



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

FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Colon Cancer Coalition, Inc.
Plymouth, Minnesota

Opinion

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, 2023 and 2022 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Colon Cancer Coalition, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Colon Cancer Coalition, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Colon Cancer Coalition, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Colon Cancer Coalition, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Boyum & Barescheer PLLP

Boyum & Barescheer, PLLP
Minneapolis, Minnesota
June 11, 2024

COLON CANCER COALITION, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31,	2023	2022
ASSETS		
Cash and cash equivalents	\$ 1,315,453	\$ 2,441,109
Sponsorship receivables	46,090	118,500
Bequest receivable	-	3,000,000
Investments, at fair value	3,926,075	-
Prepaid expenses	99,473	90,189
Inventory	10,390	11,173
Right of use asset, operating leases	-	22,115
<i>Total assets</i>	\$ 5,397,481	\$ 5,683,086
LIABILITIES AND NET ASSETS		
LIABILITIES		
Grants and awards payable	\$ 1,511,892	\$ 1,667,818
Accounts payable and accrued expenses	15,138	67,246
Deferred revenues	94,930	155,724
Right of use liability, operating leases	-	22,451
<i>Total liabilities</i>	1,621,960	1,913,239
NET ASSETS		
With donor restrictions	-	3,000,000
Without donor restrictions	3,775,521	769,847
<i>Total net assets</i>	3,775,521	3,769,847
<i>Total liabilities and net assets</i>	\$ 5,397,481	\$ 5,683,086

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

COLON CANCER COALITION, INC.

STATEMENTS OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023			
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, SUPPORT AND OTHER INCOME			
Race registration fees	\$ 464,191	\$ -	\$ 464,191
Race sponsorships	992,262	-	992,262
Race fundraising	1,309,564	-	1,309,564
Direct benefit to donor costs	(477,717)	-	(477,717)
Contributions	483,101	-	483,101
Investment return	175,021	-	175,021
Non-cash contributions	51,244	-	51,244
Net assets released from restriction	3,000,000	(3,000,000)	-
<i>Total revenues, support and other income</i>	5,997,666	(3,000,000)	2,997,666
EXPENSES			
Program services	1,834,832	-	1,834,832
Management and general	213,419	-	213,419
Fundraising, including race-related expenses	943,741	-	943,741
<i>Total expenses</i>	2,991,992	-	2,991,992
<i>Increase in net assets</i>	3,005,674	(3,000,000)	5,674
Net assets, beginning of year	769,847	3,000,000	3,769,847
<i>Net assets, end of year</i>	\$ 3,775,521	\$ -	\$ 3,775,521

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

COLON CANCER COALITION, INC.

STATEMENTS OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, SUPPORT AND OTHER INCOME			
Race registration fees	\$ 334,522	\$ -	\$ 334,522
Race sponsorships	762,035	-	762,035
Race fundraising	1,419,495	-	1,419,495
Direct benefit to donor costs	(374,814)	-	(374,814)
Contributions	569,330	-	569,330
Bequest	-	3,000,000	3,000,000
Investment return	2,376	-	2,376
Non-cash contributions	26,739	-	26,739
Employee retention tax credit	170,543	-	170,543
<i>Total revenues, support and other income</i>	2,910,226	3,000,000	5,910,226
EXPENSES			
Program services	1,860,134	-	1,860,134
Management and general	181,499	-	181,499
Fundraising, including race-related expenses	810,415	-	810,415
<i>Total expenses</i>	2,852,048	-	2,852,048
<i>Increase in net assets</i>	58,178	3,000,000	3,058,178
Net assets, beginning of year	711,669	-	711,669
<i>Net assets, end of year</i>	\$ 769,847	\$ 3,000,000	\$ 3,769,847

