

**US TOO INTERNATIONAL, INC.**

**Financial Statements  
as of December 31, 2010 and 2009  
Together With Auditors' Report**

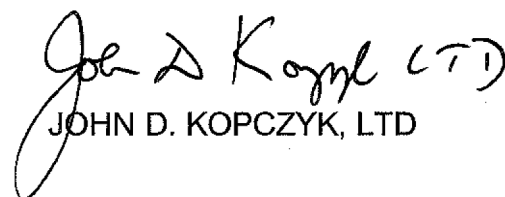
## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

Board of Directors  
Us TOO International, Inc.  
Downers Grove, Illinois

We have audited the accompanying statement of financial position of Us TOO International, Inc. as of December 31, 2010 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the organization's 2009 financial statements and, in our report dated May 24, 2010 we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Us TOO International, Inc. as of December 31, 2010 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

  
JOHN D. KOPCZYK, LTD

Chicago, Illinois  
May 6, 2011

**US TOO INTERNATIONAL, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2010 and 2009**

**CURRENT ASSETS**

	2010	2009
Cash	\$ 50,801	\$ 131,368
Investments	1,020,539	827,045
Grants Receivable	0	4,944
Other Receivable	16,329	1,029
Prepaid Expenses	6,723	6,689
Security Deposit	2,150	2,150
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 1,096,542</b>	<b>\$ 973,225</b>

**FIXED ASSETS**

Furniture and Equipment	\$ 26,102	\$ 21,412
Leasehold Improvements	11,398	11,398
LESS: Accumulated Depreciation	<32,736>	<31,727>

**NET FIXED ASSETS**

\$ 4,764	\$ 1,083
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**TOTAL ASSETS**

\$ 1,101,306	\$ 974,308
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**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable	\$ 37,751	\$ 17,841
Accrued Expenses	79,211	126,822

**TOTAL LIABILITIES**

\$ 116,962	\$ 144,663
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**NET ASSETS**

Unrestricted	\$ 696,811	\$ 519,742
Temporarily Restricted	287,533	309,903
Permanently Restricted	0	0

**TOTAL NET ASSETS**

\$ 984,344	\$ 829,645
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**TOTAL LIABILITIES AND NET ASSETS**

\$ 1,101,306	\$ 974,308
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The accompanying notes are an integral part of these statements.

**US TOO INTERNATIONAL, INC.**

**STATEMENTS OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2010**

**WITH COMPARATIVE TOTALS FOR THE YEAR END DECEMBER 31, 2009**

	2010			2009
	Unrestricted	Temporarily Restricted	Total	Grand Total
<b>REVENUES</b>				
Direct Public Support	\$ 548,433	\$ 514,156	\$ 1,062,589	\$ 941,964
Interest/Dividends	6,537	0	6,537	10,997
Chapter Revenues	34,077	0	34,077	149,555
Fund Raising (Net of Expenses of \$131,120 and \$109,336)	97,377	0	97,377	72,950
Tapes/Books/Pins	2,631	0	2,631	5,194
Other	1,795	0	1,795	305
Unrealized Appreciation <Depreciation> of Investments	24,085	0	24,085	7,015
Realized Gain<Loss>on Investments/Assets	<10,217>	0	<10,217>	49,335
Net Assets Released from Restrictions	<u>536,526</u>	<u>&lt;536,526&gt;</u>	<u>0</u>	<u>0</u>
<b>TOTAL REVENUES</b>	<u>\$ 1,241,244</u>	<u>\$ &lt;22,370&gt;</u>	<u>\$ 1,218,874</u>	<u>\$ 1,237,315</u>
<b>EXPENSES</b>				
Program Services	\$ 865,209	\$ 0	\$ 865,209	\$ 721,043
Management and General	124,647	0	124,647	113,105
Fund Raising	<u>74,319</u>	<u>0</u>	<u>74,319</u>	<u>110,397</u>
<b>TOTAL EXPENSES</b>	<u>\$ 1,064,175</u>	<u>\$ 0</u>	<u>\$ 1,064,175</u>	<u>\$ 944,545</u>
<b>CHANGE IN NET ASSETS</b>	\$ 177,069	\$ <22,370>	\$ 154,699	\$ 292,770
<b>NET ASSETS</b>				
Beginning of Year	<u>519,742</u>	<u>309,903</u>	<u>829,645</u>	<u>536,875</u>
End of Year	<u>\$ 696,811</u>	<u>\$ 287,533</u>	<u>\$ 984,344</u>	<u>\$ 829,645</u>

The accompanying notes are an integral part of these statements.

