

**THE CARCINOID CANCER FOUNDATION, INC.**  
**FINANCIAL STATEMENTS**  
February 28, 2010 and February 28, 2009  
With Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
The Carcinoid Cancer Foundation, Inc.  
White Plains, New York

We have audited the accompanying statements of financial position of The Carcinoid Cancer Foundation, Inc. (a nonprofit organization) as of February 28, 2010 and February 28, 2009 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of The Carcinoid Cancer Foundation, Inc.'s management. 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 The Carcinoid Cancer Foundation, Inc. as of February 28, 2010 and February 28, 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Wolf Weissman CPA's, P.C.*

Wolf Weissman CPA's, P.C.  
New York, NY  
June 15, 2010

THE CARCINOID CANCER FOUNDATION, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 FEBRUARY 28, 2010 AND 2009

	2010	2009
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 195,566	\$ 52,902
Contributions Receivable	11,770	23,959
Total Current Assets	207,336	76,861
 <b>PROPERTY AND EQUIPMENT</b>		
Office Improvements	17,000	17,000
Computers and Peripherals	109,184	110,778
Furniture and Office Equipment	54,464	54,464
	180,648	182,242
Less: Accumulated Depreciation	(156,617)	(147,873)
Property and Equipment, Net	24,031	34,369
Total Assets	\$ 231,367	\$ 111,230
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accrued Expenses	3,817	14,250
 <b>NET ASSETS</b>		
Unrestricted Fund Balance	227,550	96,980
Total Liabilities and Net Assets	\$ 231,367	\$ 111,230

**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, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<b>PUBLIC SUPPORT</b>		
Contributions	\$ 291,908	\$ 194,839
Unrestricted Grants	<u>27,910</u>	<u>94,850</u>
Total Public Support	<u>319,818</u>	<u>289,689</u>
<b>REVENUE</b>		
Sponsored Advertising	50,000	-
Fundraising Event	33,648	50,694
Interest Income	<u>33</u>	<u>65</u>
Total Revenue	<u>83,681</u>	<u>50,759</u>
Total Public Support and Revenue	<u>403,499</u>	<u>340,448</u>
<b>EXPENSES</b>		
Program Services - Medical Research	119,978	110,806
Program Services - Health Education	79,720	141,954
General and Administrative	49,608	38,441
Fundraising	<u>23,623</u>	<u>19,825</u>
Total Expenses	<u>272,929</u>	<u>311,026</u>
Increase (Decrease) in Net Assets	130,570	29,422
Net Assets - Beginning of Year	<u>96,980</u>	<u>67,558</u>
Net Assets - End of Year	<u><u>\$ 227,550</u></u>	<u><u>\$ 96,980</u></u>

**See Accompanying Notes to Financial Statements**

THE CARCINOID CANCER FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED FEBRUARY 28, 2010

	Program Services - Medical Research	Program Services - Health Education	General and Administrative	Fundraising Expenses	Total
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 Expenses	-	-	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 & 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 Expenses	-	-	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 Expenses	-	3,203	354	-	3,557
<b>Total</b>	<b>\$ 119,978</b>	<b>\$ 79,720</b>	<b>\$ 49,608</b>	<b>\$ 23,623</b>	<b>\$ 272,929</b>

**See Accompanying Notes to Financial Statements**

THE CARCINOID CANCER FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED FEBRUARY 28, 2009

