,832	5,607	7,070	86,509
Consultants	111,985		20,000	131,985
Temporaries and interns	1,580			1,580
Advertising and public relations	620,225	5,761	14,531	640,517
Program special events expense	769,779	42,765	42,765	855,309
Printing and publications	17,127	269	302	17,698
Postage	31,168	3,449	18,561	53,178
Travel	285,976	20,949	26,407	333,332
Occupancy	80,464	6,115	7,708	94,287
Insurance	33,516	633	798	34,947
Telephone service	24,698	1,876	2,367	28,941
Equipment rental and maintenance	25,283	1,833	22,439	49,555
Vehicle operating expense	90,106			90,106
Depreciation	49,413	3,755	4,734	57,902
Dues and state registration	34,727	2,639	7,599	44,965
Office supplies	8,060	613	772	9,445
Professional fees	76,606	4,711	12,937	94,254
Bank fees	11,823	899	1,133	13,855
Interest expense	750	57	72	879
Medical supplies	11,599			11,599
Medical testing expense	28,801			28,801
Website & database management	125,576	9,544	12,030	147,150
Miscellaneous	5,727	780	410	6,917
Cost of goods sold	12,795	973	1,226	14,994
Donation	363,360			363,360
TOTAL	\$ 3,869,321	\$ 187,277	\$ 297,203	\$ 4,353,801

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

ZERO - THE PROJECT TO END PROSTATE CANCER
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2010

	Programs	Management & General	Fundraising	Total
Salaries	\$ 761,246	\$ 44,779	\$ 89,559	\$ 895,584
Payroll taxes	54,506	3,206	6,413	64,125
Benefits	60,950	3,585	7,171	71,706
Consultants	94,535	255	509	95,299
Temporaries and interns	1,586	93	187	1,866
Advertising and public relations	729,210	2,484	4,968	736,662
Program special events expense	324,293	18,016	18,016	360,325
Printing and publications	15,976	940	1,879	18,795
Postage	23,427	1,378	2,756	27,561
Travel	105,348	6,196	12,393	123,937
Occupancy	78,838	4,637	9,275	92,750
Insurance	33,062	443	888	34,393
Telephone service	24,389	1,435	2,869	28,693
Equipment rental and maintenance	17,099	1,006	2,012	20,117
Vehicle operating expense	102,149	779	1,558	104,486
Depreciation	51,550	3,032	6,065	60,647
Dues and state registration	20,086	1,181	6,429	27,696
Office supplies	5,859	345	689	6,893
Professional fees	52,414	3,084	6,166	61,664
Bank fees	6,987	412	822	8,221
Interest expense	117	7	14	138
Medical supplies	2,278			2,278
Medical testing expense	30,393			30,393
Website & database management	96,115	5,653	11,308	113,076
Miscellaneous	7,569	444	890	8,903
Cost of goods sold	623	37	73	733
Donation	45,029			45,029
Loss on disposal	880	52	103	1,035
TOTAL	\$ 2,746,514	\$ 103,479	\$ 193,012	\$ 3,043,005

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

ZERO - THE PROJECT TO END PROSTATE CANCER
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	\$ 199,927	\$ (35,196)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	57,902	60,647
Loss on disposal of property and equipment	-0-	1,035
Realized/unrealized loss on investments	5,983	-0-
Decrease (increase) in contributions receivable	55,522	(85,324)
Decrease (increase) in employee receivable and other receivable	1,028	(3,433)
Increase in prepaid expenses	(41,613)	(9,605)
Decrease (increase) in inventory	7,862	(12,832)
Increase in deposits	(34)	(26)
Increase in accounts payable and accrued expenses	180,756	26,736
(Decrease) increase in deferred revenue	(32,246)	43,090
Increase in deferred rent	7,873	10,176
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	442,960	(4,732)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(22,876)	(34,758)
Purchase of Investments	(712,659)	-0-
Proceeds from insurance claim	-0-	505
NET CASH USED IN INVESTING ACTIVITIES	(735,535)	(34,253)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on line of credit	300,000	-0-
NET CASH PROVIDED BY FINANCING ACTIVITIES	300,000	-0-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,425	(38,985)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	234,713	273,698
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 242,138	\$ 234,713
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ 879	\$ 138

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

ZERO - THE PROJECT TO END PROSTATE CANCER
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

ZERO - The Project to End Prostate Cancer (ZERO) was, formerly known as 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, NPCCF merged with NPCCI. On May 8, 2008, the Board of Directors voted to change the organization's name to ZERO - The Project to End Prostate Cancer. ZERO's primary activities include increasing public awareness of prostate cancer and serving as an advocate for action, advances and change regarding the disease.

