

**CANCER 101, INC.
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
DECEMBER 31, 2007 AND 2006**

CANCER 101, INC.
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

CONTENTS

	<u>Page</u>
Independent Auditors' report	1
Financial statements:	
Statements of financial position	2
Statements of activities and change in net assets	3
Statements of cash flows	4
Notes to financial statements	5-7
Independent Auditors' report on supplementary information	8
Schedule of functional expenses	9

Independent Auditors' Report

Board of Directors
CANCER 101, INC.
New York, New York

We have audited the accompanying statement of financial position of Cancer 101, Inc. as of December 31, 2007 and the related statements of activities, and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for Cancer 101, Inc. as of December 31, 2006 were audited by other auditors whose report dated July 31, 2008 expressed an unqualified opinion on those 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 audits 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 Cancer 101, Inc. as of December 31, 2007 the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Fuoco Group, LLP

Hauppauge, New York
August 19, 2009

CANCER 101, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2007 AND 2006

	2007	2006
ASSETS		
Current assets:		
Cash	\$ 92,872	\$ 40,365
Contributions receivable	500	6,000
Other receivables	3,745	-
Prepaid expenses	4,179	29,933
Total current assets	101,295	76,298
Property and equipment net of accumulated depreciation and amortization of \$21,446 and \$10,345 in 2007 and 2006 respectively	35,659	20,691
TOTAL ASSETS	\$ 136,954	\$ 96,989
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 19,446	\$ 19,417
Deferred Income	7,490	-
Total current liabilities	26,937	19,417
Net assets:		
Net assets - unrestricted	110,017	27,572
Net assets - temporarily restricted	-	50,000
Total net assets	110,017	77,572
TOTAL LIABILITIES AND NET ASSETS	\$ 136,954	\$ 96,989

See accompanying notes and independent auditors' report.

CANCER 101, INC.
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>			<u>2006</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total (for Comparative Purposes Only)</u>
Revenue:				
Contributions	\$ 179,880	\$ -	\$ 179,880	\$ 231,491
Special events revenue (net)	153,299	-	153,299	1,060
Other revenue	22,382	-	22,382	310
	<u>355,560</u>	<u>-</u>	<u>355,561</u>	<u>232,861</u>
Net assets released from restrictions	50,000	(50,000)		
Total revenues	<u>405,560</u>	<u>(50,000)</u>	<u>355,561</u>	<u>232,861</u>
Expenses:				
Program	241,429	-	241,429	119,363
Management and general	40,801	-	40,801	36,032
Fund raising	40,886	-	40,886	25,275
Total expenses	<u>323,116</u>	<u>-</u>	<u>323,116</u>	<u>180,670</u>
Increase (decrease) in net assets	82,445	(50,000)	32,445	52,191
Net assets - beginning of year	27,572	50,000	77,572	25,381
Net assets - end of year	<u>\$ 110,017</u>	<u>\$ -</u>	<u>\$ 110,017</u>	<u>\$ 77,572</u>

See accompanying notes and independent auditors' report.

CANCER 101, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Cash flows from operating activities:		
Change in net assets	\$ 32,445	\$ 52,191
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	11,101	10,345
(Increase)decrease in assets:		
Contributions receivable	5,500	(2,030)
Other receivable	(3,745)	-
Prepaid expenses	25,754	(22,564)
Increase(decrease) in liabilities:		
Accounts payable and accrued expenses	29	19,417
Deferred Revenue	7,490	-
Net cash provided by operating activities	78,576	57,359
Cash flows from investing activities:		
Website development	(22,868)	(31,036)
Purchase of equipment	(3,201)	-
Net cash provided by investing activities	(26,069)	(31,036)
Increase in cash	52,507	26,323
Cash - beginning of year	40,365	14,042
Cash - end of year	\$ 92,872	\$ 40,365

See accompanying notes and independent auditors' report.

CANCER 101, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

1. Background:

Nature of organization:

Cancer 101, Inc. (the Organization) is a corporation organized under the New York State Not-for-Profit Corporation Law. The Organization provides support to women with breast cancer and their families. The Organization is located in New York City.

The primary sources of revenue are contributions and special events income.

2. Summary of significant accounting policies:

Basis of accounting and financial statement presentation:

The accompanying financial statements are presented under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and include the accounts of the Organization's programs, administration and fundraising.

The Organization presents its financial statements in accordance with Statements of Financial Accounting Standards ("SFAS") No. 117, Financial Statements of Not-For-Profit Organizations. SFAS No. 117 requires that the Organization's financial statements distinguish between unrestricted, temporarily restricted and permanently restricted net assets and change in net assets. The Organization's net assets consist of the following:

Unrestricted – net assets of the Organization which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Organization.

Temporarily restricted – net assets of the Organization which have been limited by donor-imposed stipulations or by law, that either expire with the passage of time or can be fulfilled and removed by the actions of the Organization pursuant to those stipulations.

