



THE CARCINOID CANCER FOUNDATION, INC.

**Financial Statements for the
Years Ended February 28, 2011 and 2010
with Independent Auditors' Report**

THE CARCINOID CANCER FOUNDATION, INC.

FINANCIAL STATEMENTS FOR THE YEARS ENDED FEBRUARY 28, 2011 AND 2010

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
The Carcinoid Cancer Foundation, Inc.

We have audited the accompanying statements of financial position of The Carcinoid Cancer Foundation, Inc. (the "Foundation") as of February 28, 2011, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of The Carcinoid Cancer Foundation, Inc. as of and for the year ended February 28, 2010 were audited by other auditors whose report dated June 15, 2010 expressed an unqualified opinion on those statements.

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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2011 financial statements referred to above present fairly, in all material respects, the financial position of The Carcinoid Cancer Foundation, Inc. as of February 28, 2011, and the changes in net assets, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Wei Wei & Co. LLP

June 27, 2011

THE CARCINOID CANCER FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION FEBRUARY 28, 2011 AND 2010

ASSETS		2011		2010
Current Asset:				
Cash and Cash Equivalents	\$	124,954	\$	195,566
Contribution Receivable		-		11,770
Total Current Asset		124,954		207,336
Property and Equipment, at Cost (Note 2):				
Office Improvements		17,000		17,000
Computers and Peripherals		109,184		109,184
Furniture and Equipment		54,464		54,464
Less: Accumulated Depreciation		(164,574)		(156,617)
Total Property and Equipment, Net		16,074		24,031
Total Assets	\$	141,028	\$	231,367
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accrued Expenses	\$	1,660	\$	3,817
Unrestricted Net Assets		139,368		227,550
Total Liabilities and Net Assets	\$	141,028	\$	231,367

See accompanying notes to financial statements.

THE CARCINOID CANCER FOUNDATION, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED FEBRUARY 28, 2011 AND 2010

	2011	2010
PUBLIC SUPPORT:		
Contributions	\$ 157,807	\$ 291,908
Unrestricted Grants	25,000	27,910
Total Public Support	182,807	319,818
REVENUE:		
Sponsored Advertising	3,000	50,000
Fundraising Event	2,041	33,648
Interest Income	120	33
Total Revenue	5,161	83,681
Total Public Support and Revenue	187,968	403,499
EXPENSES:		
Program Services - Medical Research	53,286	119,978
Program Services - Health Education	143,405	79,720
General and Administrative	67,254	49,608
Fund-raising	12,205	23,623
Total Expenses	276,150	272,929
Changes in New Assets	(88,182)	130,570
Net Asset, Beginning of Year	227,550	96,980
Net Asset, End of Year	\$ 139,368	\$ 227,550

See accompanying notes to financial statements.

THE CARCINOID CANCER FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED FEBRUARY 28, 2011

	Program Services		General and Administrative	Fund- raising	Total
	Medical Research	Health Education			
Accounting Fees	\$ -	\$ -	\$ 6,165	\$ -	\$ 6,165
Awards and Grants	5,000	-	-	-	5,000
Bank and Finance Charges	-	-	424	-	424
Bookkeeping	-	-	5,875	-	5,875
Computer	-	-	1,060	-	1,060
Credit Card Processing Fees	-	-	-	927	927
Depreciation	3,978	3,979	-	-	7,957
Dues and Licenses	-	304	821	-	1,125
Development Director	-	16,320	8,160	2,720	27,200
Education Materials	-	6,833	-	5,821	12,654
Education Support Associates	-	64,672	7,186	-	71,858
Equipment Rental	1,208	-	595	-	1,803
Education Event	-	3,934	-	600	4,534
Exhibits and Symposium	-	160	-	-	160
Filing Fees	-	-	75	-	75
Insurance	-	-	1,440	-	1,440
Legal Fees	-	-	4,500	-	4,500
Management and Consulting	-	-	6,265	-	6,265
Office	-	-	1,508	743	2,251
Other	-	-	424	-	424
Postage and Delivery	-	1,082	1,923	-	3,005
Rental of Facilities	-	13,500	-	-	13,500
Printing and Imaging	-	-	-	1,394	1,394
Professional Fees	6,000	10,800	13,200	-	30,000
Reference Books and Subscriptions	-	365	-	-	365
Research Associates	37,100	-	-	-	37,100
Storage	-	-	3,156	-	3,156
Support Group	-	915	-	-	915
Telephone	-	1,454	2,586	-	4,040
Travel	-	1,115	-	-	1,115
Webcast and Lecture	-	-	-	-	-
Transcription	-	958	-	-	958
Website	-	17,014	1,891	-	18,905
Total Expenses	\$ 53,286	\$ 143,405	\$ 67,254	\$ 12,205	\$ 276,150

