

***COLON CANCER COALITION, INC.***  
***(A MINNESOTA NOT-FOR-  
PROFIT ORGANIZATION)***

***FINANCIAL STATEMENTS***

***DECEMBER 31, 2011***

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**INDEPENDENT AUDITOR'S REPORT**

To The Board of Directors  
Colon Cancer Coalition, Inc.  
Edina, Minnesota

We have audited the accompanying statement of financial position of Colon Cancer Coalition, Inc. (a Minnesota Not-For-Profit Organization) as of December 31, 2011 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Coalition's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Colon Cancer Coalition, Inc. as of December 31, 2010, were audited by other auditors whose report dated November 22, 2011 expressed an unqualified opinion on those financial statements.

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 in the first paragraph present fairly, in all material respects, the financial position of Colon Cancer Coalition, Inc. as of December 31, 2011, 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.

*Boyum & Barenscheer PLLP*

Minneapolis, Minnesota  
November 1, 2012

**COLON CANCER COALITION, INC.**  
**(A MINNESOTA NOT-FOR-PROFIT ORGANIZATION)**

**STATEMENTS OF FINANCIAL POSITION**

<b>DECEMBER 31,</b>	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 647,024	\$ 287,024
Accounts receivable	40,127	500
Prepaid expenses	34,415	3,346
<b><i>Total assets</i></b>	<b>\$ 721,566</b>	<b>\$ 290,870</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Grants and awards payable	\$ 678,559	\$ 204,533
Accounts payable	17,998	-
Accrued payroll liabilities	10,323	8,952
Deferred revenues	38,178	41,841
<b><i>Total liabilities</i></b>	<b>745,058</b>	<b>255,326</b>
<b>UNRESTRICTED NET ASSETS</b>	<b>(23,492)</b>	<b>35,544</b>
<b><i>Total liabilities and net assets</i></b>	<b>\$ 721,566</b>	<b>\$ 290,870</b>

The Notes to Financial Statements are an integral part of these statements.

**COLON CANCER COALITION, INC.**  
**(A MINNESOTA NOT-FOR-PROFIT ORGANIZATION)**

**STATEMENTS OF ACTIVITIES**

<b>YEARS ENDED DECEMBER 31,</b>	<b>2011</b>	<b>2010</b>
	<b>Unrestricted</b>	<b>Unrestricted</b>
<b>REVENUES, SUPPORT AND OTHER INCOME</b>		
Race registration fees	\$ 591,143	\$ 351,713
Race sponsorships	343,626	190,415
Race fundraising	590,794	309,103
Direct benefit to donor costs	(231,053)	(345,663)
Grants	68,144	-
Contributions	17,536	7,918
Interest and dividend income	840	1,235
In-kinds	6,439	-
Other income	608	5,677
<b><i>Total revenues, support and other income</i></b>	<b>1,388,077</b>	<b>520,398</b>
<b>EXPENSES</b>		
Program services	896,440	446,643
Management and general	96,632	69,529
Fundraising, including race-related expenses	454,041	200,193
<b><i>Total expenses</i></b>	<b>1,447,113</b>	<b>716,364</b>
<b><i>Decrease in net assets</i></b>	<b>(59,036)</b>	<b>(195,966)</b>
<b>Net assets, beginning of year</b>	<b>35,544</b>	<b>231,510</b>
<b><i>Net assets, end of year</i></b>	<b>\$ (23,492)</b>	<b>\$ 35,544</b>

The Notes to Financial Statements are an integral part of these statements.

**COLON CANCER COALITION, INC.**  
**(A MINNESOTA NOT-FOR-PROFIT ORGANIZATION)**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**YEARS ENDED DECEMBER 31,**

**2011**

	Supporting Services				Total
	Program	General and	Fundraising		
		Administrative	Race-related	Other	
Salaries and wages	\$ 69,775	\$ 64,791	\$ 139,548	\$ 24,920	\$ 299,034
Payroll taxes	6,373	5,918	12,746	2,276	27,313
Insurance	-	1,265	-	-	1,265
Grants and awards	717,054	-	-	-	717,054
Event expenses	8,494	-	426,023	-	434,517
Advertising	753	752	46,168	-	47,673
Licenses & permits	-	600	-	-	600
Supplies	-	1,511	-	-	1,511
Office supplies	-	564	-	-	564
Postage	-	1,160	-	-	1,160
Printing	-	1,151	-	-	1,151
Dues & subscriptions	-	2,743	829	-	3,572
Bank fees	-	2,758	-	-	2,758
Meetings	1,633	1,633	-	-	3,266
Travel	14,153	-	14,153	-	28,306
Meals and entertainment	1,058	235	1,058	-	2,351
Professional fees	-	8,143	-	-	8,143
Computer expenses	16,368	1,320	17,373	-	35,061
Contract services	60,779	-	-	-	60,779
Miscellaneous	-	2,088	-	-	2,088
<b>Total expenses</b>	<b>896,440</b>	<b>96,632</b>	<b>657,898</b>	<b>27,196</b>	<b>1,678,166</b>
Less direct benefit to donor costs	-	-	(231,053)	-	(231,053)
<b>Net expenses</b>	<b>\$ 896,440</b>	<b>\$ 96,632</b>	<b>\$ 426,845</b>	<b>\$ 27,196</b>	<b>\$ 1,447,113</b>

The Notes to Financial Statements are an integral part of these statements.