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

COLON CANCER COALITION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Supporting Services					Total
	Program	General and Administrative	Fundraising		Other	
			Event-related	Other		
Salaries and wages	\$ 476,920	\$ 93,310	\$ 418,169	\$ 48,383	\$ 1,036,782	
Benefits	41,306	8,082	36,218	4,190	89,796	
Payroll taxes	41,654	8,150	36,523	4,225	90,552	
Insurance	6,530	1,278	5,725	662	14,195	
Grants and awards	1,005,590	-	-	-	1,005,590	
Event expenses	82,385	-	553,966	-	636,351	
Advertising	79,343	1,052	74,516	4,999	159,910	
Licenses and permits	-	-	-	3,634	3,634	
Rent	10,842	2,121	9,507	1,100	23,570	
Occupancy	1,929	377	1,691	196	4,193	
Telephone	7,228	1,414	6,338	734	15,714	
Supplies	4,094	900	3,590	415	8,999	
Postage	3,061	2,573	490	275	6,399	
Printing	7,685	130	583	67	8,465	
Dues and subscriptions	644	3,091	60	-	3,795	
Bank fees	4,656	-	137,673	-	142,329	
Meetings	4,600	647	-	-	5,247	
Travel	17,718	3,676	58,280	-	79,674	
Meals and entertainment	514	5,488	41	-	6,043	
Professional fees	14,142	23,831	1,317	-	39,290	
Computer expenses	6,980	14,303	2,516	180	23,979	
Contract services	16,427	32,173	1,576	1,574	51,750	
Miscellaneous	584	10,823	2,045	-	13,452	
Total expenses	1,834,832	213,419	1,350,824	70,634	3,469,709	
Less direct benefit to donor costs	-	-	(477,717)	-	(477,717)	
Net expenses	\$ 1,834,832	\$ 213,419	\$ 873,107	\$ 70,634	\$ 2,991,992	
Percent of total expense	61%	7%	29%	3%	100%	

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

COLON CANCER COALITION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	Supporting Services				Total
	Program	General and	Fundraising		
		Administrative	Event-related	Other	
Salaries and wages	\$ 363,651	\$ 55,197	\$ 314,948	\$ 45,456	\$ 779,252
Benefits	32,592	4,947	28,227	4,074	69,840
Payroll taxes	28,806	5,531	30,649	4,148	69,134
Insurance	7,164	1,088	6,206	896	15,354
Grants and awards	1,230,630	-	-	-	1,230,630
Event expenses	51,611	-	383,371	-	434,982
Advertising	69,335	3,788	106,256	7,500	186,879
Licenses and permits	-	83	-	3,362	3,445
Rent	10,931	1,659	9,467	1,366	23,423
Occupancy	1,690	257	1,464	211	3,622
Telephone	5,828	884	5,046	728	12,486
Supplies	4,400	668	3,811	550	9,429
Postage	3,581	5,102	1,114	455	10,252
Printing	7,048	114	652	94	7,908
Dues and subscriptions	244	4,575	60	3,010	7,889
Bank fees	-	-	148,730	-	148,730
Meetings	2,649	1,184	-	-	3,833
Travel	17,072	2,232	53,535	-	72,839
Meals and entertainment	1,258	2,342	166	-	3,766
Professional fees	89	32,300	3,435	-	35,824
Computer expenses	3,447	12,579	10,721	365	27,112
Contract services	17,018	36,725	2,102	1,602	57,447
Miscellaneous	1,090	10,244	1,402	50	12,786
Total expenses	1,860,134	181,499	1,111,362	73,867	3,226,862
Less direct benefit to donor costs	-	-	(374,814)	-	(374,814)
Net expenses	\$ 1,860,134	\$ 181,499	\$ 736,548	\$ 73,867	\$ 2,852,048
Percent of total expense	65%	6%	26%	3%	100%

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

COLON CANCER COALITION, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31,	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 5,674	\$ 3,058,178
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization of right of use asset	22,584	22,584
Realized and unrealized (gains) losses on investments	(77,151)	-
Changes in assets and liabilities:		
Sponsorship receivables	72,410	(87,500)
Bequest receivable	3,000,000	(3,000,000)
Prepaid expenses	(9,284)	(59,583)
Inventory	783	(8,099)
Grants and awards payable	(155,926)	(46,659)
Accounts payable and accrued expenses	(52,108)	47,721
Deferred revenues	(60,794)	31,848
Payments on lease obligation	(22,920)	(22,248)
<i>Net cash provided (used) by operating activities</i>	2,723,268	(63,758)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(3,878,884)	-
Proceeds from sales of investments	29,960	-
<i>Net cash used by investing activities</i>	(3,848,924)	-
<i>Decrease in cash and cash equivalents</i>	(1,125,656)	(63,758)
Cash and cash equivalents, beginning of year	2,441,109	2,504,867
<i>Cash and cash equivalents, end of year</i>	\$ 1,315,453	\$ 2,441,109
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
NON-CASH ACTIVITIES:		
ROU assets obtained in exchange for new operating lease liabilities	\$ -	\$ 43,249

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 improve health outcomes by reducing barriers to complete colorectal cancer screening and educating the public to advocate for their own health through tailored, local, grassroots solutions.

