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June 29, 2004

To the Board of Directors
Save A Life Foundation, Inc.
Schiller Park, Illinois

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of financial position of SAVE A LIFE FOUNDATION, INC. (an Illinois not-for-profit corporation) as of December 31, 2003 and December 31, 2002, and the related statements of activities, functional expenses, 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 U.S. generally accepted auditing standards. 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 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 SAVE A LIFE FOUNDATION, INC. as of December 31, 2003 and December 31, 2002, and the results of their change in net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

SAVE A LIFE FOUNDATION, INC.

**COMPARATIVE STATEMENT OF
FINANCIAL POSITION**

December 31, 2003 and December 31, 2002

| | 2003 | 2002 |
|---------------------------------------|----------------|----------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | \$ (5,556) | \$ 477,154 |
| Inventory | 67,019 | 77,028 |
| Trade Receivables | 22,715 | 6,771 |
| Grants Receivable | 100,000 | 317,968 |
| Prepaid Legal Fees | 2,905 | 6,813 |
| Other Prepaid Expenses | 1,729 | 2,401 |
| Total Current Assets | 188,812 | 888,135 |
| Fixed Assets at Net Book Value | | |
| Land | 20,000 | - |
| Building | 177,364 | - |
| Office Equipment | 46,747 | 29,064 |
| Vehicles | 27,386 | 35,219 |
| Total Net Fixed Assets | 271,497 | 64,283 |
| Other Assets | | |
| Promises to Give | - | 20,000 |
| Total Other Assets | - | 20,000 |
| TOTAL ASSETS | 460,309 | 972,418 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

SAVE A LIFE FOUNDATION, INC.

**COMPARATIVE STATEMENT OF
FINANCIAL POSITION**

December 31, 2003 and December 31, 2002

| | 2003 | 2002 |
|---|----------------|----------------|
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Accounts Payable | \$ 28,796 | \$ 26,510 |
| Real Estate Taxes Payable | 934 | - |
| Instructor Deposits | 490 | 390 |
| Mortgage Payable | 194,416 | - |
| Total Current Liabilities | 224,636 | 26,900 |
| Other Liabilities | | |
| Due to Carol Spizzirri | 139,648 | 72,227 |
| Total Other Liabilities | 139,648 | 72,227 |
| TOTAL LIABILITIES | 364,284 | 99,127 |
| Net Assets | | |
| Temporarily Restricted | 100,000 | 645,762 |
| Unrestricted | (3,975) | 227,529 |
| Total Net Assets | 96,025 | 873,291 |
| TOTAL LIABILITIES & NET ASSETS | 460,309 | 972,418 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

SAVE A LIFE FOUNDATION, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2003

| | Unrestricted | Temporarily Restricted | Total |
|--|----------------|---------------------------|----------------|
| INCOME | | | |
| Public Support | | | |
| Contributions | \$ 147,785 | \$ - | \$ 147,785 |
| Private Grants | 4,000 | - | 4,000 |
| Contributions In Kind | 301,609 | - | 301,609 |
| Special Events Gross Income | 1,504 | - | 1,504 |
| Total Public Support | 454,898 | - | 454,898 |
| Government Contracts | | | |
| State of Illinois - DCCA Rural Training | 22,488 | - | 22,488 |
| HHS/CDC | 15,000 | - | 15,000 |
| Total Government Contracts | 37,488 | - | 37,488 |
| Other Income | | | |
| Program Service Fees | 36,016 | - | 36,016 |
| Miscellaneous | 3,590 | - | 3,590 |
| Course Materials | 95,150 | - | 95,150 |
| Total Other Income | 134,756 | - | 134,756 |
| Total Income (balances carried forward) | 627,142 | - | 627,142 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

SAVE A LIFE FOUNDATION, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2003

| Total Income (balances brought forward) | 627,142 | - | 627,142 |
|--|---------------------|-------------------------------|------------------|
| | Unrestricted | Temporarily Restricted | Total |
| EXPENSES | | | |
| Program | | | |
| Kids Program | 379,648 | - | 379,648 |
| Corporate Program | 13,336 | - | 13,336 |
| Expansion Program | 195,523 | - | 195,523 |
| Branch Development | 310,234 | - | 310,234 |
| Springfield Building | 7,120 | - | 7,120 |
| Rural Grant | 23,640 | - | 23,640 |
| Total Program | 929,501 | - | 929,501 |
| Management and General | 165,227 | - | 165,227 |
| Fundraising | 287,698 | - | 287,698 |
| Total Functional Expenses | 1,382,426 | - | 1,382,426 |
| Special Event Expenses | 100 | - | 100 |
| Total Expenses | 1,382,526 | - | 1,382,526 |
| Release from Restrictions - IDPH | 307,793 | (307,793) | - |
| Release from Restrictions - DCCA | 100,000 | (100,000) | - |
| Release from Restrictions - HHS/CDC | 117,968 | (117,968) | - |
| Excess Income Over Expenses | (229,623) | (525,761) | (755,384) |
| Investment Income | | | |
| Interest Income | 795 | - | 795 |
| Total Investment Income | 795 | - | 795 |
| Excess Income Over Expenses | (228,828) | - | (754,589) |
| Bad Debt Losses | - | (20,000) | (20,000) |
| Loss on Disposition of Assets | (2,676) | - | (2,676) |
| Change in Net Assets | (231,504) | (545,762) | (777,266) |
| Beginning Net Assets | 227,529 | 645,762 | 873,291 |
| Ending Net Assets | (3,975) | 100,000 | 96,025 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

SAVE A LIFE FOUNDATION, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2002

| | Unrestricted | Temporarily Restricted | Total |
|--|----------------|---------------------------|------------------|
| INCOME | | | |
| Public Support | | | |
| Contributions | \$ 1,353 | \$ - | \$ 1,353 |
| Private Grants | 31,500 | - | 31,500 |
| Contributions In Kind | 123,081 | - | 123,081 |
| Special Events Gross Income | 93,606 | - | 93,606 |
| Total Public Support | 249,540 | - | 249,540 |
| Government Contracts | | | |
| State of Illinois - IDPH | - | 600,000 | 600,000 |
| State of Illinois - DCCA | - | 200,000 | 200,000 |
| State of Illinois - Attorney General | 25,000 | - | 25,000 |
| Federal - HHS/CDC | - | 31,819 | 31,819 |
| Total Government Contracts | 25,000 | 831,819 | 856,819 |
| Other Income | | | |
| Program Service Fees | 31,693 | - | 31,693 |
| Miscellaneous | 225 | - | 225 |
| Course Materials | 149,980 | - | 149,980 |
| Branch Fee | (2,916) | - | (2,916) |
| Membership Dues | 205 | - | 205 |
| Total Other Income | 179,187 | - | 179,187 |
| TOTAL INCOME (balances carried forward) | 453,727 | 831,819 | 1,285,546 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS