



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

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

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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, 2018 and 2017 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, 2018 and 2017, 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.

Effect of Adopting New Accounting Standard

As discussed in Note 5, the Organization adopted the Financial Accounting Standards Board's Accounting Standards update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities* as of and for the year ended December 31, 2018. The requirements of the ASU have been applied retrospectively, when required, to all periods presented. Our opinion is not modified with respect to this matter.

Boyum + Baren Scheer PLLP

Boyum & Baren Scheer PLLP
Minneapolis, Minnesota
April 29, 2019

COLON CANCER COALITION, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31,	2018	2017
ASSETS		
Cash and cash equivalents	\$ 1,555,422	\$ 1,280,434
Receivables	30,146	41,013
Prepaid expenses	29,596	107,549
<i>Total assets</i>	\$ 1,615,164	\$ 1,428,996
LIABILITIES AND NET ASSETS		
LIABILITIES		
Grants and awards payable	\$ 1,213,164	\$ 1,186,023
Accounts payable	9,197	10,755
Deferred revenues	93,097	61,200
<i>Total liabilities</i>	1,315,458	1,257,978
NET ASSETS		
Without donor restrictions	299,706	171,018
<i>Total net assets</i>	299,706	171,018
<i>Total liabilities and net assets</i>	\$ 1,615,164	\$ 1,428,996

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

COLON CANCER COALITION, INC.

STATEMENTS OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, SUPPORT AND OTHER INCOME			
Race registration fees	\$ 661,622	\$ -	\$ 661,622
Race sponsorships	506,759	-	506,759
Race fundraising	906,389	-	906,389
Direct benefit to donor costs	(387,054)	-	(387,054)
Grants	52,400	-	52,400
Contributions	399,882	-	399,882
Interest and dividend income	1,620	-	1,620
Non-cash contributions	82,549	-	82,549
<i>Total revenues, support and other income</i>	2,224,167	-	2,224,167
EXPENSES			
Program services	1,243,147	-	1,243,147
Management and general	154,255	-	154,255
Fundraising, including race-related expenses	698,077	-	698,077
<i>Total expenses</i>	2,095,479	-	2,095,479
<i>Increase in net assets</i>	128,688	-	128,688
Net assets, beginning of year	171,018	-	171,018
<i>Net assets, end of year</i>	\$ 299,706	\$ -	\$ 299,706

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

COLON CANCER COALITION, INC.

STATEMENTS OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, SUPPORT AND OTHER INCOME			
Race registration fees	\$ 695,583	\$ -	\$ 695,583
Race sponsorships	604,472	-	604,472
Race fundraising	941,523	-	941,523
Direct benefit to donor costs	(424,746)	-	(424,746)
Grants	20,000	-	20,000
Contributions	133,457	-	133,457
Interest and dividend income	1,453	-	1,453
Non-cash contributions	103,400	-	103,400
<i>Total revenues, support and other income</i>	2,075,142	-	2,075,142
EXPENSES			
Program services	1,250,028	-	1,250,028
Management and general	138,034	-	138,034
Fundraising, including race-related expenses	669,694	-	669,694
<i>Total expenses</i>	2,057,756	-	2,057,756
<i>Increase in net assets</i>	17,386	-	17,386
Net assets, beginning of year	153,632	-	153,632
<i>Net assets, end of year</i>	\$ 171,018	\$ -	\$ 171,018

