



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

FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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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, 2021 and 2020 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, 2021 and 2020, 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
Minneapolis, Minnesota
June 2, 2022

COLON CANCER COALITION, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31,	2021	2020
ASSETS		
Cash and cash equivalents	\$ 2,504,867	\$ 1,877,121
Receivables	31,000	-
Prepaid expenses	30,606	75,208
Inventory	3,074	-
<i>Total assets</i>	\$ 2,569,547	\$ 1,952,329
LIABILITIES AND NET ASSETS		
LIABILITIES		
Grants and awards payable	\$ 1,714,477	\$ 1,408,827
Accounts payable and accrued expenses	19,525	4,150
Deferred revenues	123,876	9,264
<i>Total liabilities</i>	1,857,878	1,422,241
NET ASSETS		
Without donor restrictions	711,669	530,088
<i>Total net assets</i>	711,669	530,088
<i>Total liabilities and net assets</i>	\$ 2,569,547	\$ 1,952,329

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

COLON CANCER COALITION, INC.

STATEMENTS OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, SUPPORT AND OTHER INCOME			
Race registration fees	\$ 178,275	\$ -	\$ 178,275
Race sponsorships	557,000	-	557,000
Race fundraising	1,024,294	-	1,024,294
Direct benefit to donor costs	(274,275)	-	(274,275)
Grants	1,200	-	1,200
Contributions	486,131	-	486,131
Interest and dividend income	4,045	-	4,045
Government grant	139,685	-	139,685
Non-cash contributions	23,427	-	23,427
<i>Total revenues, support and other income</i>	2,139,782	-	2,139,782
EXPENSES			
Program services	1,313,955	-	1,313,955
Management and general	133,050	-	133,050
Fundraising, including race-related expenses	511,196	-	511,196
<i>Total expenses</i>	1,958,201	-	1,958,201
<i>Increase in net assets</i>	181,581	-	181,581
Net assets, beginning of year	530,088	-	530,088
<i>Net assets, end of year</i>	\$ 711,669	\$ -	\$ 711,669

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

COLON CANCER COALITION, INC.

STATEMENTS OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, SUPPORT AND OTHER INCOME			
Race registration fees	\$ 220,297	\$ -	\$ 220,297
Race sponsorships	453,887	-	453,887
Race fundraising	719,654	-	719,654
Direct benefit to donor costs	(167,892)	-	(167,892)
Grants	5,000	-	5,000
Contributions	396,227	-	396,227
Interest and dividend income	8,389	-	8,389
Government grant	139,685	-	139,685
Non-cash contributions	10,871	-	10,871
<i>Total revenues, support and other income</i>	1,786,118	-	1,786,118
EXPENSES			
Program services	1,100,823	-	1,100,823
Management and general	128,330	-	128,330
Fundraising, including race-related expenses	498,591	-	498,591
<i>Total expenses</i>	1,727,744	-	1,727,744
<i>Increase in net assets</i>	58,374	-	58,374
Net assets, beginning of year	471,714	-	471,714
<i>Net assets, end of year</i>	\$ 530,088	\$ -	\$ 530,088

