

THE CARCINOID CANCER FOUNDATION, INC.
FINANCIAL STATEMENTS
February 29, 2012 and February 28, 2011
With Independent Auditors' Report

Contents

- Independent Auditors' Report 1
- Financial Statements
 - Statements of Financial Position 2
 - Statements of Activities and Changes in Net Assets 3
 - Statements of Functional Expenses 4 - 5
 - Statements of Cash Flows 6
- Notes to Financial Statements 7 - 10

WOLF WEISSMAN CPA's, P.C.
1 PENN PLAZA • SUITE 2615
NEW YORK, NY 10119
(212) 967-7300 • FAX (212) 643-9047
www.wolfweissman.com

IRWIN WOLF, CPA
GARY P. WEISSMAN, CPA
MITCHELL ATTAS, CPA

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of The Carcinoid Cancer Foundation, Inc. (the "Foundation") as of February 29, 2012, and the related statement of activities, functional expenses, 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, 2011 were audited by other auditors whose report dated June 27, 2011 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 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 audit provides a reasonable basis for our opinion.

In our opinion, the 2012 financial statements referred to above present fairly, in all material respects, the financial position of The Carcinoid Cancer Foundation, Inc. as of February 29, 2012, 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.

Wolf Weissman CPA's, P.C.

Wolf Weissman CPA's, P.C.
New York, NY
June 25, 2012

THE CARCINOID CANCER FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
FEBRUARY 29, 2012 AND FEBRUARY 28, 2011

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 204,858	\$ 124,954
Total Current Assets	204,858	124,954
PROPERTY AND EQUIPMENT		
Office Improvements	17,000	17,000
Computers and Peripherals	109,184	109,184
Office Equipment	55,278	54,464
	181,462	180,648
Less: Accumulated Depreciation	(166,611)	(164,574)
Property and Equipment, Net	14,851	16,074
Total Assets	\$ 219,709	\$ 141,028
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accrued Expenses	\$ 7,079	\$ 1,660
NET ASSETS		
Unrestricted Fund Balance	203,877	139,368
Temporarily Restricted Fund Balance	8,753	-
Total Net Assets	212,630	139,368
Total Liabilities and Net Assets	\$ 219,709	\$ 141,028

See Accompanying Notes to Financial Statements

THE CARCINOID CANCER FOUNDATION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED FEBRUARY 29, 2012 AND FEBRUARY 28, 2011

UNRESTRICTED ASSETS	2012	2011
PUBLIC SUPPORT		
Contributions	\$ 210,023	\$ 157,807
Unrestricted Grants	-	25,000
Total Public Support	210,023	182,807
REVENUE		
Advertising - Net	16,354	3,000
Educational Programs	9,236	-
Fundraising - Agents	1,231	2,041
Interest Income	233	120
Other	118	-
Assets Released from Restriction	12,247	-
Total Revenue	39,419	5,161
Total Public Support and Revenue	249,442	187,968
EXPENSES		
Program Services - Medical Research	20,421	53,286
Program Services - Health Education	102,013	143,405
General and Administrative	54,965	67,254
Fundraising	7,534	12,205
Total Expenses	184,933	276,150
Increase (Decrease) in Unrestricted Net Assets	54,509	(88,182)
Unrestricted Net Assets - Beginning of Year	139,368	227,550
Unrestricted Net Assets - End of Year	\$ 193,877	\$ 139,368
TEMPORARILY UNRESTRICTED ASSETS		
Contributions	\$ 21,000	-
Assets Released from Restrictions	12,247	-
Net Increase and Ending Balance - Temporarily Restricted Assets	\$ 8,753	\$ -

See Accompanying Notes to Financial Statements

THE CARCINOID CANCER FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED FEBRUARY 29, 2012

