

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

FINANCIAL STATEMENTS

DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Colon Cancer Coalition, Inc. (a Minnesota Not-For-Profit Organization), which comprise the statements of financial position as of December 31, 2012 and 2011 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 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 Colon Cancer Coalition, Inc. as of December 31, 2012 and 2011, 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.

Boyum & Barenscheer, PLLP

Minneapolis, Minnesota
June 27, 2013

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

STATEMENTS OF FINANCIAL POSITION
(See Independent Auditor's Report)

DECEMBER 31,	2012	2011
ASSETS		
Cash and cash equivalents	\$ 1,122,847	\$ 647,024
Accounts receivable	500	40,127
Prepaid expenses	11,400	34,415
<i>Total assets</i>	\$ 1,134,747	\$ 721,566
LIABILITIES AND NET ASSETS		
LIABILITIES		
Grants and awards payable	\$ 1,015,966	\$ 678,559
Accounts payable	-	17,998
Accrued payroll liabilities	4,950	10,323
Deferred revenues	22,183	38,178
<i>Total liabilities</i>	1,043,099	745,058
NET ASSETS		
Unrestricted	88,957	(23,492)
Temporarily restricted	2,691	-
<i>Total net assets</i>	91,648	(23,492)
<i>Total liabilities and net assets</i>	\$ 1,134,747	\$ 721,566

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
(See Independent Auditor's Report)

YEARS ENDED DECEMBER 31,	2012		
	Unrestricted	Temporarily Restricted	Total
REVENUES, SUPPORT AND OTHER INCOME			
Race registration fees	\$ 781,457	\$ -	\$ 781,457
Race sponsorships	408,726	-	408,726
Race fundraising	842,890	-	842,890
Direct benefit to donor costs	(333,001)	-	(333,001)
Grants	79,188	-	79,188
Contributions	16,732	2,691	19,423
Interest and dividend income	767	-	767
Non-cash contributions	20,600	-	20,600
Other income	200	-	200
<i>Total revenues, support and other income</i>	1,817,559	2,691	1,820,250
EXPENSES			
Program services	1,016,550	-	1,016,550
Management and general	109,986	-	109,986
Fundraising, including race-related expenses	578,574	-	578,574
<i>Total expenses</i>	1,705,110	-	1,705,110
<i>Increase (decrease) in net assets</i>	112,449	2,691	115,140
Net assets, beginning of year	(23,492)	-	(23,492)
<i>Net assets, end of year</i>	\$ 88,957	\$ 2,691	\$ 91,648

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

2011

Unrestricted	Temporarily Restricted	Total
\$ 591,143	\$ -	\$ 591,143
343,626	-	343,626
590,794	-	590,794
(231,053)	-	(231,053)
68,144	-	68,144
17,536	-	17,536
840	-	840
6,439	-	6,439
608	-	608
1,388,077	-	1,388,077
904,934	-	904,934
96,632	-	96,632
445,547	-	445,547
1,447,113	-	1,447,113
(59,036)	-	(59,036)
35,544	-	35,544
\$ (23,492)	\$ -	\$ (23,492)

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

STATEMENTS OF FUNCTIONAL EXPENSES
(See Independent Auditor's Report)

YEARS ENDED DECEMBER 31,	2012				
	Supporting Services				
	Program	General and Administrative	Fundraising		Total
			Race-related	Other	
Salaries and wages	\$ 83,091	\$ 65,286	\$ 178,053	\$ 29,676	\$ 356,106
Payroll taxes	6,590	5,178	14,121	2,352	28,241
Insurance	4,407	3,463	19,979	1,573	29,422
Grants and awards	803,025	-	-	-	803,025
Event expenses	-	-	561,038	-	561,038
Advertising	39,508	-	53,076	-	92,584
Licenses & permits	-	75	-	-	75
Rent	2,658	2,658	6,645	1,328	13,289
Occupancy	752	752	1,879	375	3,758
Telephone	747	587	1,600	266	3,200
Supplies	-	2,325	-	-	2,325
Office supplies	-	72	-	-	72
Postage	-	388	-	-	388
Printing	225	2,222	-	703	3,150
Dues & subscriptions	-	653	634	-	1,287
Bank fees	-	3,892	-	-	3,892
Meetings	1,042	1,042	-	-	2,084
Travel	17,606	2,155	17,603	3,284	40,648
Meals and entertainment	2,127	473	2,127	-	4,727
Professional fees	-	7,568	2,712	-	10,280
Computer expenses	7,925	1,321	6,356	-	15,602
Contract services	46,847	5,207	-	6,195	58,249
Miscellaneous	-	4,669	-	-	4,669
Total expenses	1,016,550	109,986	865,823	45,752	2,038,111
Less direct benefit to donor costs	-	-	(333,001)	-	(333,001)
Net expenses	\$ 1,016,550	\$ 109,986	\$ 532,822	\$ 45,752	\$ 1,705,110