See accompanying notes to financial statements.

THE CARCINOID CANCER FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED FEBRUARY 28, 2010

	Program Services		General and		Total
	Medical Research	Health Education	Administrative	Fund-raising	
Accounting Fees	\$ -	\$ -	\$ 5,150	\$ -	\$ 5,150
Awards and Grants	50,225	-	-	-	50,225
Bank and Finance Charges	-	-	349	-	349
Bookkeeping	-	-	7,350	-	7,350
Computer	-	-	2,182	-	2,182
Conferences and Conventions	-	2,683	-	-	2,683
Credit Card Processing Fees	-	-	-	871	871
Depreciation	4,372	4,372	-	-	8,744
Dues and Licenses	-	375	-	1,000	1,375
Education Materials	-	2,482	-	2,122	4,604
Education Support Associates	-	29,318	4,889	14,657	48,864
Equipment Rental	1,201	-	600	-	1,801
Exhibits and Symposium	-	7,225	-	-	7,225
Filing Fees	-	-	75	-	75
Honoraria	-	3,000	-	-	3,000
Insurance	-	-	1,574	-	1,574
Legal Fees	-	-	4,000	-	4,000
Management and Consulting	-	-	10,500	-	10,500
Office	-	-	3,181	1,269	4,450
Other	-	-	60	699	759
Postage and Delivery	680	631	854	1,435	3,600
Rental of Facilities	-	13,500	-	-	13,500
Printing and Imaging	-	-	-	1,570	1,570
Repairs and Maintenance	-	-	2,005	-	2,005
Reference Books and Subscriptions	-	2,701	-	-	2,701
Research Associates	63,500	-	-	-	63,500
Storage	-	-	1,984	-	1,984
Support Group Expense	-	1,599	-	-	1,599
Telephone	-	2,585	4,501	-	7,086
Travel	-	5,036	-	-	5,036
Webcast and Lecture Transcription	-	1,010	-	-	1,010
Website	-	3,203	354	-	3,557
Total Expenses	\$ 119,978	\$ 79,720	\$ 49,608	\$ 23,623	\$ 272,929

See accompanying notes to financial statements.

THE CARCINOID CANCER FOUNDATION, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED FEBRUARY 28, 2011 AND 2010

	2011		2010
CASH FLOWS FROM OPERATING ACTIVITIES:			
Change in Net Assets	\$ (88,182)	\$	130,570
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	7,957		8,744
Decrease in Contributions Receivable	11,770		12,189
(Decrease) in Accrued Expenses	(2,157)		(10,433)
Net Cash Used in Operating Activities	(70,612)		141,070
CASH FLOWS FROM INVESTING ACTIVITIES:			
Return of Purchased Software	-		1,594
Net Cash Provided by Investing Activities	-		1,594
Net Change in Cash and Cash Equivalents	(70,612)		142,664
Cash and Cash Equivalents - Beginning of Year	195,566		52,902
Cash and Cash Equivalents - End of Year	\$ 124,954	\$	195,566

See accompanying notes to financial statements.