The Coalition oversees run/walk events throughout the United States branded under Get Your Rear in Gear. Additionally, the Coalition oversees biking and golf events branded under the Tour de Tush and Caboose Cup. For the years ended December 31, 2023 and 2022, 33 and 32 events were held across the United States, respectively. These events 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 75% 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.

Basis of accounting

The financial statements of the Coalition have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of presentation

Financial statement presentation follows the recommendations of ASC 958, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958, the Coalition 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, 2023 and 2022, there were \$0 and \$3,000,000, respectively, of 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.

Revenue from contracts with customers

The Coalition follows Accounting Standards Update (ASU) 2014-09 *Revenue from Contracts with Customers (Topic 606)* and all subsequently issued clarifying ASU's. This guidance requires the Coalition to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Coalition expects to be entitled in exchange for those goods or services. This guidance also requires expanded disclosures related to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Race registrations and sponsorships

The Coalition oversees run/walk races held across the United States. Registration fees for the races are billed to the participant at the time of registration. The race revenue is reported at the amount that reflects the consideration to which the Coalition expects to be entitled in exchange for providing the registrant access to the race. Revenue from races is recognized at the point in time the race is held and the Coalition's performance obligation to hold the race is completed. The Coalition also receives sponsorships from various companies and outside organizations in connection with sponsoring a race to be held. Race sponsors pay for sponsorship packages for races in exchange for access for their representatives to the race itself and access to registrants attending the races to promote their businesses. Registration and sponsorships for the Coalition's races open months before the races are scheduled to be held. Cash receipts for registrations and sponsorships collected in advance of the race are deferred as contract liabilities until earned when the race is held at which point the revenue is recognized, typically within one year. Expenses for races are incurred prior to the race being held and recorded as a contract asset until expensed which is when the race is held.

Sponsorship receivables and allowance for credit losses:

The Coalition has adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326)* on a modified retrospective basis effective January 1, 2023. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. The CECL methodology utilizes a lifetime “expected credit loss” measurement objective for the recognition of credit losses for loans, held-to-maturity securities, and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. No cumulative-effect adjustment to net assets as of January 1, 2023 was necessary as a result of adopting the new standard.

The allowance for credit losses is based on a statement of activity approach which adjusts the ending statement of financial position to take into consideration expected losses over the contractual lives of the receivables, considering factors such as historical bad debts, current customer receivable balances, age of customer receivable balances, the customer's financial condition, and current economic trends as a basis for future expected losses. If business or economic conditions change, our estimates and assumptions may be adjusted as deemed appropriate. There was no allowance for credit losses deemed necessary at December 31, 2023.

Prior to January 1, 2023, an estimate of uncollectible amounts is made by management based upon historical bad debts, current customer receivable balances, age of customer receivable balances, the customer's financial condition, and current economic trends, all of which are subject to change. Sponsorship receivables were written off when deemed uncollectible. Recoveries of accounts previously written off were recorded when received. There was no allowance for doubtful accounts at December 31, 2022.

Sponsorship receivables, net of allowance are as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Sponsorship receivables	\$ 46,090	\$ 118,500	\$ 31,000
Less: allowance	-	-	-
<i>Sponsorship receivables, net</i>	\$ 46,090	\$ 118,500	\$ 31,000

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Revenue recognition for contributions received and contributions made

The Coalition follows Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)* as the standard improves the usefulness and understandability of the Coalition's financial reporting. This ASU 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. 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.

Promises to give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contribution and grant revenue

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Conditional promises to give are not recognized until they become unconditional. The Coalition reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-imposed contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. The Coalition had contributions or grants considered donor restricted for the years ended December 31, 2023 and 2022 in the amount of \$0 and \$3,000,000, respectively.