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

2011

Program	Supporting Services			Total
	General and Administrative	Fundraising Race-related	Other	
\$ 69,775	\$ 64,791	\$ 139,548	\$ 24,920	\$ 299,034
6,373	5,918	12,746	2,276	27,313
-	1,265	-	-	1,265
717,054	-	-	-	717,054
8,494	-	421,227	-	429,721
9,247	752	42,470	-	52,469
-	600	-	-	600
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,511	-	-	1,511
-	564	-	-	564
-	1,160	-	-	1,160
-	1,151	-	-	1,151
-	2,743	829	-	3,572
-	2,758	-	-	2,758
1,633	1,633	-	-	3,266
14,153	-	14,153	-	28,306
1,058	235	1,058	-	2,351
-	8,143	-	-	8,143
16,368	1,320	17,373	-	35,061
60,779	-	-	-	60,779
-	2,088	-	-	2,088
904,934	96,632	649,404	27,196	1,678,166
-	-	(231,053)	-	(231,053)
\$ 904,934	\$ 96,632	\$ 418,351	\$ 27,196	\$ 1,447,113

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

STATEMENTS OF CASH FLOWS
(See Independent Auditor's Report)

YEARS ENDED DECEMBER 31,	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) of net assets	\$ 115,140	\$ (59,036)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in assets and liabilities:		
Accounts receivable	39,627	(39,627)
Prepaid expenses	23,015	(31,069)
Grants and awards	337,407	474,026
Accounts payable	(17,998)	17,998
Accrued payroll liabilities	(5,373)	1,371
Deferred revenue	(15,995)	(3,663)
	<hr/>	<hr/>
<i>Net cash provided by operating activities</i>	475,823	360,000
	<hr/>	<hr/>
<i>Increase in cash and cash equivalents</i>	475,823	360,000
Cash and cash equivalents, beginning of year	647,024	287,024
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<i>Cash and cash equivalents, end of year</i>	\$ 1,122,847	\$ 647,024
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The Notes to Financial Statements are an integral part of these statements.

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

NOTES TO FINANCIAL STATEMENTS
(See Independent Auditor's Report)

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 August of 2006. The Coalition's mission is to empower local communities to promote prevention and early detection of colon cancer and to provide support to those affected.

The Coalition oversees run/walk events throughout the United States branded under the Get Your Rear in Gear name. In 2012 and 2011, 38 and 36 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 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.

COLON CANCER COALITION, INC.
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NOTES TO FINANCIAL STATEMENTS
(See Independent Auditor's Report)

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, 2012 and 2011, there were no 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, 2012 and 2011, 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 \$92,584 and \$52,469 for the years ended December 31, 2012 and 2011, respectively.

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

NOTES TO FINANCIAL STATEMENTS
(See Independent Auditor's Report)

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 and sponsorships 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 each of the years ended December 31, 2012 and 2011.

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
(See Independent Auditor's Report)

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 2012 and 2011, 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, 2012 and 2011, includes cash designated for future races.

NOTE 3. NON-CASH CONTRIBUTIONS

Included in the statements of activities are non-cash contributions as follows:

YEARS ENDED DECEMBER 31,	2012	2011
Legal fees	\$ -	\$ 2,500
Graphic design	-	2,975
Race day food	4,453	964
Race day services	10,800	-
Race day awards	5,347	-
<i>Total</i>	\$ 20,600	\$ 6,439

NOTE 4. SUBSEQUENT EVENTS

In preparing these financial statements, the Coalition has evaluated events and transactions for potential recognition or disclosure through June 27, 2013, the date the financial statements were available to be issued.