

The Carcinoid Cancer Foundation, Inc.

Financial Statements

February 28, 2014 and 2013

The Carcinoid Cancer Foundation, Inc.
Table of Contents
February 28, 2014 and 2013

Independent Auditor's Report.....	1
Statements of Financial Position.....	2
Statements of Activities and Changes in Net Assets.....	3
Statements of Cash Flows.....	4
Notes to Financial Statements.....	5-7
Supplementary Information:	
Independent Auditor's Report on Supplementary Information.....	8
Statements of Functional Expenses.....	9-10

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The Carcinoid Cancer Foundation Incorporated

We have audited the accompanying financial statements of The Carcinoid Cancer Foundation, Inc. which comprise of the statements of financial position as of February 28, 2014, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and the 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 controls 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 of 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 misstatement 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 respects, the financial position of The Carcinoid Cancer Foundation, Inc. as of February 28, 2014 and the results of its operations, changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. The financial statements of The Carcinoid Cancer Foundation, Inc. as of February 28, 2013 were audited by other auditors whose report dated September 29, 2013, expressed an unqualified opinion on those statements.



Harrison, New York
June 15, 2014

The Carcinoid Cancer Foundation, Inc.
Statement of Financial Position
As of February 28, 2014 and 2013

	2014	2013
Assets		
Current Assets		
Cash & Cash Equivalents-Unrestricted	\$ 252,330	\$ 229,090
Cash & Cash Equivalents-Restricted	31	239,212
Investments	926	-
Total Current Assets	<u>253,287</u>	<u>468,302</u>
Fixed Assets		
Office Improvements	17,000	17,000
Computers & Peripherals	115,241	114,427
Office Equipment	54,464	55,278
Less: Accumulated Depreciation	<u>(171,885)</u>	<u>(167,353)</u>
Total Fixed Assets	14,820	19,352
Total Assets	<u>\$ 268,107</u>	<u>\$ 487,654</u>
Liabilities and Net Assets		
Current Liabilities		
Due to Other Organizations	\$ 31	\$ 39,211
Total Current Liabilities	<u>31</u>	<u>39,211</u>
Net Assets		
Unrestricted Fund Balance	268,076	248,443
Temporarily Restricted Fund Balance	-	200,000
Total Net Assets	<u>268,076</u>	<u>448,443</u>
Total Liabilities and Net Assets	<u>\$ 268,107</u>	<u>\$ 487,654</u>

See Independent Auditor's Report and Notes to the Financial Statements.

The Carcinoid Cancer Foundation, Inc.
Statement of Activities and Changes in Net Assets
As of February 28, 2014 and 2013

Page 3

	2014	2013
<u>UNRESTRICTED ASSETS</u>		
Public Support		
Contributions	\$ 223,580	\$ 252,575
Revenue		
Fundraising - Agents	\$ 8,199	\$ 6,491
Interest Income	238	295
Other	7,398	-
Assets Released from Restriction	-	8,753
Total Revenues	<u>15,835</u>	<u>15,539</u>
Total Public Support & Revenue	\$ 239,415	\$ 268,114
Expenses		
Program Services	101,183	102,793
General & Administrative	72,056	63,417
Fundraising	46,569	57,338
Total Expenses	<u>219,808</u>	<u>223,548</u>
Change in Net Assets	19,607	44,566
Unrestricted Net Assets - Beginning of Year	248,443	203,877
Unrealized Gain on Investments	<u>26</u>	<u>-</u>
Unrestricted Net Assets - End of Year	\$ <u>268,076</u>	\$ <u>248,443</u>
<u>TEMPORARILY RESTRICTED ASSETS</u>		
Contributions	\$ -	\$ 200,000
Payments of Restricted Funds	(200,000)	(8,753)
Change in Net Assets - Temporarily Restricted	<u>(200,000)</u>	<u>191,247</u>
Temporarily Restricted Assets - Beginning of Year	<u>200,000</u>	<u>8,753</u>
Temporarily Restricted Assets - End of Year	\$ <u>-</u>	\$ <u>200,000</u>

See Independent Auditor's Report and Notes to the Financial Statements.