THE CARCINOID CANCER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED FEBRUARY 28, 2011 AND 2010

1. NATURE OF ORGANIZATION

The Carcinoid Cancer Foundation, Inc. (the "Foundation") is a nonprofit organization incorporated under the laws of the State of New York in 1968. The Foundation encourages and supports research and educates general public and healthcare professionals regarding carcinoid cancer and related neuroendocrine tumors, with the ultimate goal of finding a cure. The Foundation is supported primarily through donor contributions and grants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statement presentation follows the recommendation of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, *Presentation of Financial Statements*. Under FASB ASC 958-205, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. 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. The Foundation had no restricted net assets at February 28, 2011 and 2010.

Contributed Services

For the years ended February 28, 2011 and 2010, the Foundation received the use of facilities valued at \$13,500 and \$13,500, respectively. This amount has been recorded as a contribution and as rent expense on the accompanying financial statements.

THE CARCINOID CANCER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED FEBRUARY 28, 2011 AND 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

Income Tax Status

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation has 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). Accordingly, no provision is required to be made for income taxes in the financial statements. There were no unrelated business income for the years ended February 28, 2011 and 2010. The Foundation has not taken an unsubstantiated tax position that would require provision of a liability under provisions codified in FASB ASC 740, *Income Taxes*.

The Foundation has adopted the provisions of FASB ASC 740-10-25. The provisions prescribe a recognition threshold and measurement attribute for the recognition and measurement of tax positions taken or expected to be taken in income tax returns and require that uncertain tax positions are evaluated in a two-step process. The Foundation does not believe that there are any material uncertain tax positions and the implementation of the provisions of FASB ASC 740-10-25 resulted in no material liability for unrecognized tax benefits. The Foundation has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Foundation has filed Internal Revenue Service Form 990, Return of Organization Exempt From Income Tax, as required. As of and during the years ended February 28, 2011 and 2010, the Foundation did not have a liability for any unrecognized tax benefits.

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.

THE CARCINOID CANCER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED FEBRUARY 28, 2011 AND 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Furniture, Equipment, and Leasehold Improvements

Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Office improvements are being depreciated over thirty nine years using the straight line method of depreciation; furniture and office equipment are being depreciated over an estimated useful life of seven years using double declining balance method of depreciation; purchased software is being depreciated over an estimated useful life of three years using straight-line method; research equipment is being depreciated over an estimated useful life of five years using straight-line method or double-declining balance method of depreciation, depending on when the asset was placed in service.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. RELATED PARTY TRANSACTIONS

The members of the Board of Directors of The Foundation receive no compensation for their services. These donated services are not reflected as an expense in the financial statements. A member of the Board of Directors, who is also Secretary/Treasurer, is legal counsel to the Foundation and received compensation of \$4,500 and \$4,000 for services during the years ended February 28, 2011 and 2010, respectively.

4. CONCENTRATION OF CREDIT RISK

The Foundation maintains cash accounts at three banks. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At February 28, 2011 and 2010, the cash balances did not exceed the insured limit.

THE CARCINOID CANCER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED FEBRUARY 28, 2011 AND 2010

5. FUND RAISING EVENT

The Foundation holds a fund raising event each year. For the year ended February 28, 2011, revenue of \$2,041 was generated and expenses of \$12,205 were incurred. For the year ended February 28, 2010, revenue of \$55,846 was generated and expenses of \$22,198 were incurred.

6. FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy:

Level 1 Inputs – Unadjusted quoted market prices for identical assets and liabilities in an active market that the Education Foundation has the ability to access.

Level 2 Inputs – Inputs, other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs – Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

FASB ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

The Foundation did not identify any financial assets and liabilities that are required to be presented on the statement of financial position at fair value.

7. SUBSEQUENT EVENTS

The Foundation's management has performed subsequent events procedures through June 27, 2011, the date the financial statements were available to be issued. There were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein.