

US TOO INTERNATIONAL, INC.

**Financial Statements
as of December 31, 2012 and 2011
Together With Auditors' Report**

INDEPENDENT AUDITOR'S REPORT

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Board of Directors
Us TOO International, Inc.
Downers Grove, Illinois

We have audited the accompanying financial statements of Us TOO International, Inc., which comprise the statement of financial position as of December 31, 2012, and the related statement of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

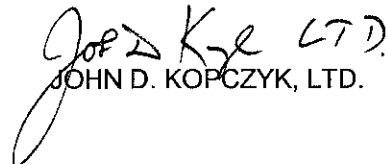
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Us TOO, International, Inc. as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Us TOO International, Inc.'s 2011 financial statements, and our report dated March 3, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011, is consistent, in all material respects, with the audited financial statements from which it has been derived.


JOHN D. KOPCZYK, LTD.

US TOO INTERNATIONAL, INC.

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2012 and 2011

CURRENT ASSETS

| | 2012 | 2011 |
|-----------------------------|----------------------------|--------------------------|
| Cash - Unrestricted | \$ 26,250 | \$ 0 |
| Cash - Restricted | 255,989 | 87,618 |
| Investments - Unrestricted | 704,535 | 715,697 |
| Investments - Restricted | 0 | 112,438 |
| Other Receivable | 6,079 | 14,239 |
| Prepaid Expenses | 9,735 | 6,867 |
| Security Deposit | <u>2,513</u> | <u>2,150</u> |
| TOTAL CURRENT ASSETS | <u>\$ 1,005,101</u> | <u>\$ 939,009</u> |

FIXED ASSETS

| | | |
|--------------------------------|-----------------------|-----------------------|
| Furniture and Equipment | \$ 26,102 | \$ 26,102 |
| Leasehold Improvements | 11,398 | 11,398 |
| LESS: Accumulated Depreciation | <u><35,155></u> | <u><34,139></u> |

NET FIXED ASSETS

| | |
|----------|----------|
| \$ 2,345 | \$ 3,361 |
|----------|----------|

TOTAL ASSETS

| | |
|----------------------------|--------------------------|
| <u>\$ 1,007,446</u> | <u>\$ 942,370</u> |
|----------------------------|--------------------------|

LIABILITIES AND NET ASSETS

LIABILITIES

| | | |
|------------------|---------------|---------------|
| Accounts Payable | \$ 32,098 | \$ 37,303 |
| Accrued Expenses | <u>33,913</u> | <u>39,201</u> |

TOTAL CURRENT LIABILITIES

| | |
|-------------------------|-------------------------|
| <u>\$ 66,011</u> | <u>\$ 76,504</u> |
|-------------------------|-------------------------|

NET ASSETS

| | | |
|------------------------|------------|------------|
| Unrestricted | \$ 685,446 | \$ 665,810 |
| Temporarily Restricted | 255,989 | 200,056 |
| Permanently Restricted | <u>0</u> | <u>0</u> |

TOTAL NET ASSETS

| | |
|--------------------------|--------------------------|
| <u>\$ 941,435</u> | <u>\$ 865,866</u> |
|--------------------------|--------------------------|

TOTAL LIABILITIES AND NET ASSETS

| | |
|----------------------------|--------------------------|
| <u>\$ 1,007,446</u> | <u>\$ 942,370</u> |
|----------------------------|--------------------------|

The accompanying notes are an integral part of these statements.

US TOO INTERNATIONAL, INC.

STATEMENTS OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2012

WITH COMPARATIVE TOTALS FOR THE YEAR END DECEMBER 31, 2011

| | 2012 | | | 2011 |
|--|--------------------------|-----------------------------------|----------------------------|----------------------------|
| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> | <u>Grand Total</u> |
| REVENUES | | | | |
| Direct Public Support | \$ 295,402 | \$ 517,829 | \$ 813,231 | \$ 883,463 |
| Interest/Dividends | 6,231 | 0 | 6,231 | 5,866 |
| Chapter Revenues | 27,660 | 0 | 27,660 | 33,529 |
| Fund Raising (Net of Expenses of \$121,545 and \$109,873) | 110,103 | 0 | 110,103 | 45,375 |
| Tapes/Books/Pins | 4,807 | 0 | 4,807 | 11,552 |
| Other | 4,328 | 0 | 4,328 | 8,579 |
| Unrealized Appreciation <Depreciation> of Investments | 57,274 | 0 | 57,274 | 1,317 |
| Realized Gain<Loss>on Investments/Assets | <10,971> | 0 | <10,971> | <27,707> |
| Net Assets Released from Restrictions | <u>461,896</u> | <u><461,896></u> | <u>0</u> | <u>0</u> |
| TOTAL REVENUES | \$ <u>956,730</u> | \$ <u>55,933</u> | \$ <u>1,012,663</u> | \$ <u>961,974</u> |
| EXPENSES | | | | |
| Program Services | \$ 710,673 | \$ 0 | \$ 710,673 | \$ 831,439 |
| Management and General | 152,719 | 0 | 152,719 | 145,689 |
| Fund Raising | <u>73,702</u> | <u>0</u> | <u>73,702</u> | <u>103,324</u> |
| TOTAL EXPENSES | \$ <u>937,094</u> | \$ <u>0</u> | \$ <u>937,094</u> | \$ <u>1,080,452</u> |
| CHANGE IN NET ASSETS | \$ 19,636 | \$ 55,933 | \$ 75,569 | \$ <118,478> |
| NET ASSETS | | | | |
| Beginning of Year | <u>665,810</u> | <u>200,056</u> | <u>865,866</u> | <u>984,344</u> |
| End of Year | <u>\$ 685,446</u> | <u>\$ 255,989</u> | <u>\$ 941,435</u> | <u>\$ 865,866</u> |

The accompanying notes are an integral part of these statements.

US TOO INTERNATIONAL, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2012

WITH COMPARATIVE TOTALS FOR THE YEAR END DECEMBER 31, 2011

| | 2012 | | | | 2011 |
|--------------------------|---------------------|------------------------------|------------------|-------------------|---------------------|
| | Program Services | Management And General | Fund Raising | Total | Grand Total |
| EXPENSES | | | | | |
| Salaries and Benefits | \$ 274,619 | \$ 38,767 | \$ 32,747 | \$ 346,133 | \$ 403,396 |
| Payroll Taxes | 15,922 | 2,252 | 1,930 | 20,104 | 23,181 |
| Interest | 0 | 741 | 0 | 741 | 595 |
| Conferences | 1,081 | 0 | 0 | 1,081 | 96,432 |
| Dues and Subscriptions | 6,282 | 525 | 0 | 6,807 | 5,831 |
| Bank and Brokerage Fees | 0 | 9,597 | 0 | 9,597 | 8,622 |
| Printing | 29,277 | 512 | 2,903 | 32,692 | 69,829 |
| Travel and Entertainment | 40,544 | 21,310 | 150 | 62,004 | 47,226 |
| Insurance | 2,199 | 5,907 | 0 | 8,106 | 7,813 |
| Occupancy | 40,287 | 5,690 | 4,826 | 50,803 | 49,810 |
| Telephone | 7,186 | 1,335 | 1,745 | 10,266 | 10,722 |
| Professional Fees | 225,704 | 30,412 | 11,546 | 267,662 | 229,312 |
| Postage | 24,297 | 315 | 3,055 | 27,667 | 36,037 |
| Office Supplies | 12,945 | 1,633 | 1,300 | 15,878 | 22,406 |
| Bad Debt Expense | 0 | 0 | 13,500 | 13,500 | 0 |
| Miscellaneous | 0 | 1,006 | 0 | 1,006 | 3,251 |
| Depreciation | 0 | 1016 | 0 | 1,016 | 1,403 |
| Chapter Expense | 30,330 | 0 | 0 | 30,330 | 38,719 |
| Board Expense | 0 | 31,701 | 0 | 31,701 | 25,327 |
| TOTAL EXPENSES | \$ 710,673 | \$ 152,719 | \$ 73,702 | \$ 937,094 | \$ 1,080,452 |

The accompanying notes are an integral part of these statements.

US TOO INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2012 and 2011

| | 2012 | 2011 |
|--|------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in Net Assets | \$ 75,569 | \$ <118,478> |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | | |
| Depreciation | 1,016 | 1,403 |
| Accrued Expenses | <5,288> | <40,010> |
| Accounts Payable | <5,205> | <448> |
| Prepaid Expenses | <2,868> | <144> |
| Security Deposit | <363> | 0 |
| Other Receivable | 8,160 | 2,090 |
| Net Cash Provided <Used> by Operating Activities | \$ 71,021 | \$ <155,587> |
| CASH PROVIDED <USED> BY INVESTING ACTIVITIES: | | |
| <Purchase> Sale of Investments | \$ 123,600 | \$ 0 |
| Net Cash Provided <Used> by Investing Activities | \$ 123,600 | \$ 0 |
| Net Increase <Decrease> in Cash | \$ 194,621 | \$ 36,817 |
| Cash Balance – Beginning of Year | 87,618 | 50,801 |
| Cash Balance – End of Year | \$ 282,239 | \$ 87,618 |

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 be the leading prostate cancer organization helping men and their families make informed decisions about prostate cancer detection and treatment through support, education and advocacy.