**US TOO INTERNATIONAL, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2010**

**WITH COMPARATIVE TOTALS FOR THE YEAR END DECEMBER 31, 2009**

	2010				2009
	<u>Program Services</u>	<u>Management And General</u>	<u>Fund Raising</u>	<u>Total</u>	<u>Grand Total</u>
<b>EXPENSES</b>					
Grants	\$ 68,965	\$ 0	\$ 0	\$ 68,965	\$ 28,110
Salaries and Benefits	288,358	44,033	57,968	390,359	365,172
Payroll Taxes	16,716	2,550	3,350	22,616	21,090
Interest	0	516	0	516	0
Conferences	82,467	0	0	82,467	726
Dues and Subscriptions	11,478	132	0	11,610	6,136
Bank and Brokerage Fees	0	7,643	0	7,643	5,657
Printing	57,434	46	0	57,480	53,694
Travel and Entertainment	21,384	17,687	762	39,833	14,856
Insurance	5,440	834	1,092	7,366	7,405
Occupancy	35,891	5,489	7,209	48,589	46,181
Telephone	8,020	1,235	1,620	10,875	7,255
Professional Fees	172,049	14,416	1,003	187,468	221,801
Postage	24,989	521	520	26,030	41,727
Office Supplies	22,148	1,258	795	24,201	13,459
Advertising	5,000	0	0	5,000	0
Miscellaneous	0	1,947	0	1,947	740
Depreciation	0	1,009	0	1,009	746
Chapter Expense	44,870	0	0	44,870	93,947
Board Expense	0	25,331	0	25,331	15,843
<b>TOTAL EXPENSES</b>	<u>\$ 865,209</u>	<u>\$ 124,647</u>	<u>\$ 74,319</u>	<u>\$ 1,064,175</u>	<u>\$ 944,545</u>

The accompanying notes are an integral part of these statements.

**US TOO INTERNATIONAL, INC.**

**STATEMENTS OF CASH FLOWS**

**Years Ended December 31, 2010 and 2009**

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 154,699	\$ 292,770
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,009	746
Accrued Expenses	<47,611>	<2,166>
Accounts Payable	19,910	<20,789>
Prepaid Expenses	<34>	<519>
Grants Receivable	4,944	2,856
Loan Receivable	0	22
Other Receivable	<15,300>	<1,029>
Net Cash Provided <Used> by Operating Activities	<u>\$ 117,617</u>	<u>\$ 271,891</u>
<b>CASH PROVIDED &lt;USED&gt; BY INVESTING ACTIVITIES:</b>		
<Purchase> Sale of Investments	\$ <193,494>	\$ <222,015>
Net Cash Provided <Used> by Investing Activities	<u>\$ &lt;193,494&gt;</u>	<u>\$ &lt;222,015&gt;</u>
<b>CASH PROVIDED &lt;USED&gt; BY FINANCING ACTIVITIES:</b>		
Purchase – Fixed Assets	\$ <4,690>	\$ 0
Net Cash Provided <Used> by Financing Activities	<u>\$ &lt;4,690&gt;</u>	<u>\$ 0</u>
Net Increase <Decrease> in Cash	\$ <80,567>	\$ 49,876
Cash Balance – Beginning of Year	<u>131,368</u>	<u>81,492</u>
Cash Balance – End of Year	<u>\$ 50,801</u>	<u>\$ 131,368</u>

The accompanying notes are an integral part of these statements.

## US TOO INTERNATIONAL, INC.

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 1. NATURE OF ACTIVITIES

Us TOO International, Inc. is an Illinois not-for-profit organization founded in 1990 to be the leading prostate cancer organization helping men and their families make informed decisions about prostate cancer detection and treatment through support, education and advocacy.

#### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same accounting period as that in which they are received are reported as unrestricted support.

##### Investments

Investments are reported at fair value with gains and losses included in the statements of activities. The fair values of investments are based on quoted market prices.

##### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles for not-for-profit organizations.

##### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

##### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# US TOO INTERNATIONAL, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

#### Subsequent Events

The financial statements were available to be issued on May 6, 2010 with subsequent events being evaluated through this date.

#### Income Tax Status

Us TOO International, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Us TOO International, Inc. has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). There was no unrelated business income nor unrecognized tax benefits for the years ending December 31, 2010 or 2009.

Each of the Organization's prior three years remain subject to examination by the Internal Revenue Service.

#### Fixed Assets

Us TOO International, Inc. follows the practice of capitalizing, at cost, all expenditures for fixed assets over \$500. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Improvements	Term of Lease
Furniture & Equipment	5-10 Years
Vehicles	5 Years

#### Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily available for current use.

#### Comparative Totals for Prior Year

The financial statements include certain prior-year summarized comparative information in total but not by net asset class nor functional allocation. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Us TOO International, Inc.'s financial statements for the year ended, December 31, 2009, from which the summarized information was derived.