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

COLON CANCER COALITION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018

	Program	Supporting Services			Total
		General and Administrative	Event-related	Fundraising Other	
Salaries and wages	\$ 214,685	\$ 69,702	\$ 289,966	\$ 39,034	\$ 613,387
Payroll taxes	16,916	5,492	22,847	3,076	48,330
Insurance	8,899	2,362	17,258	1,779	30,298
Grants and awards	854,425	-	-	-	854,425
Event expenses	39,794	-	450,144	-	489,938
Advertising	33,026	1,163	61,402	-	95,591
Licenses and permits	-	-	4,331	525	4,856
Rent	10,064	3,268	13,593	1,830	28,755
Occupancy	1,316	427	1,777	240	3,760
Telephone	2,149	698	2,903	390	6,140
Supplies	265	5,885	145	-	6,295
Office supplies	-	485	-	-	485
Postage	2,999	1,985	107	-	5,091
Printing	9,680	5,843	-	160	15,683
Dues and subscriptions	-	3,665	-	-	3,665
Bank fees	-	-	124,334	-	124,334
Meetings	3,321	-	-	-	3,321
Travel	10,546	1,305	36,096	-	47,947
Meals and entertainment	58	1,368	599	-	2,025
Professional fees	27,387	15,993	6,500	-	49,880
Computer expenses	1,553	4,072	3,547	114	9,286
Contract services	5,975	28,866	1,998	-	36,839
Miscellaneous	89	1,676	437	-	2,202
Total expenses	1,243,147	154,255	1,037,984	47,148	2,482,533
Less direct benefit to donor costs	-	-	(387,054)	-	(387,054)
Net expenses	\$ 1,243,147	\$ 154,255	\$ 650,930	\$ 47,148	\$ 2,095,479

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

COLON CANCER COALITION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2017

	Program	Supporting Services			Total
		General and Administrative	Event-related	Fundraising Other	
Salaries and wages	\$ 184,423	\$ 68,814	\$ 289,023	\$ 8,258	\$ 550,518
Payroll taxes	14,672	5,474	22,993	657	43,796
Insurance	4,044	1,509	8,509	181	14,243
Grant payments	913,619	-	-	-	913,619
Event expenses	16,812	-	508,979	2,033	527,824
Advertising	66,642	1,931	57,577	-	126,150
Licenses and permits	-	-	-	6,774	6,774
Rent	9,363	3,494	14,674	419	27,950
Occupancy	848	317	1,330	38	2,533
Telephone	1,837	686	2,880	82	5,485
Supplies	293	3,897	56	-	4,246
Office supplies	-	6	-	-	6
Postage	2,756	819	-	112	3,687
Printing	11,826	2,241	-	160	14,227
Dues and subscriptions	-	1,316	-	-	1,316
Bank fees	-	3,178	125,003	-	128,181
Meetings	400	1,044	-	-	1,444
Travel	5,520	736	32,761	-	39,017
Meals and entertainment	-	-	1,431	-	1,431
Professional fees	13,452	8,450	90	2,065	24,057
Computer expenses	2,396	5,823	1,023	29	9,271
Contract services	1,125	25,383	6,688	-	33,196
Miscellaneous	-	2,916	615	-	3,531
Total expenses	1,250,028	138,034	1,073,632	20,808	2,482,502
Less direct benefit to donor costs	-	-	(424,746)	-	(424,746)
Net expenses	\$ 1,250,028	\$ 138,034	\$ 648,886	\$ 20,808	\$ 2,057,756

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

COLON CANCER COALITION, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31,	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 128,688	\$ 17,386
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in assets and liabilities:		
Receivables	10,867	26,991
Prepaid expenses	77,953	(25,832)
Grants and awards payable	27,141	(122,134)
Accounts payable	(1,558)	4,185
Deferred revenue	31,897	(41,502)
<i>Net cash provided (used) by operating activities</i>	274,988	(140,906)
<i>Increase (decrease) in cash and cash equivalents</i>	274,988	(140,906)
Cash and cash equivalents, beginning of year	1,280,434	1,421,340
<i>Cash and cash equivalents, end of year</i>	\$ 1,555,422	\$ 1,280,434

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

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

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 Get Your Rear in Gear, Tour de Tush and Caboose Cup. For the years ended December 31, 2018 and 2017, 37 and 43, respectively, events were held across the United States. 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 event volunteers in the city where the race is to be held. The agreement identifies the responsibilities of the Coalition and the local volunteer. 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, National Colorectal Roundtable and American Society of Clinical Oncology to reduce mortality and the burden of cancer for colorectal patients.

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 net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Basis of presentation:

Financial statement presentation follows the recommendations of ASC 958, Financial Statements of Not-for-Profit Organizations. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. As of December 31, 2018 and 2017, there were no net assets with donor restrictions.

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. Accordingly, actual results could differ from those estimates.