The Carcinoid Cancer Foundation, Inc.
Statements of Cash Flows
As of February 28, 2014 and 2013

Page 4

	2014	2013
Cash Flows from Operating Activities		
Changes in Net Assets	\$ (180,393)	\$ 235,813
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and Amortization	4,532	2,779
Amount Applicable to Restricted Cash	239,181	(200,000)
Unrealized Gain on Investment	26	-
Increase(Decrease) in Investments	(926)	-
Increase(Decrease) in Accrued Expenses	-	(7,079)
Increase(Decrease) in Due to Other Organizations	(39,180)	-
Net Cash Provided by Operating Activities	<u>23,240</u>	<u>31,513</u>
Cash Flows from Investing Activities		
Purchase of Fixed Assets	-	(7,281)
Net Cash Applied to Investing Activities	<u>-</u>	<u>(7,281)</u>
Net Change in Cash and Cash Equivalents	23,240	24,232
Cash and Cash Equivalents, Beginning	<u>229,090</u>	<u>204,858</u>
Cash and Cash Equivalents, Ending	<u>\$ 252,330</u>	<u>\$ 229,090</u>

See Independent Auditor's Report and Notes to the Financial Statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business – 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.

Revenue & Expense Recognition – Revenues and expenses are recognized on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred. Revenues are reported as increase in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Net assets, revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets and changes therein are classified and reported as follows:

Temporarily restricted net assets – net assets subject to donor-imposed restrictions that may or will be met by actions of the Foundation, or that expire by the passage of time.

Unrestricted net assets – net assets that are not subject to any donor-restrictions.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Contributions with donor-imposed restrictions, such as time or purpose restrictions, are recorded as temporarily restricted net assets. When donor-imposed time conditions expire, or a donor-imposed purpose restriction is fulfilled, the temporarily restricted net assets are released to unrestricted net assets. These satisfactions of donor-imposed restrictions are reported as net assets released from restrictions. Conditional promises to give are not recognized until they become unconditional, that is, the conditions on which they depend are substantially met. The Foundation had restricted assets in the amount of \$0 at February 28, 2014 and \$200,000 at February 28, 2013.

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes – As an IRC 501(c) (3) entity, the Foundation is tax exempt, and no provision for federal or state income tax has been made. It is not a private foundation under Section 509(a) (1) of the Internal Revenue Code and qualifies for the maximum charitable contribution deduction. There was not unrelated business income for the years ended February 28, 2014 and 2013. 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 Carcinoid Cancer Foundation, Inc.
Notes to Financial Statements
February 28, 2014 and 2013

Cash and Cash Equivalents – is defined to include all bank deposits, including money market accounts and certificates of deposit that have an original maturity of three months or less as well as money market mutual funds that maintain a constant value of \$1.00 per share and can be readily converted into cash.

Use of Estimates – The Foundation uses estimates in preparing financial statements in conformity with accounting principles generally accepted in the United States of America. The Foundation regularly assesses these estimates and while actual results may differ from these estimates, the board believes that material changes will not occur in the near future.

Contributed Services – For the years ended February 28, 2014 and 2013, the Foundation received the use of facilities valued at \$18,000 and \$13,500 respectively. This amount has been recorded as a contribution and a rent expense on the accompanying financial statements.

NOTE B- FIXED ASSETS

The Foundation has fixed assets stated at cost less accumulated depreciation and amortization. Depreciation and amortization has been calculated on a straight line basis over a three to ten year estimated useful life for assets other than office improvements. Office improvements are being depreciated over thirty nine years using the straight line method of depreciation. As of February 28, 2014 and 2013, the net fixed asset amount is the salvage value remaining after being fully depreciated.

NOTE C- CONTINGENCIES

The Foundation has no contingencies that are pending as a result of operations.

NOTE D- CONCENTRATION OF CREDIT RISK

Cash and cash equivalents are maintained with various financial institutions. Deposits held with banks may exceed the \$250,000 of Federal Deposit Insurance Corporation (“FDIC”) insurance on such deposits. The FDIC protects depositors of insured banks located in the United States against the loss of their deposits if an insured bank fails. The FDIC will cover balances up to \$250,000 per depositor through December 31, 2014. The Foundation continually monitors its deposits in the financial institution and does not anticipate any financial losses. At February 28, 2014, the Foundation’s uninsured cash balance is \$0, and the total held within institutions which is not FDIC insured is \$0.