Non-cash contributions

Contributed materials are recorded as contributions, when received, at their fair market value when such value can be objectively and accurately determined. 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. The Coalition reports the contributions in the net assets without donor restrictions category, unless explicit donor stipulations specify how the donated assets must be used.

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 9,545 and 7,200 hours of donated time towards races for each of the years ended December 31, 2023 and 2022.

Grants and awards payable

Grants and awards payable represent amounts due back to local race partners and designated beneficiaries for races held during the previous year. The payable is recorded immediately following the race and considered unconditional after completion of the race. The race agreements state that 75% of the net proceeds are eligible for grant distribution regardless of whether grantees are known at the time of the race. Grants are typically paid the following year utilizing cash and cash equivalents to fund its obligations.

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

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 multiple commercial banks. At times, the amounts on deposit in the banks might exceed the insurance limit of the Federal Deposit Insurance Corporation, however, the Coalition believes it is not exposed to any significant credit risk to these cash accounts.

Investments

Marketable securities are recorded at fair market value. Investment income is recorded as revenue without donor restriction unless a donor has stipulated how the income is to be used. The Coalition provides for investments in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

Leases

The Coalition has adopted FASB ASC 842, *Leases*, with a date of initial application of January 1, 2022. For leases with a lease term greater than one year, the Coalition recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation. The Coalition determines whether an arrangement is or contains a lease at contract inception. Operating leases with a duration greater than one year are included in operating lease right-of-use assets and operating lease liabilities in the Coalition's statement of financial position. Operating lease right-of-use assets and operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Coalition uses an estimate of its incremental borrowing rate. The Coalition considers the lease term to be the noncancelable period that it has the right to use the underlying asset, including all periods covered by an option to (1) extend the lease if the Coalition is reasonably certain to exercise the option, (2) terminate the lease if the Coalition is reasonably certain not to exercise that option, and (3) extend, or not to terminate, the lease in which exercise of the option is controlled by the lessor.

The operating lease right-of-use assets also include any lease payments made and exclude lease incentives received or receivable. Lease expense is recognized on a straight-line basis over the expected lease term. Variable lease expenses are recorded when incurred.

Employee Retention Tax Credit

The Coalition applied for certain employment tax credits through the Internal Revenue Service. U.S. GAAP does not have specific guidance for this program. The Coalition is considering the amounts paid and expensed to an employee as a loss recovery and therefore using the guidance in FASB ASC 410, *Asset Retirement and Environmental Obligations*, which indicates that a claim for recovery should be recognized only when the claim is probable.

Fair value measurements

The Coalition follows ASC 820 *Fair Value Measurement*, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Fair value measurements (continued)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Fund has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. All financial assets and liabilities are classified as Level 1 unless otherwise noted.

Following is a description of the valuation methodologies used for assets measured at fair value.

Equities: Valued at the daily closing price as reported on the active market on which the individual securities are traded.

Certificates of deposit: The certificates of deposit are traded on financial markets and are valued by the custodians of the securities using pricing models based on credit quality, time of maturity, stated interest rates and market-rate assumptions.

Bonds: Valued at the present value of future cash flows typically traded on active markets.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Coalition believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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, such as payroll and related taxes and benefits, insurance, and occupancy, 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.

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Advertising

Advertising is charged to expense when incurred. Advertising expenses totaled \$159,910 and \$186,879 for the years ended December 31, 2023 and 2022, respectively.

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 2023 and 2022 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.

NOTE 2. PROMISES TO GIVE

During the year ended December 31, 2022, the Coalition was notified of funding to be received from a donor's estate, estimated to be \$3,000,000. During the year ended December 31, 2023, payment in this amount was received. This \$3,000,000 was reported on the statement of financial position as bequest receivable and included in net assets with donor restrictions at December 31, 2022. Upon receipt, this amount was recorded as both a decrease in assets with donor restrictions and increase in assets without donor restrictions.

Additionally, the Coalition had received an indication of intentions to give additional funding from this same donor's estate estimated to be around \$50,000. The remaining portion was considered a conditional contribution, as such, not included in contribution revenue for the year ended December 31, 2022. The actual amount received by the Coalition totaling \$50,007 was included in contribution revenue for the year ended December 31, 2023.

