

**Congenital Adrenal Hyperplasia Research,
Education and Support Foundation, Inc.**

Financial Statements
December 31, 2005

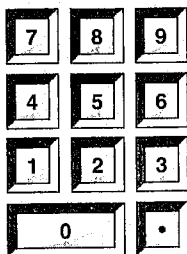
Congenital Adrenal Hyperplasia Research, Education and Support Foundation, Inc.

Financial Statements

December 31, 2005

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HACKER, KROLL & COMPANY P.A.
Certified Public Accountants

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Independent Accountant's Report

To Board of Directors
Congenital Adrenal Hyperplasia Research,
Education and Support Foundation, Inc.
2414 Morris Avenue, Suite 110
Union, New Jersey 07083

We have audited the accompanying statement of financial position of Congenital Adrenal Hyperplasia Research, Education and Support Foundation, Inc. as of December 31, 2005, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Congenital Adrenal Hyperplasia Research, Education and Support Foundation, Inc.'s management. Our responsibility is to express an opinion on these 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 Congenital Adrenal Hyperplasia Research, Education and Support Foundation, Inc. as of December 31, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Hacker, Kroll & Company, P.A.

Hacker, Kroll & Company, P.A.
August 2, 2006

Congenital Adrenal Hyperplasia Research, Education and Support Foundation, Inc.

Statements of Financial Position

December 31, 2005

Assets

Cash	\$ 13,477
Cash – Savings	71,135
Prepaid expenses	698
Furniture and Fixtures and Equipment-Net	9,305
Security Deposit	<u>1,050</u>
Total Assets	<u>\$ 95,665</u>

Liabilities and Net Assets

Liabilities:

Accounts Payable	\$ 14,824
Payroll Taxes Payable	<u>105</u>

Total Liabilities 14,929

Net Assets:

Temporarily Restricted	10,000
Unrestricted	<u>70,736</u>

Total Net Assets 80,736

Total Liabilities and Net Assets \$ 95,665

Congenital Adrenal Hyperplasia Research, Education and Support Foundation, Inc.

Statements of Activities

For the Year ended December 31, 2005

Changes in unrestricted net assets:

Revenues:	
Contributions	\$ 281,908
Interest	<u>1,139</u>
Total Revenues	<u>283,047</u>
Expenses:	
Program	274,741
Management and general	18,350
Fund Raising	<u>35,681</u>
Total Expenses	<u>328,772</u>
Increase (Decrease) in unrestricted net assets from Operations	<u>(45,725)</u>
Net Assets released from Restriction	<u>73,917</u>
Increase (Decrease) in unrestricted net assets	<u>28,192</u>
Changes in temporarily restricted net assets:	
Contributions	63,417
Net assets released from restrictions	<u>73,917</u>
Increase (Decrease) in temporarily restricted net assets	<u>(10,500)</u>
Increase (Decrease) in net assets	17,692
Net assets at beginning of year	<u>63,044</u>
Net Assets at End of Year	<u><u>\$ 80,736</u></u>

Congenital Adrenal Hyperplasia Research, Education and Support Foundation, Inc.

Statements of Functional Expenses

For the Year ended December 31, 2005

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Totals</u>
Audio Visual	7,064		122	7,186
Bank & Credit Card Fees		3,010		3,010
Bracelets	4,475			4,475
Consulting	10,525	39	3,058	13,622
Copyrights	120			120
Dues and Subscriptions	300	250	169	719
Depreciation		2,879		2,879
Event Costs	9,304		6,834	16,138
Family Financial Assistance	3,695			3,695
Insurance	1,192	52	52	1,296
Mailing Preparation	3,483		2,390	5,873
Miscellaneous	3,655	1,794	481	5,930
Office Expenses	4,607	849	401	5,857
Payroll Expense	86,835	6,776	9,001	102,612
Payroll Taxes	9,148	582	948	10,678
Postage and Delivery	9,322	55	3,474	12,851
Printing and Reproduction	13,926	750	7,125	21,801
Professional Fees	2,466	107	107	2,680
Professional Training & Education	1,119	465		1,584
Rent	7,728	336	336	8,400
Scholarships and Grants	80,500			80,500
Supplies	2,139		276	2,415
Telephone	4,606	126	16	4,748
Travel	7,989	280	891	9,160
Website Maintenance	<u>543</u>			<u>543</u>
TOTAL EXPENSES	<u>\$ 274,741</u>	<u>\$ 18,350</u>	<u>\$ 35,681</u>	<u>\$328,772</u>

Congenital Adrenal Hyperplasia Research, Education and Support Foundation, Inc.