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

COLON CANCER COALITION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	Supporting Services				Total
	Program	General and		Fundraising	
		Administrative	Event-related	Other	
Salaries and wages	\$ 246,022	\$ 39,761	\$ 231,112	\$ 29,821	\$ 546,716
Benefits	22,601	3,653	2,739	21,231	50,224
Payroll taxes	19,143	3,094	17,983	2,320	42,541
Insurance	5,143	830	4,822	622	11,416
Grants and awards	924,850	-	-	-	924,850
Event expenses	26,740	-	238,358	-	265,111
Advertising	23,225	-	57,914	5,403	86,529
Licenses and permits	-	-	-	4,257	4,557
Rent	9,946	1,607	9,344	1,206	22,103
Occupancy	1,637	265	1,537	198	3,637
Telephone	4,196	678	3,942	509	9,325
Supplies	2,873	464	2,699	348	6,384
Postage	1,210	3,000	310	545	5,065
Printing	5,060	137	799	103	6,099
Dues and subscriptions	100	5,615	60	3,010	8,485
Bank fees	-	-	107,281	-	107,281
Meetings	1,383	1,843	-	-	3,226
Travel	2,925	202	21,733	24	24,884
Meals and entertainment	-	505	148	-	653
Professional fees	12,358	21,540	300	-	34,198
Computer expenses	3,313	13,054	9,853	342	26,562
Contract services	740	34,100	1,130	1,129	37,099
Miscellaneous	490	2,702	2,339	-	5,531
Total expenses	1,313,955	133,050	714,403	71,068	2,232,476
Less direct benefit to donor costs	-	-	(274,275)	-	(274,275)
Net expenses	\$ 1,313,955	\$ 133,050	\$ 440,128	\$ 71,068	\$ 1,958,201
Percent of total expense	67%	7%	22%	4%	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, 2020

	Supporting Services					Total
	Program	General and		Fundraising		
		Administrative	Event-related	Other		
Salaries and wages	\$ 255,137	\$ 56,074	\$ 277,566	\$ 28,037	\$ 616,814	
Benefits	20,231	4,446	2,223	22,010	48,910	
Payroll taxes	19,659	4,321	21,387	2,160	47,527	
Insurance	5,763	1,267	6,269	633	13,932	
Grants and awards	671,090	-	-	-	671,090	
Event expenses	55,756	-	138,012	-	193,768	
Advertising	18,103	-	19,470	5,403	42,976	
Licenses and permits	-	-	-	5,913	5,913	
Rent	12,635	2,777	13,745	1,388	30,545	
Occupancy	1,047	230	1,139	115	2,531	
Telephone	3,242	713	3,527	356	7,838	
Supplies	1,029	226	1,119	113	2,487	
Office supplies	-	5,020	-	-	5,020	
Postage	1,293	284	1,407	142	3,126	
Printing	3,000	263	1,300	131	4,694	
Dues and subscriptions	4,581	1,007	4,984	503	11,075	
Bank fees	-	-	74,928	-	74,928	
Meetings	27	6	30	3	66	
Travel	4,152	912	4,517	456	10,037	
Meals and entertainment	95	21	103	10	229	
Professional fees	11,546	21,003	4,600	2,020	39,169	
Computer expenses	8,260	1,815	8,986	908	19,969	
Contract services	3,200	27,730	9,700	-	40,630	
Miscellaneous	977	215	1,063	107	2,362	
Total expenses	1,100,823	128,330	596,075	70,408	1,895,636	
Less direct benefit to donor costs	-	-	(167,892)	-	(167,892)	
Net expenses	\$ 1,100,823	\$ 128,330	\$ 428,183	\$ 70,408	\$ 1,727,744	
Percent of total expense	65%	7%	25%	4%	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,	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 181,581	\$ 58,374
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in assets and liabilities:		
Receivables	(31,000)	13,525
Prepaid expenses	44,602	31,151
Inventory	(3,074)	-
Grants and awards payable	305,650	86,915
Accounts payable and accrued expenses	15,375	(65)
Deferred revenue	114,612	(25,279)
<i>Net cash provided by operating activities</i>	627,746	164,621
<i>Increase in cash and cash equivalents</i>	627,746	164,621
Cash and cash equivalents, beginning of year	1,877,121	1,712,500
<i>Cash and cash equivalents, end of year</i>	\$ 2,504,867	\$ 1,877,121

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. Additionally, the Coalition oversees biking and golf events branded under the Tour de Tush and Caboose Cup. For the years ended December 31, 2021 and 2020, 40 and 34 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, 2021 and 2020, there were no net assets with donor restrictions.

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

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 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, 2021 with early adoption permitted. It is to be adopted using a modified retrospective approach.

