

COLON CANCER ALLIANCE, INC.

**FINANCIAL STATEMENTS
DECEMBER 31, 2004**

GRUBER PALUMBERI RAFFAELE, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

COLON CANCER ALLIANCE, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Colon Cancer Alliance, Inc.
New York, NY

We have audited the accompanying statement of financial position of Colon Cancer Alliance, Inc. (a non profit organization) as of December 31, 2004, and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on the financial statements based on our audit.

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 Colon Cancer Alliance, Inc. as of December 31, 2004 and the related statement of activities and changes in net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

GRUBER PALUMBERI RAFFAELE, PC

New York, NY
August 1, 2006

**COLON CANCER ALLIANCE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2004**

ASSETS

<u>Current assets:</u>		
Cash	\$ 66,781	
Contribution receivable	<u>79,165</u>	
Total current assets:		\$ 145,946
<u>Fixed assets:</u>		
Computer equipment, net (Note 2)		<u>2,611</u>
TOTAL ASSETS		<u>\$ 148,557</u>

LIABILITIES AND NET ASSETS

<u>Current liabilities:</u>		
Accounts payable	\$ 22,224	
Accrued expense	<u>9,000</u>	
Total current liabilities		\$ 31,224
<u>Net assets:</u>		
Unrestricted	204,963	
Temporarily restricted	<u>(87,630)</u>	
Total net assets		<u>117,333</u>
TOTAL LIABILITIES AND NET ASSET		<u>\$ 148,557</u>

See accountant's report and notes to financial statements.

COLON CANCER ALLIANCE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

	Unrestricted	Temporarily Restricted	
	General Fund	Connection Campaign Fund	TOTAL
Income			
Grants	\$ 2,527	\$ 196,837	\$ 199,364
Corporate partnership dues	-	-	-
Contributions	38,902	110,323	149,225
Merchandise Income	24,304	14,089	38,393
Miscellaneous income	323	-	323
Total income	<u>66,056</u>	<u>321,249</u>	<u>387,305</u>
Program expenses			
Payroll	22,503	95,202	117,705
Connections campaign expense	-	9,193	9,193
Website expenses	-	3,961	3,961
Program expenses	-	23,229	23,229
Contribution	-	2,500	2,500
Consulting fees	2,130	18,139	20,269
Travel	12,308	85,283	97,591
Postage and delivery	292	6,209	6,501
Payroll taxes	1,913	8,093	10,006
Merchandise expense	8,819	8,298	17,117
Insurance expenses	4,778	3,077	7,855
Printing and reproduction	281	11,168	11,449
Equipment rental	-	2,951	2,951
Teleconferencing	293	4,917	5,210
Accounting fees	6,425	-	6,425
Total program expenses	<u>59,742</u>	<u>282,220</u>	<u>341,962</u>
General expenses			
Office supplies	378	699	1,077
Telephone expenses	1,505	7,405	8,910
Dues and subscriptions	830	1,305	2,135
Rent	-	1,628	1,628
Miscellaneous expenses	2,147	400	2,547
Media	42	450	492
Bank and credit card charges	2,011	-	2,011
Depreciation expense	634	-	634
Total general expenses	<u>7,547</u>	<u>11,887</u>	<u>19,434</u>
Total program and general expenses	<u>67,289</u>	<u>294,107</u>	<u>361,396</u>
Net income (loss) from operations	\$ (1,233)	\$ 27,142	\$ 25,909
Other income (expenses)			
Interest income	39	-	39
Total other income (expenses)	<u>39</u>	<u>-</u>	<u>39</u>
Change in net assets	(1,194)	27,142	25,948
Net assets as of beginning of period	206,157	(114,772)	91,385
Net assets as of end of period	<u>\$ 204,963</u>	<u>\$ (87,630)</u>	<u>\$ 117,333</u>

See accountant's review report and notes to financial statements

**COLON CANCER ALLIANCE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2004**

Cash flows used by operating activities:	
Increase in net assets	\$25,948
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	\$ 634
Changes in operating assets and liabilities:	
Increase in contribution receivable	(77,607)
Increase in accounts payable & accrued expenses	<u>19,359</u>
Total adjustments	<u>(57,614)</u>
Net cash used by operating activities	(31,666)
Cash flows used by investing activities:	
Purchase of equipment	<u>(2,901)</u>
Net decrease in cash and cash equivalents	<u>(34,567)</u>
Cash and cash equivalents, beginning of year	<u>101,348</u>
Cash and cash equivalents, end of year	<u>\$ 66,781</u>

See accountant's report and notes to financial statements.

COLON CANCER ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

History and Organization:

Colon Cancer Alliance, Inc. was incorporated on March 18, 1999. The Corporation is a non-profit entity, whose primary purpose to provide education materials about colorectal cancer through its website.

Financial Statement Presentation:

The financial statements of Colon Cancer Alliance, Inc. have been prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles.

The organization follows SFAS No 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets.

The classification of an organization's assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the three classes of net assets - permanently restricted, temporarily restricted and unrestricted - be displayed in the statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

Permanently Restricted - Net assets resulting from contributions and other inflows of assets whose use by the organizations is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization.

Temporarily Restricted - Net assets resulting from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions in the statements of unrestricted revenue, expenses and other changes in unrestricted net assets.

Unrestricted - The part of net assets that is neither permanently not temporarily restricted by donor-imposed stipulations.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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 amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

COLON CANCER ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Contributions:

Contributions received in one year for use in the subsequent year, if applicable, are deferred in the year of receipt and reflected in income in the subsequent year to which they have been designated by the respective donors. Non-cash contributions are recorded at their fair market value at the date of donation and are included in offerings.

Contributions are recorded as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents:

All highly liquid investments with a maturity of three months or less at date of purchase are carried at fair value and are considered to be cash equivalents.

NOTE 2 – EQUIPMENT

Depreciation is computed on individual assets by the double declining method at rates adequate to amortize the cost of applicable assets over their useful lives. The cost and related accumulated depreciation of assets sold or otherwise disposed of are removed from the related accounts and the resulting gain or losses are reflected in income, except on assets traded. Expenditures for normal maintenance and repairs are expensed, while major renewals are capitalized.

Equipments are summarized as follows:

Office Equipment	\$ 4,621
Less: Accumulated depreciation	<u>(2,010)</u>
Plant and equipment, net	<u>\$ 2,611</u>

NOTE 3 - INCOME TAX STATUS

The organization is a not for profit corporation exempt from taxation under Section 501(c)(3) of the internal revenue code (the code) and has been determined not to be a private foundation under Section 509(a)(1) of the Code. As such, no provision for income taxes has been reflected in the financial statement.

NOTE 4 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and 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.