

**US TOO INTERNATIONAL, INC.**

**Financial Statements  
as of December 31, 2007 and 2006  
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, 2007 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 2006 financial statements and, in our report dated, February 27, 2007 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 statement referred to above present fairly, in all material respects, the financial position of Us TOO International, Inc. as of December 31, 2007 and the changes in its net assets and its cash flows for the year then ended in conformity with auditing standards generally accepted in the United States of America.

  
JOHN D. KOPCZYK, LTD

Chicago, Illinois  
March 25, 2008

**US TOO INTERNATIONAL, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2007 and 2006**

**CURRENT ASSETS**

	2007	2006
Cash	\$ 35,880	\$ 24,746
Investments	832,755	915,014
Grants Receivable	32,658	24,852
Event Receivable	18,154	40,545
Loan Receivable	1,222	2,422
Prepaid Expenses	10,124	11,422
Security Deposit	2,150	2,150
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 932,943</b>	<b>\$ 1,021,151</b>

**FIXED ASSETS**

Furniture and Equipment	\$ 21,412	\$ 19,085
Leasehold Improvements	11,398	11,398
LESS: Accumulated Depreciation	<29,294>	<27,370>

**NET FIXED ASSETS**

<b>\$ 3,516</b>	<b>\$ 3,113</b>
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**TOTAL ASSETS**

<b>\$ 936,459</b>	<b>\$ 1,024,264</b>
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**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable	\$ 50,449	\$ 41,597
Accrued Expenses	112,224	73,138

**TOTAL LIABILITIES**

<b>\$ 162,673</b>	<b>\$ 114,735</b>
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**NET ASSETS**

Unrestricted	\$ 461,876	\$ 476,369
Temporarily Restricted	311,910	433,160
Permanently Restricted	0	0

**TOTAL NET ASSETS**

<b>\$ 773,786</b>	<b>\$ 909,529</b>
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**TOTAL LIABILITIES AND NET ASSETS**

<b>\$ 936,459</b>	<b>\$ 1,024,264</b>
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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, 2007**

**WITH COMPARATIVE TOTALS FOR THE YEAR END DECEMBER 31, 2006**

	2007			2006
	Unrestricted	Temporarily Restricted	Total	Grand Total
<b>REVENUES</b>				
Direct Public Support	\$ 617,711	\$ 303,000	\$ 920,711	\$ 992,875
Government Grants	378,687	0	378,687	265,208
Interest/Dividends	20,022	0	20,022	20,917
Chapter Revenues	101,353	0	101,353	0
Fund Raising (Net of Expenses of \$117,270)	142,952	0	142,952	85,381
Tapes/Books/Pins	10,427	0	10,427	7,678
Other	5,171	0	5,171	9,685
Unrealized Appreciation <Depreciation> of Investments	19,214	0	19,214	30,234
Realized Gain<Loss>on Investments/Assets	16,391	0	16,391	<4,692>
Net Assets Released from Restrictions	<u>424,250</u>	<u>&lt;424,250&gt;</u>	<u>0</u>	<u>0</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 1,736,178</u></b>	<b><u>\$ &lt;121,250&gt;</u></b>	<b><u>\$ 1,614,928</u></b>	<b><u>\$ 1,407,286</u></b>
<b>EXPENSES</b>				
Program Services	\$ 1,360,751	\$ 0	\$ 1,360,751	\$ 1,058,297
Management and General	197,653	0	197,653	111,803
Fund Raising	<u>192,267</u>	<u>0</u>	<u>192,267</u>	<u>130,121</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 1,750,671</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 1,750,671</u></b>	<b><u>\$ 1,300,221</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ &lt;14,493&gt;</b>	<b>\$ &lt;121,250&gt;</b>	<b>\$ &lt;135,743&gt;</b>	<b>\$ 107,065</b>
<b>NET ASSETS</b>				
Beginning of Year	<u>476,369</u>	<u>433,160</u>	<u>909,529</u>	<u>802,464</u>
End of Year	<b><u>\$ 461,876</u></b>	<b><u>\$ 311,910</u></b>	<b><u>\$ 773,786</u></b>	<b><u>\$ 909,529</u></b>

The accompanying notes are an integral part of these statements.

**US TOO INTERNATIONAL, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2007**  
**WITH COMPARATIVE TOTALS FOR THE YEAR END DECEMBER 31, 2006**

	2007				2006
	<u>Program Services</u>	<u>Management And General</u>	<u>Fund Raising</u>	<u>Total</u>	<u>Grand Total</u>
<b>EXPENSES</b>					
Grants	\$ 46,762	\$ 0	\$ 0	\$ 46,762	\$ 22,255
Salaries and Benefits	341,332	58,491	108,047	507,870	435,619
Payroll Taxes	19,378	4,592	8,660	32,630	29,442
Conferences	133,271	0	0	133,271	42,799
Dues and Subscriptions	3,597	154	0	3,751	6,204
Printing	112,637	8,929	10,329	131,895	102,953
Fundraising	0	0	0	0	36,681
Travel and Entertainment	109,949	29,908	786	140,643	64,352
Insurance	951	6,072	935	7,958	11,338
Occupancy	30,086	4,867	9,291	44,244	38,368
Telephone	12,500	4,279	49	16,828	11,196
Professional Fees	306,422	39,019	10,933	356,374	163,413
Postage	74,960	1,355	3,998	80,313	56,838
Office Supplies	32,546	12,193	14,442	59,181	17,320
Program Expense	118,386	0	0	118,386	167,766
Miscellaneous	8,176	14,937	300	23,413	12,173
Depreciation	0	1,924	0	1,924	1,536
Advertising	0	0	366	366	1,998
Chapter Expense	9,798	1,526	24,131	35,455	0
Board Expense	0	9,407	0	9,407	77,970
<b>TOTAL EXPENSES</b>	<b><u>\$ 1,360,751</u></b>	<b><u>\$ 197,653</u></b>	<b><u>\$ 192,267</u></b>	<b><u>\$ 1,750,671</u></b>	<b><u>\$ 1,300,221</u></b>

The accompanying notes are an integral part of these statements.