Statement of Cash Flows

For the Year ended December 31, 2005

Cash flows from operating activities

Increase in net assets	\$ 17,692
Adjustments to reconcile (decrease) increase in net assets:	
Depreciation	2,879
Cash provided by operating activities:	
(Increase) Decrease in Prepaid Expenses	(698)
Increase (Decrease) - Accounts Payable and other liabilities	<u>11,615</u>
Net Cash provided by operating activities	<u>31,488</u>

Cash flows from investing activities

Furniture, fixtures and equipment	<u>(6,366)</u>
Net cash used in investing activities	<u>(6,366)</u>

Net Increase (decrease) in cash	25,122
Cash at beginning of year	<u>59,490</u>
Cash at end of year	<u>\$ 84,612</u>

Congenital Adrenal Hyperplasia Research, Education and Support Foundation, Inc.

Notes to Financial Statements

December 31, 2005

1. Summary of Significant Accounting Policies

Organization and Description of Program

Congenital Adrenal Hyperplasia Research, Education and Support Foundation, Inc. is dedicated to educating the public and physicians about all forms of Congenital Adrenal Hyperplasia, its symptoms, diagnostic protocols, treatment, genetic frequency, the necessity of early intervention and benefits to newborn screening. It is also dedicated to providing support and information to affected individuals and their families.

Basis of Presentation

Congenital Adrenal Hyperplasia Research, Education and Support Foundation, Inc.'s financial statements have been prepared on the accrual basis of accounting and in accordance with Statements of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, and No. 117, *Financial Statements for Not-for-Profit Organizations*. Statement No. 116 requires that contributions be recognized as additions to net assets when they are received at their fair values. Statement No. 117 requires that resources be classified for accounting and reporting purposes into separate classes of net assets (unrestricted, temporarily restricted and permanently restricted) based on the existence or absence of donor-imposed restrictions. Assets and liabilities are presented in the order of their relative liquidity.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Income Taxes

The Foundation is exempt from federal income taxes under the Internal Revenue Code, Section 501 (c) (3); accordingly, no provision is made for state and federal income taxes.

Congenital Adrenal Hyperplasia Research, Education and Support Foundation, Inc.

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

Fixed Assets

Fixed assets are stated at cost net of accumulated depreciation of \$4,292 for furniture, fixtures and equipment. Depreciation is recorded on the straight-line method over the useful economic life of the assets as follows:

Furniture, Fixtures and Equipment	5 to 10 years
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Donor-Imposed Restrictions

The expiration of a donor-imposed restriction on a contribution occurs in the period when the stipulated purpose for which the resource was restricted has been fulfilled. Resources that are no longer restricted are reclassified to unrestricted net assets for financial statement presentation purposes.

In-Kind Contributions

Congenital Adrenal Hyperplasia Research, Education and Support Foundation, Inc. received in-kind contributions of goods and services amounting to \$2,101 for the year ended December 31, 2005. These contributions consisted of supplies for operations which were expensed.

Allocation of Joint Costs

In accordance with SFAS-117 *Financial Statements of Not-for-Profit Organizations*, The Project classifies its functional expenses as program, management and general, and fund raising expenses. Joint costs are allocated based on the number of employee hours, square footage and determined usage. Joint costs include salaries and wages, payroll taxes and benefits, occupancy costs, telephone, insurance and equipment rentals.

2. Commitments

On May 1, 2004 the Foundation entered into an operating lease arrangement for its office space at 189 Main Street, Millburn, New Jersey. The terms of the lease require a monthly payment of \$700 for twenty-four months. Future minimum lease payments under this agreement in each of the following fiscal years are:

<u>Fiscal Year Ended</u>	<u>Amount</u>
December 31, 2006	\$ 2,800

Congenital Adrenal Hyperplasia Research, Education and Support Foundation, Inc.

Notes to Financial Statements (Continued)

On April 19, 2006 the Foundation entered into an operating lease agreement for its new office space at 2414 Morris Avenue, Union New Jersey for the thirty-six month period beginning May 1, 2006 and ending April 20, 2009. The terms of the lease required a fixed monthly payment of \$1,200 for the term. Future minimum lease payments under this agreement in each of the following fiscal years are:

<u>Fiscal Year Ended</u>	<u>Amount</u>
December 31, 2006	\$ 9,600
December 31, 2007	14,400
December 31, 2008	14,400
December 31, 2009	<u>4,800</u>
	<u>\$ 43,200</u>

3. Subsequent Events

On February 17, 2006 the Foundation's offices at 189 Main Street, Millburn, New Jersey was entirely destroyed by fire. All the fixed assets and a majority of the records were lost. During the recovery period the Foundation was able to continue operations at the residence of its founder. Management estimates that the majority of losses will be recovered from insurance proceeds and should not have a material impact on the financial position or operation of the Foundation.