NOTE 3. INVESTMENTS

The following table sets forth by level, with the fair value hierarchy, the Coalition's investments at fair value:

DECEMBER 31, 2023				
	Level 1	Level 2	Level 3	Total
Equities	\$ 718,959	\$ -	\$ -	\$ 718,959
Certificates of deposit	499,735	-	-	499,735
Bonds	2,074,524	-	-	2,074,524
<i>Total investments at fair value</i>	\$ 3,293,218	\$ -	\$ -	3,293,218
			Cash management fund	632,857
				\$ 3,926,075

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Gains and investment income with donor restrictions whose restrictions are met in the period the gains or income are recognized are reported as revenue and gains without donor restrictions. There were no investments at December 31, 2022.

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. (CONTINUED)

The following schedule summarizes the investment return in the statement of activities:

YEAR ENDED DECEMBER 31,	2023
Interest and dividends	\$ 107,654
Net realized and unrealized gains	77,151
Investment fees	(9,784)
<i>Total investment return</i>	\$ 175,021

NOTE 4. NON-CASH CONTRIBUTIONS

The Coalition receives donated non-cash contributions from various groups to fulfill its mission. Non-cash contributions recorded in the financial statements consist of the following:

YEARS ENDED DECEMBER 31,	2023	2022
Advertising	\$ 5,500	\$ 2,350
Race day food	23,692	7,885
Race day equipment rental	13,050	9,397
Prizes and awards	5,802	4,107
Maintenance	3,200	3,000
<i>Total</i>	\$ 51,244	\$ 26,739

All non-cash contributions, aside from maintenance, are used in support of races held by the Coalition. Valuation for non-cash contributions is set by the donor and subsequently reviewed by management of the Coalition for reasonableness. Maintenance received in-kind is valued at the amount invoiced by the vendor for the services provided.

NOTE 5. MAJOR SOURCES & CONCENTRATIONS

For the year ended December 31, 2022, a donation totaling 51% of revenues was from one donor and is reported as bequest receivable on the statement of financial position as of December 31, 2022. For the year ended December 31, 2023, there were no such concentrations.

NOTE 6. LEASES

The Coalition has entered into the following lease arrangements:

Operating leases

Third party

The Coalition leased office space from a third party that required escalating monthly payments that increased by 3% each year through December 2023.

Short term leases

The Coalition leases certain office equipment on a short-term basis, of which the lease terms are less than 12 months. Payments for these leases are included in operating expenses.

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. (CONTINUED)

Quantitative Disclosures

YEARS ENDED DECEMBER 31,	2023	2022
Lease expense		
Operating lease expense	\$ 22,584	\$ 22,584
Short term lease expense	986	839
Total	\$ 23,570	\$ 23,423
Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 22,920	\$ 22,248
ROU assets obtained in exchange for new operating lease liabilities	\$ -	\$ 43,249
Weighted-average remaining lease term in years for operating leases	-	1.00
Weighted-average discount rate for operating leases	4.54%	4.54%

Effective January 4, 2024, the Coalition entered into a lease for a new location, following the termination of the office lease that ended December 31, 2023. The new lease has a term of 87 months and lease payments escalate annually.

NOTE 7. RETIREMENT PLAN

The Organization provides retirement benefits to its employees through a defined contribution plan covering all employees. The Organization matches 100% of contributions up to 4% of gross wages. Contributions to the plan during the years ended December 31, 2023 and 2022, totaled \$38,476 and \$28,835, respectively.

NOTE 8. SUBSEQUENT EVENTS

In preparing these financial statements, the Coalition has evaluated events and transactions for potential recognition or disclosure through June 11, 2024, the date the financial statements were available to be issued.

NOTE 9. LIQUIDITY

The Coalition 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 Coalition 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.

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. (CONTINUED)

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 Coalition received a significant estate and it is the intention of management and board to hold for long-term support of programs in which the amount withdrawn each year will be determined based on need or ask.

AS OF DECEMBER 31,	2023	2022
Financial assets,*	\$ 5,287,618	\$ 5,559,609
Less those unavailable for general expenditures within one year, due to:		
Long-term program support	<u>(3,000,000)</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,287,618</u>	<u>\$ 5,559,609</u>

* Total assets, less nonfinancial assets (inventory, prepaids and right to use asset)