The Carcinoid Cancer Foundation, Inc.
 Notes to Financial Statements
 February 28, 2014 and 2013

NOTE E- 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 that fair value hierarchy:

Level 1 Inputs – Unadjusted quoted market prices for identical assets and liabilities in an active market that the 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 instruments.

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 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.

NOTE F- DUE TO OTHER ORGANIZATIONS

The amount due other organizations represents amounts collected and paid out on behalf of another non-profit organization. The funds transferred out in November of 2013 are summarized as follows:

Amount Collected:	\$301,421
Amount of Expenses Paid:	<u>301,390</u>
Balance Due:	<u>\$ 31</u>

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION

To the Board of Directors of
The Carcinoid Cancer Foundation, Inc.

We have audited the financial statements of the Carcinoid Cancer Foundation, Inc. for the year ended February 28, 2014 and our report thereon dated June 15, 2014, which expressed an unmodified opinion on those financial statements, appears on Page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Supporting Schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Harrison, New York

June 15, 2014

The Carcinoid Cancer Foundation, Inc.
Statement of Functional Expenses
For The Year Ended February 28, 2014

Page 9

	Program Services	General & Administrative	Fundraising Expenses	Total
Accounting Fees	\$ -	\$ 5,750	\$ -	\$ 5,750
Bank & Finance Charges	-	135	-	135
Bookkeeping	-	6,600	-	6,600
Computer Expenses	-	2,670	-	2,670
Credit Card Processing Fees	-	-	614	614
Depreciation	-	4,532	-	4,532
Education Materials	195	-	-	195
Education Events	-	-	-	-
Fundraising Expenses	-	-	13,082	13,082
Health Education	57,159	-	-	57,159
Insurance	-	1,500	-	1,500
Legal Fees	-	1,000	-	1,000
Management	22,800	25,624	32,000	80,424
Medical Research	-	-	-	-
Office Expenses	-	2,629	-	2,629
Other	-	4,233	-	4,233
Postage & Delivery	-	2,723	-	2,723
Rental of Facilities	9,000	9,000	-	18,000
Printing & Imaging	-	-	873	873
Research	-	-	-	-
Storage	-	3,216	-	3,216
Telephone	1,222	2,444	-	3,666
Travel	264	-	-	264
Video Services	4,350	-	-	4,350
Webcast & Lecture Transcription	-	-	-	-
Website Expenses	6,193	-	-	6,193
Total Expenses:	\$ <u>101,183</u>	\$ <u>72,056</u>	\$ <u>46,569</u>	\$ <u>219,808</u>

See Independent Auditor's Report on Supplementary Information.

The Carcinoid Cancer Foundation, Inc.
Statement of Functional Expenses
For The Year Ended February 28, 2013

	Program Services	General & Administrative	Fundraising Expenses	Total
Accounting Fees	\$ -	\$ 5,702	\$ -	\$ 5,702
Bank & Finance Charges	-	173	-	173
Bookkeeping	-	6,600	-	6,600
Computer Expenses	-	1,910	-	1,910
Credit Card Processing Fees	-	-	439	439
Depreciation	-	2,779	-	2,779
Education Materials	1,625	-	-	1,625
Education Events	3,184	-	-	3,184
Fundraising Expenses	-	-	25,399	25,399
Health Education	52,227	-	-	52,227
Insurance	-	1,500	-	1,500
Legal Fees	-	4,500	-	4,500
Management	19,534	23,600	30,000	73,134
Medical Research	256	-	-	256
Office Expenses	-	1,484	-	1,484
Other	-	586	25	611
Postage & Delivery	-	2,129	-	2,129
Rental of Facilities	6,750	6,750	-	13,500
Printing & Imaging	-	-	1,475	1,475
Research	1,500	-	-	1,500
Storage	-	3,216	-	3,216
Telephone	1,244	2,488	-	3,732
Travel	1,080	-	-	1,080
Video Services	11,885	-	-	11,885
Webcast & Lecture Transcription	56	-	-	56
Website Expenses	3,452	-	-	3,452
Total Expenses:	\$ <u>102,793</u>	\$ <u>63,417</u>	\$ <u>57,338</u>	\$ <u>223,548</u>

See Independent Auditor's Report on Supplementary Information.