Recently issued accounting pronouncements:

In May 2014, FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which provides guidance for accounting for revenue from contracts with customers. The new guidance outlines a single comprehensive model for companies to use in accounting for revenue from contracts with customers. For private companies, the ASU is effective for annual and interim periods beginning after December 15, 2018 with early adoption permitted. It can be adopted using either a retrospective approach or a modified retrospective approach. The Coalition is currently evaluating the impact that the adoption of this guidance will have on the Coalition's financial statements.

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. For private companies, the ASU is effective for annual and interim periods beginning after December 15, 2019 with early adoption permitted. It is to be adopted using a modified retrospective approach. The Coalition is currently evaluating the impact that the adoption of this guidance will have on the Coalition's financial statements.

In June 2018, FASB issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which provides guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction. A primary aspect of this guidance is the determination on whether two parties receive and sacrifice commensurate value to distinguish which guidance should be applied.

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

FASB 958-605, Not-for-Profit Entities – Revenue Recognition should be followed for contributions while FASB 606, Revenue from Contracts with Customers should be followed for exchange transactions. For private companies and organizations, the ASU is effective for annual and interim periods beginning after December 15, 2018 with early adoption permitted. It should be applied on a modified prospective basis with retrospective application being permitted. The Organization is currently evaluating the impact that the adoption of this guidance will have on the Organization's financial statements.

Cash and cash equivalents:

For purposes of the statement of cash flows, the Coalition considers short-term, highly liquid investments and investments purchased with an original maturity of three months or less to be cash equivalents. The Coalition maintains its accounts in one commercial bank. At times, the amounts on deposit in the bank might exceed the insurance limit of the Federal Deposit Insurance Corporation.

Certificates of deposit:

The certificates of deposit are recorded at cost plus accrued interest, which approximates fair market value, and are included in cash and cash equivalents.

Receivables:

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, 2018 and 2017, no allowance was recorded due to the fact that the Coalition deemed the receivables to be fully 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 \$95,591 and \$126,150 for the years ended December 31, 2018 and 2017, respectively.

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

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.

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, 2018 and 2017.

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 based on time allocation and the best estimates of management.

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

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 2018 and 2017 the accompanying financial statements do not include any provision for federal or state income taxes.

The Coalition has not been audited, and accordingly the information tax returns for the past three 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.

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. NON-CASH CONTRIBUTIONS

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

YEARS ENDED DECEMBER 31,	2018	2017
Advertising	\$ 7,700	\$ 63,500
Race day food	6,402	12,303
Race day services	26,228	19,569
Race day awards	3,123	5,528
Race day equipment rental	3,000	2,500
Education	36,096	-
<i>Total</i>	\$ 82,549	\$ 103,400

NOTE 3. LEASE OBLIGATIONS

The Coalition leases office space on a lease that requires escalating monthly payments through January 2021. The following is a schedule of future minimum lease payments under this lease:

YEARS ENDING DECEMBER 31,	
2019	\$ 29,592
2020	30,500
2021	2,548
<i>Total</i>	\$ 62,640

Rent expense charged to operations under this lease amounted to \$28,755 and \$27,950 for the years ended December 31, 2018 and 2017, respectively.

NOTE 4. SUBSEQUENT EVENTS

In preparing these financial statements, the Coalition has evaluated events and transactions for potential recognition or disclosure through April 29, 2019, the date the financial statements were available to be issued.

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

For the year ended December 31, 2018, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. The change required by the update have been applied retrospectively, when required, to all periods presented. A key change required by ASU 2016-14 are the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

NOTE 6. BOARD DESIGNATED FUNDS

The Board of Colon Cancer Coalition, Inc. can authorize management to designate funds for specific projects. There were no board designated funds for the years ended December 31, 2018 and 2017.

NOTE 7. LIQUIDITY

The Organization receives significant contributions through event donations and sponsorships which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The Colon Cancer Coalition raises money that goes back to local communities based on events hosted by those communities in the form of a grant. These discretionary community programs are not immediately payable and fundraising throughout the year is sufficient to replenish the balance on an ongoing basis. The grant cycle is 90-360 days post-race and all monies must go through an application and review process. Grant calculations take into account and cover current working capital needs and the cash position covers 2.5 years of operating expenses.

The Organization's financial assets available to meet cash needs for general expenditures within one year as of December 31, 2018 was \$1,585,568, consisting of cash of \$1,555,422 and receivables of \$30,146.