

COLON CANCER COALITION

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2010**



COLON CANCER COALITION

FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Colon Cancer Coalition
Bloomington, Minnesota

We have audited the accompanying statement of financial position of the Colon Cancer Coalition as of December 31, 2010, and the related statement of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Colon Cancer Coalition's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 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 audit provides 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 the Colon Cancer Coalition as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Mahoney Ulbrich
Christiansen Russ P.A.*

Saint Paul, Minnesota
November 22, 2011

COLON CANCER COALITION

STATEMENT OF FINANCIAL POSITION

December 31, 2010

ASSETS

Cash	\$ 287,024
Accounts receivable	500
Prepaid expenses	<u>3,346</u>
Total assets	<u>\$ 290,870</u>

LIABILITIES AND NET ASSETS

Accrued payroll liabilities	\$ 8,952
Grants and awards payable	204,533
Deferred revenue	<u>41,841</u>
Total liabilities	255,326
Unrestricted net assets	<u>35,544</u>
Total liabilities and net assets	<u>\$ 290,870</u>

See accompanying notes to financial statements.

COLON CANCER COALITION

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2010

	Unrestricted	Temporarily restricted	Total
Revenues and public support:			
Race registration fees	\$ 351,713	\$ -	\$ 351,713
Direct costs of races	(345,663)	-	(345,663)
Contributions	316,094	-	316,094
Race sponsorships	191,342	-	191,342
Interest and dividend income	1,235	-	1,235
Other income	5,677	-	5,677
	<u>520,398</u>	<u>-</u>	<u>520,398</u>
Expenses:			
Program services	446,642	-	446,642
Management and general	69,530	-	69,530
Fundraising	32,808	-	32,808
Race related expenses	167,384	-	167,384
	<u>716,364</u>	<u>-</u>	<u>716,364</u>
Change in net assets	(195,966)	-	(195,966)
Net assets, beginning of year	<u>231,510</u>	<u>-</u>	<u>231,510</u>
Net assets, end of year	<u>\$ 35,544</u>	<u>\$ -</u>	<u>\$ 35,544</u>

See accompanying notes to financial statements.

COLON CANCER COALITION

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2010

	Program services	Supporting Services		Race related expenses	Total
		Management and general	Fundraising		
Salaries	\$ 43,737	\$ 15,156	\$ 20,583	\$ 67,250	\$ 146,726
Independent contractors	63,531	20,730	10,194	44,129	138,584
Payroll taxes	4,315	1,495	2,031	6,635	14,476
Total salaries and payroll taxes	111,583	37,381	32,808	118,014	299,786
Grants and awards	285,690	-	-	-	285,690
Advertising	27,869	-	-	27,870	55,739
Travel, conferences, meetings	12,500	5,842	-	12,500	30,842
Information technology	9,000	1,035	-	9,000	19,035
Insurance	-	6,621	-	-	6,621
Bank charges	-	5,183	-	-	5,183
Postage and shipping	-	3,592	-	-	3,592
Printing and publication	-	2,343	-	-	2,343
Supplies	-	1,494	-	-	1,494
Professional fees	-	1,444	-	-	1,444
Other operating expenses	-	1,495	-	-	1,495
Miscellaneous expenses	-	3,100	-	-	3,100
Race management	-	-	-	99,901	99,901
Race equipment rental	-	-	-	42,118	42,118
Race giveaways	-	-	-	181,580	181,580
Other race expenses	-	-	-	22,064	22,064
Total expenses	446,642	69,530	32,808	513,047	1,062,027
Less direct benefits to donor costs	-	-	-	(345,663)	(345,663)
	<u>\$ 446,642</u>	<u>\$ 69,530</u>	<u>\$ 32,808</u>	<u>\$ 167,384</u>	<u>\$ 716,364</u>

See accompanying notes to financial statements.

COLON CANCER COALITION

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2010

Increase (Decrease) in Cash

Cash flows from operating activities:	
Change in net assets	\$ (195,966)
Changes in operating assets and liabilities:	
Accounts receivable	(500)
Prepaid expenses	(3,346)
Accrued payroll liabilities	8,952
Grants and awards payable	204,533
Deferred revenue	<u>41,841</u>
Net cash from operating activities	<u>55,514</u>
Net increase in cash	55,514
Cash, beginning of year	<u>231,510</u>
Cash, end of year	<u><u>\$ 287,024</u></u>

See accompanying notes to financial statements.