**US TOO INTERNATIONAL, INC.**

**STATEMENTS OF CASH FLOWS**

**Years Ended December 31, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ <135,743>	\$ 107,065
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,924	1,536
Accrued Expenses	39,086	41,281
Accounts Payable	8,852	<11,754>
Prepaid Expenses	1,298	<732>
Grants Receivable	<7,806>	<5,773>
Loan Receivable	1,200	1,132
Event Receivable	<u>22,391</u>	<u>&lt;40,545&gt;</u>
Net Cash Provided <Used> by Operating Activities	\$ <u>&lt;68,798&gt;</u>	\$ <u>92,210</u>
<b>CASH PROVIDED &lt;USED&gt; BY INVESTING ACTIVITIES:</b>		
Purchase <Sale> of Investments	\$ 82,259	\$ <106,460>
Purchase of Fixed Assets	<u>&lt;2,327&gt;</u>	<u>0</u>
Net Cash Provided <Used> by Investing Activities	\$ <u>79,932</u>	\$ <u>&lt;106,460&gt;</u>
Net Increase <Decrease> in Cash	\$ 11,134	\$ <14,250>
Cash Balance – Beginning of Year	<u>24,746</u>	<u>38,996</u>
Cash Balance – End of Year	\$ <u><u>35,880</u></u>	\$ <u><u>24,746</u></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 provide a forum for the discussion of problems related to prostate cancer or enlarged prostate and to afford funds for such activity.

### 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.

#### 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**

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 for the years ending December 31, 2007 or 2006.

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, 2006, 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 \$44,244 in 2007 and \$38,368 in 2006.

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

	<u>December 31</u>
2008	\$ 37,585

**NOTE 4. INVESTMENTS**

The cost and market value of marketable securities are summarized below:

	<u>2007</u>		<u>2006</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Money Market	\$ 404,880	\$ 404,880	\$ 447,178	\$ 447,178
Common Stock	332,520	427,875	290,549	366,689
US Treasury Notes	<u>0</u>	<u>0</u>	<u>101,147</u>	<u>101,147</u>
Total Investments	<u>\$ 737,400</u>	<u>\$ 832,755</u>	<u>\$ 838,874</u>	<u>\$ 915,014</u>

**NOTE 5. NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Restricted contributions whose restrictions are met in the same accounting period as that in which they are received are reported as unrestricted support.

Purpose Restrictions Expired:	<u>2007</u>	<u>2006</u>
Us TOO Website	\$ 80,000	\$ 0
Us TOO U	271,000	0
Bone Health	0	85,000
Regional Directors Meeting	0	50,000
PC Advance Alliance	0	10,000
Advance Disease	50,000	0
Newly Diagnosed Patients	<u>23,250</u>	<u>0</u>
Total	<u>\$ 424,250</u>	<u>\$ 145,000</u>

**US TOO INTERNATIONAL, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. PERMANENTLY RESTRICTED NET ASSETS**

There were no permanently restricted net assets nor activity for the year ended December 31, 2007 or 2006.

**NOTE 7. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>2007</u>	<u>2006</u>
Us TOO Website	\$ 60,000	\$ 80,000
Us TOO U	65,000	271,000
Chapter Services	150,000	0
Hot Sheet	28,000	0
Patient Research	8,910	8,910
Advance Disease	0	50,000
Newly Diagnosed Patients	0	23,250
	<u>\$ 311,910</u>	<u>\$ 433,160</u>

**NOTE 8. UNINSURED CASH BALANCES**

Cash in banks at December 31, 2006 is insured through Federal deposit insurance to \$100,000. All excess deposits are uninsured and uncollateralized. The amount of cash in banks in excess of Federal insurance limits at December 31, 2007 and 2006 was \$209,833 and \$305,950.

**NOTE 9. PENSION PLANS**

The Board of Directors approved a profit-sharing contribution equal to five percent of annual earning for all eligible employees. 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 plus a projected profit sharing contribution equal to five percent of annual earnings for all eligible employees. 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 \$30,269 in 2007 and \$23,137 in 2006. In December 2007, the Board approved adding a Roth 401(K) option to the plan.

**US TOO INTERNATIONAL, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10. LEGAL MATTERS**

Us TOO International has been named in eight lawsuits pending in San Diego Superior Court. The lawsuits allege 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 will defend 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. No liability has been recorded on the books.

**NOTE 11. CDC GRANT**

Us TOO International is involved in a Department of Health and Human Services Centers for Disease Control, Early Detection or Survivorship of Cancer in Underserved Populations contract. The contract period is from 8/31/03 through 8/30/08. Us TOO competes for these funds on an annual basis. During the contract year 3 which ran from 8/31/05 through 8/30/06, Us TOO was awarded \$288,030 of which \$73,098 was unspent. These unobligated funds were available for Us TOO for contract activities during 2007.