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. Restricted contributions whose restrictions are met in the same accounting period as that in which they are received are reported as unrestricted support.

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)

Subsequent Events

The financial statements were available to be issued on August 8, 2013 with subsequent events being evaluated through this date.

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 nor unrecognized tax benefits for the years ending December 31, 2012 or 2011.

Each of the Organization's prior three years remain subject to examination by the Internal Revenue Service.

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, 2011, 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 \$42,718 in 2012 and \$42,356 in 2011.

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

| | <u>December 31</u> |
|------|--------------------|
| 2013 | \$ 42,960 |

NOTE 4. PERMANENTLY RESTRICTED NET ASSETS

There were no permanently restricted net assets nor activity for the year ended December 31, 2012 or 2011.

NOTE 5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

| | <u>2012</u> | <u>2011</u> |
|------------------------------|-------------------|-------------------|
| Chapter Services / Mentoring | \$ 49,916 | \$ 67,000 |
| Hot Sheet | 15,554 | 23,334 |
| Research | 15,110 | 14,710 |
| Education | 51,247 | 0 |
| Circle of Love (CoL) | 2,000 | 2,000 |
| Chapter Grants | 98,913 | 69,486 |
| Advance Disease Kit | 22,249 | 23,526 |
| Surveys | <u>1,000</u> | <u>0</u> |
| Total | <u>\$ 255,989</u> | <u>\$ 200,056</u> |

NOTE 6. UNINSURED CASH BALANCES

Cash in banks at December 31, 2012 and 2011 is insured through Federal deposit insurance to \$250,000. All excess deposits are uninsured and uncollateralized. The amount of cash in banks in excess of Federal insurance limits at December 31, 2012 and 2011 was \$0 and \$0.

US TOO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLANS

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. 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 \$31,760 in 2012 and \$26,385 in 2011. In December 2007, the Board approved adding a Roth 401(k) option to the plan. Effective January 1, 2013, the Board approved a mandatory 3% payment for all eligible staff and reduced the matching contribution to 4%.

NOTE 8. FAIR VALUE MEASUREMENTS

Fair Value Measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2:

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

US TOO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. FAIR VALUE MEASUREMENTS (CONTINUED)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012.

Common Stock: Valued at an estimated fair value as of December 31, 2012 and 2011 based on quoted prices for similar assets in an active market.

Money Market: Valued at an estimated fair value as of December 31, 2012 and 2011 based on quoted prices for similar assets in an active market.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the plan's assets at fair value as of December 31, 2012 and 2011:

| <u>Description</u> | <u>Assets at Fair Value as of December 31, 2012</u> | | | |
|-----------------------------------|---|-------------------|----------------|-------------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Money Markets (Cost \$448,322) | \$ 0 | \$ 448,322 | \$ 0 | \$ 448,322 |
| Common Stock (Cost \$195,644) | <u>256,414</u> | <u>0</u> | <u>0</u> | <u>256,414</u> |
| Total Assets at Fair Value | <u>\$ 256,414</u> | <u>\$ 448,322</u> | <u>\$ 0</u> | <u>\$ 704,736</u> |

US TOO INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 8. FAIR VALUE MEASUREMENTS (CONTINUED)

Assets at Fair Value as of December 31, 2011

| <u>Description</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|-----------------------------------|-------------------|-------------------|----------------|-------------------|
| Money Markets (Cost \$582,076) | \$ 0 | \$ 582,076 | \$ 0 | \$ 582,076 |
| Common Stock (Cost \$242,562) | <u>246,059</u> | <u>0</u> | <u>0</u> | <u>246,059</u> |
| Total Assets at Fair Value | <u>\$ 246,059</u> | <u>\$ 582,076</u> | <u>\$ 0</u> | <u>\$ 828,135</u> |

Securities investor protection corporation (SIPC) protects customer cash balances up to \$100,000 and security positions up to an aggregate value of \$500,000 on a customer-by-customer basis. A limit of \$100,000 cash applies for each customer. The amount of cash in money markets held in brokerage accounts at December 2012 and 2011 was \$422,600 and \$249,016.