COLON CANCER COALITION

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

1. ORGANIZATION

The Colon Cancer Coalition (the Coalition) was incorporated in Minnesota as a 501(c)(3) non-profit organization in Minnesota during August of 2006. The Coalition's mission is to ensure that everyone has adequate information and access to screening for colon cancer.

The Coalition oversees run/walk events throughout the United States branded under the *Get Your Rear in Gear* name. In 2010, 23 races were held. These races are the Coalition's primary source of revenue.

The Coalition has created a network of events that it helps manage or support. The Coalition offers local race partners committed to creating awareness in their community a proven blueprint for success, saving organizers time, money and energy to invest in the success of their event. As the network of events grows, the Coalition has the opportunity to share ideas, strategies, marketing tools and buying power amongst event leaders, sponsors, volunteers and participants.

The Coalition enters into an agreement with the local race partner in the city where the race is to be held. The agreement identifies the responsibilities of the Coalition and the local race partner. The agreement specifies that a percentage of net race proceeds are awarded back to the local community. The money raised is given back to the local community in the form of grants and awards to help with prevention, early detection and treatment, healthy living projects, and support for those affected by the disease.

The Coalition is a member of the Minnesota Cancer Alliance and works with the organization on educational and research projects impacting colon cancer.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation - The accompanying financial statements have been prepared using the accrual basis of accounting. Net assets, revenues and support are classified based on the presence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Unrestricted net assets are not restricted by donors or the donor-imposed restrictions have expired. Unrestricted net assets are available for programs and supporting services at the discretion of management and the board of directors.
- Temporarily restricted net assets are restricted by donors for specific purposes or time periods.
- Permanently restricted net assets arise from contributions that the donor has stipulated must be maintained in perpetuity.

The Coalition has no temporarily or permanently restricted net assets at this time.

(Continued)

COLON CANCER COALITION

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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.

The primary estimate used in preparation of the financial statements is the allocation of functional expenses.

Credit Risk - Cash balances over \$250,000 for each institution are not covered by FDIC insured limits. The Coalition does not believe there is significant credit risk associated with its accounts.

Grants and Awards Payable - Grants and awards payable represent amounts due back to local race partners and designated beneficiaries for races held in 2010.

Race Registrations and Sponsorships - Race registration fees and sponsorships are recognized at the time the race is held.

Deferred revenue includes registration fees, sponsorships and contributions received in advance of the race. Prepaid expenses include expenses related to the following year's races.

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

Donated Services and Materials - Donated services are recorded as contributions at their estimated fair value only if the services create or enhance a nonfinancial asset or if the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Coalition receives services from a large number of volunteers who give significant amounts of time for races. No amounts have been recognized for these services because they do not meet the criteria described above.

The Coalition does not track donated materials as management believes the amount is not significant.

The Coalition uses a small amount of office space that has been provided by a board member at no charge. The value of this space is not significant and has not been recorded in the financial statements.

Advertising - Advertising is charged to expense when incurred.

(Continued)

COLON CANCER COALITION

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Functional Expenses - The majority of expenses can be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses have been allocated among program and supporting services based on estimates made by the Coalition's management.

The direct cost of races includes security, apparel, race management, contracted labor, equipment rental and other direct race expenses.

Income Taxes - The Coalition is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and applicable Minnesota Statutes, except to the extent it has taxable income from activities that are not related to its exempt purpose. Management believes the Coalition did not have any unrelated business income in 2010.

Management believes there are no uncertain income tax positions. Federal and state tax authorities generally have the right to examine the current and prior three years of tax returns. The Coalition is not currently under examination by any taxing jurisdiction.

3. **COMMITMENT**

The agreements with local race partners require the Coalition to hold back a percentage of revenues for funding of the following year's race. The cash balance at December 31, 2010, includes cash designated for future races.

4. **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 22, 2011, the date on which the financial statements were available for issue, and identified no significant events or transactions to disclose.