	Program Services - Medical Research	Program Services - Health Education	General and Administrative	Fundraising Expenses	Total
Accounting Fees	\$ -	\$ -	\$ 5,250	\$ -	\$ 5,250
Awards and Grants	16,250	10,000	-	-	26,250
Bank Charges and Brokerage Fees	-	-	652	5	657
Bookkeeping	-	-	7,350	-	7,350
Computer Expenses	7,181	1,106	1,144	250	9,681
Conferences and Conventions	-	13,863	268	2,110	16,241
Credit Card Processing Fees	-	-	-	1,567	1,567
Depreciation	15,042	15,041	-	-	30,083
Dues and Licenses	1,260	4,619	689	1,300	7,868
Education Materials	-	6,427	-	1,377	7,804
Education Support Associates	-	19,096	3,182	9,548	31,826
Exhibits & Symposium	-	19,067	-	-	19,067
Filing Fees	-	-	135	-	135
Honoraria	-	3,000	-	-	3,000
Insurance	-	-	1,544	-	1,544
Legal Fees	-	-	4,000	-	4,000
Office Expenses	-	2,066	6,456	642	9,164
Outside Services	-	1,250	-	-	1,250
Postage and Delivery	903	1,699	678	86	3,366
Rental of Facilities	-	9,000	686	-	9,686
Printing, Imaging and Photography	-	3,637	1,012	-	4,649
Repairs and Maintenance	-	-	1,584	-	1,584
Reference Books and Subscriptions	-	585	180	659	1,424
Research Associates	70,140	-	-	-	70,140
Storage	-	-	2,989	-	2,989
Support Group Expense	-	4,603	-	-	4,603
Telephone	-	7,156	-	-	7,156
Travel	-	13,888	168	2,281	16,337
Webcast and Lecture Transcription	-	4,070	-	-	4,070
Website Hosting	30	1,781	474	-	2,285
<b>Total</b>	<b>\$ 110,806</b>	<b>\$ 141,954</b>	<b>\$ 38,441</b>	<b>\$ 19,825</b>	<b>\$ 311,026</b>

**See Accompanying Notes to Financial Statements**

THE CARCINOID CANCER FOUNDATION, INC.  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEARS ENDED FEBRUARY 28, 2010 AND 2009

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in Net Assets	130,570	29,422
Adjustments to Reconcile Decrease in Net Assets to Net Cash Used in Operating Activities:		
Depreciation	8,744	30,083
Net (Increase) Decrease in Contributions Receivable	12,189	(23,959)
Net Increase (Decrease) in Accrued Expenses	(10,433)	(25,212)
Net Cash Flow From Operating Activities	141,070	10,334
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of Property	-	(31,991)
Return of Purchased Software	1,594	-
Net Cash Flow From Investing Activities	1,594	(31,991)
Net Decrease in Cash and Cash Equivalents	142,664	(21,657)
Cash and Cash Equivalents - Beginning of Year	52,902	74,559
Cash and Cash Equivalents - End of Year	\$ 195,566	\$ 52,902

**See Accompanying Notes to Financial Statements**



**THE CARCINOID CANCER FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:**

**Nature of Activities**

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.

**Promises to Give**

The Foundation recognizes contributions when the donor makes a promise to give, that is, in substance, unconditional.

**Contributed Services**

For the years ended February 28, 2010 and 2009, the Foundation received the use of facilities valued at \$13,500 and \$9,000, respectively. This amount has been recorded as a contribution and as rent expense on the accompanying financial statements.

**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.

**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 Taxes**

The Foundation is a public charitable, educational, and scientific organization described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Foundation is not classified as a private foundation.

On March 1, 2009, the Foundation adopted the new accounting for uncertainty in income tax guidance which clarifies the accounting and recognition for tax positions taken or expected to be taken on its tax returns. The Foundation's tax filings are subject to audit by various tax authorities. The Foundation's open tax years are 2006 to 2009. In evaluating the Foundation's tax provisions and accruals, future taxable income, the reversal of temporary differences, interpretations and tax strategies are considered. Management of the Foundation believes that their estimates are appropriate based on the current facts and conditions.

**NOTE A – NATURE OF ACTIVITIES AND 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.

**Financial Statement Presentation**

The Foundation follows standards of accounting and financial reporting for not-for-profit organizations. Accordingly, the financial statements are prepared on the accrual basis of accounting. The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. The Foundation has not received any temporarily and permanently restricted contributions, therefore all net assets are reported as unrestricted.

**Reclassifications**

Certain 2009 accounts have been reclassified to conform to the current year's presentation.

**NOTE B – RELATED PARTY TRANSACTIONS**

The members of the Board of Directors and the officers 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 \$4,000 for services during the years ended February 28, 2010 and 2009.

**NOTE C – CONCENTRATION OF CREDIT RISK**

The Foundation maintains cash accounts at two banks. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At February 28, 2010 and 2009, the cash balances did not exceed the insured limit.

**NOTE D - FUND RAISING EVENT**

The Foundation held a fund raising event each year. For 2010 revenue of \$55,846 was generated and expenses totaled \$22,198. For 2009, revenue amounted to \$108,643 and expenses totaled \$57,949.

**NOTE E – SUBSEQUENT EVENTS**

Management has evaluated all subsequent events for possible adjustments or disclosures through June 30, 2010, the date the financial statements were available to be issued.