Expenses are allocated into functional categories depending upon the ultimate purpose of the expenditure. The Organization also presents a statement of cash flows in accordance with SFAS No. 117.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code. Therefore, there is no provision for federal or state income tax.

The use of estimates in the preparation of financial statements

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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CANCER 101, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

2. Summary of significant accounting policies: (continued)

Basis of accounting and financial statement presentation: (continued)

Revenue recognition:

Contributions are recognized as income when received and are considered to be available for unrestricted use unless specifically restricted by the donor.

Cash and cash equivalents:

Cash and cash equivalents represents cash held in banks, money market accounts held by investment brokers, and short-term investments. The Organization considers all short-term investments with maturity of three months or less to be cash equivalents.

Bad debt:

The Organization uses the allowance method of accounting for bad debts.

Website:

The client website is recorded at cost and amortized on the straight-line method over three years, the estimated useful life of the asset.

Property and equipment:

Property and equipment is stated at cost when purchased or fair market value at the date of donation. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets.

3. Accounts receivable:

Accounts receivable of \$500 and \$6,000 at December 31, 2007 and 2006 (respectively) represents pledge commitments not collected at year end. No allowance for doubtful accounts or bad debts were provided for or incurred for these years.

4. Property and equipment:

The details of property, and equipment, accumulated depreciation and the estimated useful lives as of December 31, 2007 and 2006 are as follows:

	<u>2007</u>	<u>2006</u>	<u>Remaining Estimated Useful Lives</u>
Website	\$ 53,904	\$ 31,036	3 years
Equipment	<u>3,201</u>	<u>-</u>	3 – 5 years
Total property and equipment	\$ 57,105	\$ 31,036	
Less:			
Accumulated depreciation and amortization	<u>(21,446)</u>	<u>(10,345)</u>	
Net property and equipment	<u>\$ 35,659</u>	<u>\$ 20,691</u>	

Depreciation and amortization expense for the years ended December 31, 2007 and 2006 was \$11,101 and \$10,345, respectively.

CANCER 101, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

5. Concentration of credit risk:

The Organization's financial instruments consist of cash and accounts receivable. At December 31, 2007 and 2006, no cash amounts were in excess of insured limits and the organization does not have a material concentration of credit risk with respects to accounts receivable.

6. Commitments:

The Organization has a month to month lease for office space commencing on November 15, 2007 with monthly payments of \$1,250.

Independent Auditors' Report on Supplementary Information

Board of Directors
Cancer 101, Inc.
New York, New York

Our report on our audit of the statements of financial position of Cancer 101, Inc., for December 31, 2007 appears on page 1. This audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on page 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Fuoco Group LLP

Hauppauge, New York
August 19, 2009

CANCER 101, INC.
ADDITIONAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

SCHEDULE OF SPECIAL EVENTS

<u>Special Events</u>	<u>2007</u>	<u>2006</u>
Revenues:		
Reception in kind	\$ -	\$ 3,900
Valentine's Auction	12,706	2,195
Boathouse Gala	288,414	-
Annual Golf Classic	112,883	-
Total revenue	<u>414,003</u>	<u>6,095</u>
Expenditures:		
Printing and copying	851	212
Postage and shipping	69	276
E-Commerce fees	2,409	-
Events costs	257,375	4,547
Total expenditures	<u>260,704</u>	<u>5,035</u>
Special events revenue (net)	<u>\$ 153,299</u>	<u>\$ 1,060</u>

SCHEDULE OF FUNCTIONAL EXPENSES

	<u>2007</u>			<u>2006</u>	
	<u>Program Expenses</u>	<u>Management and General</u>	<u>Fundraising Expenses</u>	<u>Total</u>	<u>Total (for Comparative Purposes Only)</u>
Salaries and wages	\$ 97,623	\$ 13,946	\$ 27,892	\$ 139,461	\$ 95,019
Employee benefits	20,693	2,956	5,912	29,561	17,337
Supplies	3,010	1,505	502	5,017	3,949
Telephone	3,472	496	992	4,960	2,822
Books and subscriptions	17	7	-	24	306
Printing and copying	851	851	851	2,553	635
Travel and meetings	7,412	-	-	7,412	4,437
Dining	1,443	577	866	2,886	2,100
Postage and shipping	2,082	116	46	2,244	8,917
Professional fees	79,157	16,821	2,968	98,946	16,747
E-Commerce Fees	9,634	-	-	9,634	795
Bank fees	-	1,732	-	1,732	1,790
Occupancy	3,997	857	857	5,711	12,034
Amortization and depreciation	11,101	-	-	11,101	10,345
Miscellaneous	937	937	-	1,874	3,438
Total expenses	<u>\$ 241,429</u>	<u>\$ 40,801</u>	<u>\$ 40,886</u>	<u>\$323,116</u>	<u>\$ 180,671</u>

See accompanying notes and independent auditors' report.