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 which replaced most existing revenue recognition guidance in generally accepted accounting principles in the United States of America (GAAP). This guidance requires the Coalition to recognize revenue to depict the transfer of good or services to customers in an amount that reflects the consideration to which the Coalition expects to be entitled in exchange for those good 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.

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 are 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 deferred as a contract asset until expensed which is when the race is held.

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. The Coalition considers its Paycheck Protection Program (“PPP”) funds as refundable advances and initially recorded them as such on the statement of financial position and is following the guidelines of a conditional promise to give and therefore cannot recognize a contribution until all conditions are met which management has determined to be upon forgiveness of the loans from the bank which occurred in November 2020 and September 2021, respectively.

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 did not have contributions or grants considered donor restricted for the years ended December 31, 2021 and 2020.

In-kind revenue:

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.

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

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 5,200 and 4,500 hours of donated time towards races for each of the years ended December 31, 2021 and 2020.

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 subsequent to 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.

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.

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 due to having a maturity of three months.

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, 2021 and 2020, no allowance was recorded due to the fact that the Coalition deemed the receivables to be fully collectible.

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

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.

Advertising:

Advertising is charged to expense when incurred. Advertising expenses totaled \$86,529 and \$42,976 for the years ended December 31, 2021 and 2020, 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 2021 and 2020 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. REFUNDABLE ADVANCES

On May 5, 2020 and February 8, 2021, the Coalition received loan proceeds (considered refundable advances) each in the amount of \$139,685 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides loans to qualifying businesses and nonprofits for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business or nonprofit. The loans and accrued interest are forgivable after eight or twenty-four weeks, to be chosen by the borrower, as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight or twenty-four week period. The Coalition received confirmation of forgiveness of these loan on November 4, 2020 and September 7, 2021, respectively, and subsequently recognized the grant revenue.

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. NON-CASH CONTRIBUTIONS

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

YEARS ENDED DECEMBER 31,	2021	2020
Advertising	\$ 17,959	\$ 7,500
Race day food	1,102	-
Race day equipment rental	4,366	3,371
<i>Total</i>	\$ 23,427	\$ 10,871

NOTE 4. LEASE OBLIGATIONS

The Coalition leases office space on a lease that requires escalating monthly payments through December 2023. The following is a schedule of future minimum lease payments under this lease:

YEARS ENDING DECEMBER 31,	
2022	\$ 22,248
2023	22,920
<i>Total</i>	\$ 45,168

Rent expense charged to operations under this lease amounted to \$22,103 and \$30,545 for the years ended December 31, 2021 and 2020, respectively.

NOTE 5. 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, 2021 and 2020, totaled \$20,113 and \$22,315, respectively.

NOTE 6. SUBSEQUENT EVENTS

In preparing these financial statements, the Coalition has evaluated events and transactions for potential recognition or disclosure through June 2, 2022, the date the financial statements were available to be issued.

NOTE 7. 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, 2021 and 2020.

COLON CANCER COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. 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.

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's financial assets available to meet cash needs for general expenditures, including grants payable, within one year as of December 31, 2021 and 2020 were \$2,535,867 and \$1,877,121, consisting of cash of \$2,504,867 and \$1,877,121 and receivables of \$31,000 and \$0, respectively.

NOTE 9. UNCERTAINTY

During 2020 continuing into 2022, local, U.S. and world governments encouraged self-isolation to curtail the spread of the global pandemic, Coronavirus Disease (COVID-19), by imposing mandatory quarantine for exposed and infected individuals and imposing limitations on travel and size and duration of group meetings among other restrictions. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. As the situation evolved, the Coalition began offering virtual events and is slowly reintegrating in-person events coupled with the continued option for virtual participation. The Coalition has also received two rounds of PPP loans (Note 2) to help maintain cash flows. The ultimate impact of the COVID-19 pandemic on the Coalition's operating results, cash flows and financial condition is likely to be determined by factors which are uncertain, unpredictable and outside of the Coalition's control. The situation surrounding COVID-19 remains fluid, and if disruptions do arise, they could materially and adversely impact the business.