

**COLON CANCER ALLIANCE, INC.**

**FINANCIAL STATEMENTS**

**December 31, 1999**

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**GRUBER & PALUMBERI, P.C.**

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CERTIFIED PUBLIC ACCOUNTANTS

THE FIRM OF LORENTZ AND GRUBER SINCE 1945

MEMBERS NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS AND AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

**COLON CANCER ALLIANCE, INC.**

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

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

We have reviewed the accompanying statements of financial position of Colon Cancer Alliance, Inc. as of December 31, 1999, and the related statements of activities and changes in net assets and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Colon Cancer Alliance, Inc.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted audit standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

New York, NY  
April 3, 2000

*Gruber & Palumberi, P.C.*

COLON CANCER ALLIANCE, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 1999

ASSETS

Due from Association of Cancer On-Line Resources, Inc.	<u>\$ 55,902</u>
TOTAL ASSETS	<u>\$ 55,902</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accrued expense	\$ 2,000
Net assets	
Unrestricted net assets	<u>53,902</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 55,902</u>

See accountant's report and notes to financial statements.  
GRUBER & PALUMBERI, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

**COLON CANCER ALLIANCE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

REVENUES

Contributions – Unrestricted \$ 105,311

TOTAL REVENUE 105,311

PROGRAM EXPENSES

Travel 2,798

Meals 87

Filing Fees 632

Newsletter 189

Postage & Delivery 1,179

Consulting 1,000

ACS Bike-A-Thon 160

CRC Month Initiative 10,456

Vigil 1999 341

Telephone 150

Website Expense 339

TOTAL PROGRAM EXPENSES 17,331

BOARD MEETING EXPENSES

Meals 2,261

Professional Fees 10,000

Travel & Lodging 8,870

Conference Fee 375

TOTAL BOARD MEETING EXPENSES 21,506

ADMINISTRATION EXPENSES

Travel 700

Meals & Entertainment 88

Office Expense 704

Gifts 420

Legal Fees 3,338

Accounting Fees 2,000

Postage & Delivery 295

Subs & Dues 259

Licenses & Permits 803

Printing & Production 6,830

Telephone 1,382

TOTAL ADMINISTRATION EXPENSES 16,819

TOTAL EXPENSES 55,656

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CERTIFIED PUBLIC ACCOUNTANTS

See accountant's report and notes to financial statements.

COLON CANCER ALLIANCE, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 1999

INCREASE IN NET ASSETS	49,655
NET ASSETS - BEGINNING OF YEAR	<u>4,247</u>
NET ASSETS - END OF YEAR	<u>\$ 53,902</u>

See accountant's report and notes to financial statements.

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CERTIFIED PUBLIC ACCOUNTANTS

**COLON CANCER ALLIANCE, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

Cash flows from operating activities:

Increase in Net Assets	<u>\$ 49,655</u>
Increase (decrease) in accrued expenses	2,000
(Increase) decrease in due from ACOR	<u>(51,655)</u>
Total adjustments	<u>(49,655)</u>
Net cash provided (used) by operating activities	0
Net increase (decrease) in cash and equivalents	0
Cash and equivalents, beginning of year	<u>0</u>
Cash and cash equivalents, end of year	<u>\$ 0</u>

See accountant's report and notes to financial statements.

GRUBER & PALUMBERI, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

**COLON CANCER ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 1999**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES**

**History and Organization:**

Colon Cancer Alliance, Inc. (the "organization") was incorporated on March 18, 1999. The Corporation is a non profit organization organized and operated exclusively for charitable and educational purposes. It provides materials about colorectal cancer.

**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 FAS No 117, "Financial Statements of Not-for-Profit Organizations". Under FAS 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 a 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 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, 1999**

**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 - INCOME TAX STATUS**

No provision for federal or state income taxes has been made because the organization is a not-for-profit corporation exempt from income taxes 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.

**NOTE 3 - 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.