The Board of Directors voted in December 2005 to establish the Drive Against Prostate Cancer, LLC (the LLC) as a wholly owned subsidiary of ZERO. The LLC was formally established on January 23, 2006 pursuant to the Delaware Limited Liability Act and is intended as a organizational instrument to facilitate the work of the drive against prostate cancer.

In April 2006, the LLC received donated contributions of two RV vehicles valued at approximately \$395,000. For the year ended December 31, 2010, the LLC received in-kind contributions of approximately \$92,000 for qualified drivers, maintenance, fuel, storage and other operational costs of the vehicles in conducting the screening program. On July 14, 2010, the LLC was dissolved and a Certificate of Cancellation was issued. The assets of the LLC were absorbed by ZERO. All activities of the LLC through July 14, 2010 were included in the books of ZERO. The LLC was considered a disregarded entity for tax purposes and all activity was included in ZERO's filings.

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.

**Cash and Cash
Equivalents**

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

**Contributions
Receivable**

Contributions are recognized when the donor makes an unconditional promise to give. 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.

ZERO - THE PROJECT TO END PROSTATE CANCER
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2011 and 2010

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

Inventory	Inventory consists of ZERO t-shirts, hats, water bottles and pins and is stated at cost.
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.
Investments	Investments consists of money market funds, fixed income mutual funds, foreign exchange funds and equity securities which are recorded at fair market value.
Contributions	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.
Sources of Revenue	Contributions and grants are primarily received from individuals, corporations and foundations and special events.
Donated Services and Supplies	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.
Functional Allocation of Expenses	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

ZERO - THE PROJECT TO END PROSTATE CANCER
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2011 and 2010

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

**Allocation of
Joint Costs**

In 2011, ZERO incurred joint costs of approximately \$855,400 for program events activities that included fundraising appeals. Of those costs, approximately \$769,800 was allocated to program expense, \$42,800 was allocated to fundraising expense and \$42,800 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 2010 amounts have been reclassified for comparative purposes.

**Accounting for
Uncertain Tax
Positions**

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.

Tax years from December 31, 2008 through the current year remain open for examination.

**Program
Description**

ZERO's name speaks to its mission. Zero PSA. Zero prostate cancer cases. Zero prostate cancer deaths. Zero tolerance for prostate cancer. All of which leads to ZERO's goal: Generation ZERO, the first generation of men free from prostate cancer. ZERO provides comprehensive treatment information to patients and education to those at-risk through ZERO's website (www.zerocancer.org) and free electronic newsletter Aware. The Drive Against Prostate Cancer mobile medical testing program provides free prostate cancer testing across the U.S. while the Dash for Dad/Great Prostate Cancer Challenge race series, Prostate Cancer Awareness Month, the DEPEND Campaign to End Prostate Cancer, Know Your Score: Fight Prostate Cancer and the Summit to End Prostate Cancer raises awareness and engages communities in the quest to achieve Generation ZERO.

ZERO - THE PROJECT TO END PROSTATE CANCER
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2011 and 2010

NOTE B - CONCENTRATION

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.

One member of the Board of Directors contributed a total of \$100,000 to ZERO during 2010.

At December 31, 2011, approximately \$176,000 or 89% of contributions receivable was due from one contributor. At December 31, 2010, approximately \$240,000 or 94% of contributions receivable was due from one contributor.

At December 31, 2011, approximately \$1,000,000 or 22% of contributions came from one donor.

NOTE C - CONTRIBUTIONS RECEIVABLE

ZERO has recorded contributions receivable at the present value of estimated future cash flows as of December 31, 2011 and 2010. Contributions receivable due in more than one year are discounted at a rate of approximately 2%.

