

**CANCER 101, INC.
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
DECEMBER 31, 2008 AND 2007**

CANCER 101, INC.
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

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Independent Auditors' Report

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

We have audited the accompanying statements of financial position of Cancer 101, Inc. as of December 31, 2008 and 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 audits.

We conducted our audits 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 audits provide 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, 2008 and 2007 and the results of its operations and its cash flows for the years 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, 2008 AND 2007

	2008	2007
ASSETS		
Current Assets:		
Cash	\$ 188,079	\$ 92,872
Contributions receivable	4,000	500
Other receivables	7,546	3,745
Prepaid expenses	71,424	4,179
Total current assets	271,049	101,295
Property and equipment net of accumulated depreciation and amortization of \$40,336 and \$21,446 in 2008 and 2007 respectively	18,219	35,659
TOTAL ASSETS	\$ 289,268	\$ 136,954
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 70,657	\$ -
Accrued expenses	28,250	19,446
Deferred Income	-	7,490
Total current liabilities	98,908	26,936
Net assets:		
Net assets - unrestricted	79,319	110,017
Net assets - temporarily restricted	111,041	-
Total net assets	190,360	110,017
TOTAL LIABILITIES AND NET ASSETS	\$ 289,268	\$ 136,954

See accompanying notes and auditors' report.

CANCER 101, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008			2007
	Unrestricted	Temporarily Restricted	Total	Total (for Comparative Purposes Only)
Revenue:				
Contributions	\$ 206,017	\$ 111,041	\$ 317,058	\$ 179,880
Special events revenue (net)	169,963	-	169,963	153,299
Other revenue	4,931	-	4,931	22,382
Total revenues	380,911	111,041	491,952	355,561
Expenses:				
Program	304,868	-	304,868	241,429
Management and general	62,035	-	62,035	40,801
Fund raising	44,707	-	44,707	40,886
Total expenses	411,610	-	411,610	323,116
Increase (decrease) in net assets	(30,699)	111,041	80,342	32,445
Net assets - beginning of year	110,017		110,017	77,572
Net assets - end of year	\$ 79,318	\$ 111,041	\$ 190,359	\$ 110,017

See accompanying notes and auditors' report.

CANCER 101, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
Cash flows from operating activities:		
Change in net assets	\$ 80,342	\$ 32,445
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	18,890	11,101
(Increase)decrease in assets:		
Contributions receivable	(3,500)	5,500
Other receivable	(3,801)	(3,745)
Prepaid expenses	(67,245)	25,754
Increase(decrease) in liabilities:		
Accounts payable and accrued expenses	70,657	29
Accrued expenses	8,804	
Deferred Revenue	(7,490)	7,490
Net cash provided by operating activities	96,658	78,576
Cash flows from investing activities:		
Website development	(1,450)	(22,868)
Purchase of equipment	-	(3,201)
Net cash provided by investing activities	(1,450)	(26,069)
Increase in cash	95,208	52,507
Cash - beginning of year	92,872	40,365
Cash - end of year	\$ 188,079	\$ 92,872

See accompanying notes and auditors' report.

CANCER 101, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

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, 2008 AND 2007

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 \$4,000 and \$500 at December 31, 2008 and 2007 (respectively) represents pledge commitments not collected at year end. Bad debt expense at year end was \$17,700.

4. Property and equipment:

The details of property, and equipment, accumulated depreciation and the estimated useful lives as of December 31, 2008 and 2007 are as follows:

	<u>2008</u>	<u>2007</u>	<u>Remaining Estimated Useful Lives</u>
Website	\$ 55,354	\$ 53,904	3 years
Equipment	<u>3,201</u>	<u>3,201</u>	3 – 5 years
Total property and equipment	58,555	57,105	
Less:			
Accumulated depreciation and amortization	<u>(40,336)</u>	<u>(21,446)</u>	
Net property and equipment	<u>\$ 18,219</u>	<u>\$ 35,659</u>	

Depreciation expense for the years ended December 31, 2008 and 2007 was \$18,890 and \$11,101, respectively.

CANCER 101, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

5. Temporarily Restricted Net Assets:

Temporarily restricted net assets consists of production of planners for \$111,041.

6. Concentration of credit risk:

The Organization's financial instruments consist of cash and accounts receivable. At December 31, 2008 and 2007, 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.

7. Commitments:

The Organization had a one year lease for office space commencing on January 24, 2008. The monthly payments were \$1,250. Subsequent to year end, the organization re-located into donated space for an unspecified period of time.

Independent Auditors' Report on Supplementary Information

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

Our report on our audits of the statements of financial position of Cancer 101, Inc., for December 31, 2008 and 2007 appears on page 1. Those audits were 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, 2008 AND 2007

SCHEDULE OF SPECIAL EVENTS

<u>Special Events</u>	<u>2008</u>	<u>2007</u>
Revenues:		
Valentine's Auction	\$ -	\$ 12,706
Boathouse Gala	294,870	288,414
Annual Golf Classic	156,167	112,883
Total revenue	<u>451,037</u>	<u>414,003</u>
Expenditures:		
Printing and copying	1,949	851
Postage and shipping	197	69
E-Commerce fees	-	2,409
Events costs	278,928	257,375
Total expenditures	<u>281,074</u>	<u>260,704</u>
Special events revenue (net)	<u>\$ 169,963</u>	<u>\$ 153,299</u>

SCHEDULE OF FUNCTIONAL EXPENSES

	<u>2008</u>			<u>Total</u>	<u>2007</u>
	<u>Program Expenses</u>	<u>Management and General</u>	<u>Fundraising Expenses</u>		<u>Total (for Comparative Purposes Only)</u>
Salaries and wages	\$ 89,290	\$ 12,756	\$ 25,512	\$ 127,558	\$ 139,461
Bad debt	12,390	1,770	3,540	17,700	-
Employee benefits	24,292	3,470	6,940	34,702	29,561
Supplies	3,347	1,673	558	5,578	5,017
Telephone	4,871	609	609	6,089	4,960
Books and subscriptions	-	-	-	-	24
Printing and copying	1,949	1,949	1,949	5,847	2,553
Travel and meetings	6,591	-	-	6,591	7,412
Dining	-	-	-	-	2,886
Postage and shipping	5,875	326	131	6,332	2,244
Professional fees	119,665	25,429	4,487	149,581	98,946
E-Commerce Fees	-	6,297	-	6,297	9,634
Bank fees	-	2,799	-	2,799	1,732
Occupancy	15,693	2,942	981	19,616	5,711
Amortization and depreciation	18,890	-	-	18,890	11,101
Miscellaneous	2,015	2,015	-	4,030	1,874
Total expenses	<u>\$ 304,868</u>	<u>\$ 62,035</u>	<u>\$ 44,707</u>	<u>\$ 411,610</u>	<u>\$ 323,116</u>

See accompanying notes and auditors' report.