**2010**

Program	Supporting Services			Total
	General and Administrative	Fundraising Race-related	Other	
\$ 43,737	\$ 15,156	\$ 67,250	\$ 20,583	\$ 146,726
4,315	1,495	6,635	2,031	14,476
-	6,621	-	-	6,621
285,690	-	-	-	285,690
14,715	-	360,379	-	375,093
13,155	-	13,155	-	26,310
-	95	-	-	95
-	1,494	-	-	1,494
-	642	-	-	642
-	3,592	-	-	3,592
-	2,343	-	-	2,343
-	1,947	-	-	1,947
-	5,183	-	-	5,183
-	695	-	-	695
12,500	3,386	12,500	-	28,386
-	598	-	-	598
-	1,444	-	-	1,444
9,000	1,035	9,000	-	19,035
63,531	20,730	44,129	10,194	138,584
-	3,073	-	-	3,073
<b>446,643</b>	<b>69,529</b>	<b>513,048</b>	<b>32,808</b>	<b>1,062,027</b>
-	-	(345,663)	-	(345,663)
<b>\$ 446,643</b>	<b>\$ 69,529</b>	<b>\$ 167,385</b>	<b>\$ 32,808</b>	<b>\$ 716,364</b>

**COLON CANCER COALITION, INC.**  
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**STATEMENTS OF CASH FLOWS**

<b>YEARS ENDED DECEMBER 31,</b>	<b>2011</b>	<b>2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Decrease of net assets	\$ (59,036)	\$ (195,966)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in assets and liabilities:		
Accounts receivable	(39,627)	(500)
Prepaid expenses	(31,069)	(3,346)
Grants and awards	474,026	204,533
Accounts payable	17,998	-
Accrued payroll liabilities	1,371	8,952
Deferred revenue	(3,663)	41,841
	<b>360,000</b>	<b>55,514</b>
<i>Net cash provided by operating activities</i>	<b>360,000</b>	<b>55,514</b>
	<b>360,000</b>	<b>55,514</b>
<i>Increase in cash and cash equivalents</i>	<b>360,000</b>	<b>55,514</b>
Cash and cash equivalents, beginning of year	287,024	231,510
	<b>\$ 647,024</b>	<b>\$ 287,024</b>
<i>Cash and cash equivalents, end of year</i>	<b>\$ 647,024</b>	<b>\$ 287,024</b>

The Notes to Financial Statements are an integral part of these statements.



**COLON CANCER COALITION, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Organization:***

The Colon Cancer Coalition, Inc. (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 2011 and 2010, 36 and 23 races were held, respectively. 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.

***Method of accounting:***

The Coalition follows the accrual method of accounting for revenues and expenditures. Contributions are recognized when the donor makes a promise to give to the Coalition that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

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**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1. (CONTINUED)**

***Basis of presentation:***

The Coalition reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based upon the existence or absence of donor restrictions. As of December 31, 2011 and 2010, there were no temporarily or permanently restricted net assets.

***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 certain reported amounts and disclosures. Actual results could differ from those estimates.

***Cash and cash equivalents:***

For purposes of the statement of cash flows, the Coalition considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Coalition maintains its accounts in one financial institution. At various times during the year, the balances may have exceeded federally insured deposit limits.

***Receivables:***

Account receivables are stated at unpaid balances, less an allowance for doubtful accounts. The Coalition provides for losses on receivables using the allowance method. The allowance is based on experience and other circumstances. Receivables are considered impaired if full payments are not received in accordance with contractual terms. It is the Coalition's policy to charge off uncollectible receivables when management determines that a receivable will not be collected. As of December 31, 2011 and 2010, no allowance was recorded due to the fact that the Coalition deemed the receivables to be 100% collectible.

***Grants and awards payable:***

Grants and awards payable represent amounts due back to local race partners and designated beneficiaries for races held.

***Advertising:***

Advertising is charged to expense when incurred. Advertising expenses totaled \$47,673 and \$26,310 for the years ended December 31, 2011 and 2010, respectively.

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**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1. (CONTINUED)**

***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 fundraising received in advance of the race. Prepaid expenses include expenses related to the following year's races.

***Reclassifications:***

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

***Non-cash donations of facilities, merchandise and services:***

Non-cash donations of facilities, merchandise and services are recorded as contributions at their estimated fair market value at the date of donation.

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the year received.

In addition, individuals volunteer their time, performing a variety of tasks that assist the Coalition mostly with its races. This volunteer time does not meet the above definition of donated services that need to be recorded. The Coalition had approximately 5,000 hours of donated time towards races for the year ended December 31, 2011.

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.

***Functional allocation of expenses:***

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

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

**COLON CANCER COALITION, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1. (CONTINUED)**

***Income taxes:***

Colon Cancer Coalition, Inc. is exempt from federal and Minnesota taxation pursuant to the provisions of Section 501(c) (3) of the Internal Revenue Code and Section 290.05 of the Minnesota Statutes and is only subject to federal and state income taxes on net unrelated business income. Since the Coalition had no unrelated business taxable income in 2011 and 2010, the accompanying financial statements do not include any provision for federal or state income taxes.

The Coalition's filings with the Internal Revenue Service are subject to audit. The information returns for the past three and one-half years are open to examination. Management has evaluated its tax positions and has concluded that they do not result in anything that would require either recording or disclosure in the financial statements based on the criteria set forth in ASC 740.

**NOTE 2. 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 both December 31, 2011 and 2010, includes cash designated for future races.

**NOTE 3. SUBSEQUENT EVENTS**

In preparing these financial statements, the Coalition has evaluated events and transactions for potential recognition or disclosure through November 1, 2012, the date the financial statements were available to be issued.