US TOO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

**NOTE 3. LEASE COMMITMENTS**

The Organization signed a new lease agreement in January 2001. The lease requires the Organization to pay common area maintenance and real estate charges, as defined in the lease agreement. Rent expense was \$40,995 in 2010 and \$39,027 in 2009.

The future minimum rental payments under this lease are as follows:

	<u>December 31</u>
2011	\$ 41,962
2012	42,958

**NOTE 4. PERMANENTLY RESTRICTED NET ASSETS**

There were no permanently restricted net assets nor activity for the year ended December 31, 2010 or 2009.

**NOTE 5. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>2010</u>	<u>2009</u>
Roadmap	\$ 3,000	\$ 0
Us TOO U	0	12,000
Chapter Services	10,000	80,000
Hot Sheet	20,000	0
Patient Research	12,510	10,910
Multidisciplinary Care	12,760	0
Circle of Love	7,000	10,000
Chapter Grants	61,948	50,893
Advance Disease	147,315	135,050
20 <sup>th</sup> Anniversary	10,000	3,050
Bone Health	3,000	8,000
	<u>\$ 287,533</u>	<u>\$ 309,903</u>

**US TOO INTERNATIONAL, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. UNINSURED CASH BALANCES**

Cash in banks at December 31, 2010 and 2009 is insured through Federal deposit insurance to \$250,000. All excess deposits are uninsured and uncollateralized. The amount of cash in banks in excess of Federal insurance limits at December 31, 2010 and 2009 was \$0 and \$188,208.

**NOTE 7. PENSION PLANS**

The Organization implemented a 401(k) salary deferral plan starting January 1, 2001. The Board approved a dollar for dollar match up to ten percent. Eligible employees must be 21 years of age and have completed 1,000 hours of service which is credited on their anniversary date. Pension expense was \$25,393 in 2010 and \$33,567 in 2009. In December 2007, the Board approved adding a Roth 401(k) option to the plan.

**NOTE 8. LEGAL MATTERS**

Us TOO International had been named in eight lawsuits pending in San Diego Superior Court. The lawsuits alleged that the plaintiffs were injured by ingesting herbal supplements for prostate cancer that were adulterated with prescription medication, including Warfarin Ad DES. Unitrin Insurance Company defended Us TOO International under a reservation of rights. On February 8, 2008, Us TOO International was granted a motion to quash on the grounds that the California court lacks jurisdiction over Us TOO International which is a non-profit Illinois corporation. In July 2008, Us TOO International was named in a subsequent lawsuit by the same attorney. In January 2009, all claims against Us TOO International were dismissed by the United States District Court Central District of California for lack of jurisdiction.

## US TOO INTERNATIONAL, INC.

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 9. FAIR VALUE MEASUREMENTS

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

##### Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

##### 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 asset 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.

**US TOO INTERNATIONAL, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9. FAIR VALUE MEASUREMENTS (CONTINUED)**

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010.

Common Stock: Valued at an estimated fair value as of December 31, 2010 and 2009 based on quoted prices for similar assets in an active market.

Money Market: Valued at an estimated fair value as of December 31, 2010 and 2009 based on quoted prices for similar assets in an active market.

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 plan 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.

The following table sets forth by level, within the fair value hierarchy, the plan's assets at fair value as of December 31, 2010 and 2009:

Assets at Fair Value as of December 31, 2010

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Markets (Cost \$716,284)	\$ 0	\$ 716,284	\$ 0	\$ 716,284
Common Stock (Cost \$302,075)	<u>304,255</u>	<u>0</u>	<u>0</u>	<u>304,255</u>
Total Assets at Fair Value	<u>\$ 304,255</u>	<u>\$ 716,284</u>	<u>\$ 0</u>	<u>\$ 1,020,539</u>

**US TOO INTERNATIONAL, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9. FAIR VALUE MEASUREMENTS (CONTINUED)**

Assets at Fair Value as of December 31, 2009

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Markets (Cost \$557,434)	\$ 0	\$ 557,434	\$ 0	\$ 557,434
Common Stock (Cost \$291,505)	<u>269,611</u>	<u>0</u>	<u>0</u>	<u>269,611</u>
Total Assets at Fair Value	<u>\$ 269,611</u>	<u>\$ 557,434</u>	<u>\$ 0</u>	<u>\$ 827,045</u>

Securities investor protection corporation (SIPC) protects customer cash balances up to \$100,000 and security positions up to an aggregate value of \$500,000 on a customer-by-customer basis. A limit of \$100,000 cash applies for each customer. The amount of cash in money markets held in brokerage accounts at December 2010 and 2009 was \$490,344 and \$146,163.