	Program Services - Medical Research	Program Services - Health Education	General and Administrative	Fundraising Expenses	Total
Accounting Fees	\$ -	\$ -	\$ 4,075	\$ -	\$ 4,075
Awards and Grants	2,195	-	-	-	2,195
Bank and Finance Charges	-	-	168	-	168
Bookkeeping	-	-	6,600	-	6,600
Computer Expenses	-	-	3,770	-	3,770
Conferences and Conventions	-	6,325	-	-	6,325
Credit Card Processing Fees	-	-	-	485	485
Depreciation	-	-	2,038	-	2,038
Health Education	-	55,941	-	-	55,941
Education Materials	-	138	-	-	138
Education Support Associates	-	15,780	-	-	15,780
Equipment Rental	1,141	-	571	-	1,712
Filing Fees	-	-	60	-	60
Insurance	-	-	1,500	-	1,500
Legal Fees	-	-	4,500	-	4,500
Management and Consulting	13,710	13,710	13,710	30,000	71,130
Office Expenses	-	-	1,544	3,653	5,197
Other	-	-	135	-	135
Postage and Delivery	-	1,076	1,077	1,076	3,229
Rental of Facilities	3,375	3,375	6,750	-	13,500
Printing and Imaging	-	-	-	320	320
Repairs and Maintenance	-	-	1,803	-	1,803
Storage	-	-	3,216	-	3,216
Support Group Expense	-	575	-	-	575
Telecommunications	-	1,606	3,212	-	4,818
Travel	-	3,010	-	-	3,010
Webcast and Lecture Transcription	-	241	-	-	241
Website Expenses	-	236	236	1,416	1,888
Less Allocated to Advertising	-	-	-	(29,416)	(29,416)
Total Expenses	\$ 20,421	\$ 102,013	\$ 54,965	\$ 7,534	\$ 184,933

See Accompanying Notes to Financial Statements

THE CARCINOID CANCER FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED FEBRUARY 28, 2011

	Program Services - Medical Research	Program Services - Health Education	General and Administrative	Fundraising Expenses	Total
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 Expenses	-	-	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 & 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 Expenses	-	-	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 Expense	-	915	-	-	915
Telephone	-	1,454	2,586	-	4,040
Travel	-	1,115	-	-	1,115
Webcast and Lecture Transcription	-	958	-	-	958
Website Expenses	-	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.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 29, 2012 AND FEBRUARY 28, 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 73,262	\$ (88,182)
Adjustments to Reconcile Change in Net Assets to Net Cash Flow From Operating Activities:		
Depreciation	2,038	7,957
Net (Increase) Decrease in Contributions Receivable	-	11,770
Net Increase (Decrease) in Accrued Expenses	<u>5,418</u>	<u>(2,157)</u>
Net Cash Flow From Operating Activities	<u>80,718</u>	<u>(70,612)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	<u>(814)</u>	-
Net Cash Used by Investing Activities	<u>(814)</u>	-
Net Change in Cash and Cash Equivalents	79,904	(70,612)
Cash and Cash Equivalents - Beginning of Year	<u>124,954</u>	<u>195,566</u>
Cash and Cash Equivalents - End of Year	<u>\$ 204,858</u>	<u>\$ 124,954</u>

See Accompanying Notes to Financial Statements

THE CARCINOID CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2012 AND FEBRUARY 28, 2011

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, 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 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 assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Foundation had restricted assets in the amount of \$8,753 at February 29, 2012. The Foundation had no restricted assets at February 28, 2011.

Contributed Services

For the years ended February 29, 2012 and February 28, 2011, the Foundation received the use of facilities valued at \$13,500 and \$13,500, respectively. This amount has been recorded as a contribution and a rent expense on the accompanying financial statements.

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. For the year ended February 29, 2012 the Foundation had unrelated business income and has provided income tax. There was no unrelated business income for the year ended February 28, 2011. 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
FOR THE YEARS ENDED FEBRUARY 29, 2012 AND FEBRUARY 28, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status (continued)

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 Form Income Tax, as required. As of and during the years ended February 29, 2012 and February 28, 2011, the Foundation did not have a liability for any unrecognized tax benefits. The Foundation's open tax years are 2008 to 2011.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized in 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.

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 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 for services during the years ended February 29, 2012 and February 28, 2011.

THE CARCINOID CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2012 AND FEBRUARY 28, 2011

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 29, 2012 and February 28, 2011, the cash balances did not exceed the insured limit.

5. FUND RAISING EVENT

The Foundation normally holds a fund raising event each year. For the year ended February 29, 2012, the event was not held. For the year ended February 28, 2011, revenue of \$2,041 was generated and expenses of \$12,201 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 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 measurements 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. NET ADVERTISING INCOME FOR 2012 IS AS FOLLOWS:

Revenue	\$50,000
Allocated Expenses	(29,416)
State Income Tax	(1,340)
Federal Income Tax	(2,890)
Net Advertising Income	<u>\$16,354</u>

THE CARCINOID CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2012 AND FEBRUARY 28, 2011

8. SUBSEQUENT EVENTS

The Foundation's management has performed subsequent events procedures through June 25, 2012 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.