ZERO had contributions receivable as follows as of December 31, 2011 and 2010:

Description	2011	2010
Receivable in less than one year	\$ 85,574	\$ 78,048
Receivable in one to five years	126,096	189,144
Total contributions receivable	211,670	267,192
Less: discount to net present value	(12,618)	(12,618)
Net contributions receivable	\$ 199,052	\$ 254,574

NOTE D - TEMPORARILY RESTRICTED NET ASSETS

As of December 31, 2011 and 2010, temporarily restricted net assets consisted of the following:

Description	2011	2010
Time restriction	\$ 199,049	\$ 254,574
Purpose restriction	15,000	40,500
Total	\$ 214,049	\$ 295,074

ZERO - THE PROJECT TO END PROSTATE CANCER
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2011 and 2010

NOTE D - TEMPORARILY RESTRICTED NET ASSETS (Continued)

Net assets were released from restrictions during 2011 and 2010 as follows:

Description	2011	2010
Time restriction	\$ 78,048	\$ 169,250
Purpose restriction	40,500	-0-
Total	\$ 118,548	\$ 169,250

NOTE E - OPERATING LEASES

The Organization 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.

During 2007, the Organization entered into an operating lease agreement for office equipment. The lease term was for three years and expired August 13, 2010.

On September 1, 2009, the Organization entered into an operating lease agreement for additional office equipment. The lease term is for three years and expires August 31, 2012.

The future minimum annual lease payments are as follows:

<i>Year ending December 31,</i>	Amount
2012	\$ 83,399
2013	83,882
2014	86,398
2015	88,990
2016	91,660
Thereafter	247,421
Total	\$ 681,750

Rent expense was approximately \$94,000 and \$93,000 for the years ended December 31, 2011 and 2010, respectively.

NOTE F - 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.

ZERO - THE PROJECT TO END PROSTATE CANCER
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2011 and 2010

NOTE F - RETIREMENT PLAN (Continued)

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 G - CONSULTANTS

For the years ended December 31, 2011 and 2010, consultant expenses are allocated as follows:

Description	2011	2010
Consultants - Drive Against Prostate Cancer	\$ 65,785	\$ 91,982
Consultants - Public Policy	-0-	1,298
Consultants - Race Events	5,000	-0-
Consultants - Communications	41,200	1,255
Total Programs	111,985	94,535
Management and General	-0-	255
Fundraising	20,000	509
Total Consultants	\$ 131,985	\$ 95,299

NOTE H - DONATED SERVICES AND SUPPLIES

For the years ended December 31, 2011 and 2010, donated services and supplies consisted of the following:

Description	2011	2010
Medical services	\$ 51,201	\$ 70,820
Legal services	7,680	-0-
Advertising	288,795	586,011
Medical supplies	-0-	14,511
Gifts & giveaways	22,500	6,910
Meals & entertainment	-0-	1,640
Events	136,829	22,961
Vehicle supplies and maintenance	62,270	88,908
Total	\$ 569,275	\$ 791,761

ZERO - THE PROJECT TO END PROSTATE CANCER
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2011 and 2010

NOTE I – LINE OF CREDIT

In December 2011, ZERO entered into and had available a secured line of credit with a bank. Under the terms of the agreement, ZERO can draw up to a maximum amount of \$500,000 and ZERO may repay the loan 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 loan. The bank has a security interest in and a lien upon all marketable securities maintained by ZERO at the bank. The line of credit matures on December 31, 2012. As of December 31, 2011, the outstanding balance on this line of credit was \$300,000.

NOTE J - 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 AWWI's assets measured at fair value as of December 31, 2011:

December 31, 2011	Fair Value	Level 1	Level 2	Level 3
Cash and money market funds	\$ 49,743	\$ 49,743		
US fixed income - bonds	200,036	200,036		
US fixed income - mutual funds	178,622	178,622		
Foreign exchange	22,556	22,556		
Equities	216,612	216,612		
Mutual funds	39,107	39,107		
Total	\$ 706,676	\$ 706,676	\$ -0-	\$ -0-

NOTE K – SUBSEQUENT EVENTS

Subsequent to year end and effective June 25, 2012, ZERO changed their name from ZERO - The Project to End Prostate Cancer to ZERO - The End of Prostate Cancer.

ZERO - THE PROJECT TO END PROSTATE CANCER
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2011 and 2010

NOTE K – SUBSEQUENT EVENTS (Continued)

Subsequent events were evaluated through October 25, 2012, which is the date the financial statements were available to be issued.