

**THE CARCINOID CANCER FOUNDATION, INC.
FINANCIAL STATEMENTS
FEBRUARY 28, 2007 AND 2006**

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FEBRUARY 28, 2007 AND 2006**

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INDEPENDENT AUDITOR'S REPORT

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. as of February 28, 2007 and 2006 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 audits 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 Carcinoid Cancer Foundation, Inc. as of February 28, 2007 and 2006 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.

Rosenblatt, Kiman, Levittan, Levine & Co. LLP
New Hyde Park, New York

August 10, 2007

THE CARCINOID CANCER FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
FEBRUARY 28, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 221,484	\$ 338,123
Investments (Note 2)	14,909	14,962
Accrued Interest Receivable	<u>629</u>	<u>-</u>
 Total Current Assets	 <u>237,022</u>	 <u>353,085</u>
 PROPERTY AND EQUIPMENT		
Office Improvements	17,000	17,000
Computers and Peripherals	78,955	72,064
Office Equipment	<u>48,846</u>	<u>48,846</u>
	144,801	137,910
Less: Accumulated Depreciation	<u>(102,940)</u>	<u>(85,229)</u>
 Property and Equipment, Net	 <u>41,861</u>	 <u>52,681</u>
 Total Assets	 <u>\$ 278,883</u>	 <u>\$ 405,766</u>

LIABILITIES AND NET ASSETS

NET ASSETS		
Unrestricted Fund Balance	<u>\$ 278,883</u>	<u>\$ 405,766</u>

See accompanying notes.

THE CARCINOID CANCER FOUNDATION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED FEBRUARY 28, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
PUBLIC SUPPORT		
Contributions	\$ 120,752	\$ 209,841
Unrestricted Grants (Note 5)	<u>11,100</u>	<u>92,300</u>
Total Public Support	<u>131,852</u>	<u>302,141</u>
REVENUE		
Fundraising	157,653	36,225
Program Service Revenue -		
Portland Conference	198,194	75,000
Dividend Income	-	571
Interest Income	10,600	7,275
Unrealized Gain (Loss) on Securities	<u>906</u>	<u>(1,868)</u>
Total Revenue	<u>367,353</u>	<u>117,203</u>
Total Public Support and Revenue	<u>499,205</u>	<u>419,344</u>
EXPENSES		
Program Services - Medical Research	158,422	-
Program Services - Health Education	375,095	-
Program Services	-	222,978
General and Administrative	30,837	17,407
Fundraising	<u>61,734</u>	<u>19,345</u>
Total Expenses	<u>626,088</u>	<u>259,730</u>
Increase (Decrease) in Net Assets	(126,883)	159,614
Net Assets - Beginning of Year	<u>405,766</u>	<u>246,152</u>
Net Assets - End of Year	<u>\$ 278,883</u>	<u>\$ 405,766</u>

See accompanying notes.

THE CARCINOID CANCER FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FEBRUARY 28, 2007

	Program Services - Medical Research	Program Services - Health Education	General and Administrative	Fundraising Expenses	Total
Accounting Fees	\$ -	\$ -	\$ 4,300	\$ -	\$ 4,300
Awards and Grants	65,779	39,763	-	-	105,542
Bank Charges and Brokerage Fees	-	-	1,108	290	1,398
Bookkeeping	-	-	6,345	-	6,345
Computer Expenses	5,420	5,420	997	-	11,837
Conferences and Conventions	-	17,939	552	-	18,491
Conference Supplies	-	9,848	-	-	9,848
Credit Card Processing Fees	-	933	1,752	-	2,685
Dance and Auction Expenses	-	6,212	-	-	6,212
Depreciation	8,413	8,413	885	-	17,711
Dues and Licenses	-	724	35	-	759
Educational Materials	-	20,025	-	-	20,025
Educational Support Associates	-	28,495	-	-	28,495
Equipment Rental	-	-	2,109	-	2,109
Fundraising	-	-	-	61,444	61,444
Honoraria	-	70,250	-	-	70,250
Insurance	-	800	-	-	800
Legal Fees	-	-	5,500	-	5,500
Meals and Entertainment	-	137	-	-	137
Rental of Facilities	-	86,442	625	-	87,067
Office Expenses	-	-	5,402	-	5,402
Organization Expense	-	853	-	-	853
Patient Gifts	-	2,965	-	-	2,965
Physician Symposium	-	3,420	-	-	3,420
Postage and Delivery	489	5,653	694	-	6,836
Printing and Reproduction	-	5,666	-	-	5,666
Research Database Development	3,811	-	-	-	3,811
Reference Books and Subscriptions	-	618	-	-	618
Research Associates	74,510	-	-	-	74,510
Speaker's Expenses	-	32,876	-	-	32,876
Support Group Expense	-	600	-	-	600
Telephone	-	2,993	533	-	3,526
Travel	-	17,146	-	-	17,146
Webcast and Lecture Transcription	-	6,711	-	-	6,711
Website Hosting	-	193	-	-	193
Total	\$ 158,422	\$ 375,095	\$ 30,837	\$ 61,734	\$ 626,088

See accompanying notes.

THE CARCINOID CANCER FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FEBRUARY 28, 2006

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising Expenses</u>	<u>Total</u>
Accounting Fees	\$ -	\$ 2,000	\$ -	\$ 2,000
Advertising	1,184	-	-	1,184
Awards and Grants	37,335	-	-	37,335
Bank Charges	-	416	-	416
Bookkeeping	1,540	1,078	462	3,080
Computer Expenses	12,451	1,383	-	13,834
Conferences and Conventions	17,475	-	-	17,475
Credit Card Processing Fees	887	111	111	1,109
Depreciation	14,468	762	-	15,230
Dues and Licenses	899	100	-	999
Educational Materials	3,908	-	-	3,908
Educational Support Associates	19,350	-	-	19,350
Fundraising	-	-	18,259	18,259
Honoraria	3,000	-	-	3,000
Insurance	-	124	-	124
Internet	1,128	-	-	1,128
Legal Fees	-	3,357	-	3,357
Occupancy	4,050	450	-	4,500
Office Expenses	-	4,704	-	4,704
Postage and Delivery	3,825	-	201	4,026
Printing and Reproduction	636	85	127	848
Reference Books and Subscriptions	974	-	-	974
Repairs and Maintenance	-	2,466	-	2,466
Research Associates	52,414	-	-	52,414
Support Group Expense	7,453	-	-	7,453
Telephone	3,159	371	185	3,715
Travel	19,895	-	-	19,895
Webcast and Lecture Transcription	13,695	-	-	13,695
Website Development	2,853	-	-	2,853
Website Hosting	399	-	-	399
	<u>399</u>	<u>-</u>	<u>-</u>	<u>399</u>
Total	<u>\$ 222,978</u>	<u>\$ 17,407</u>	<u>\$ 19,345</u>	<u>\$ 259,730</u>

See accompanying notes.

THE CARCINOID CANCER FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 28, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ (126,883)	\$ 159,614
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	17,711	15,230
Unrealized (Gains) Losses on Securities Held	(906)	1,868
Net (Increase) Decrease in Investment Activity	<u>330</u>	<u>(1,608)</u>
Total Net Cash Provided by (Used in) Operating Activities	<u>(109,748)</u>	<u>175,104</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of Fixed Assets	<u>(6,891)</u>	<u>(15,312)</u>
Net Increase (Decrease) in Cash	(116,639)	159,792
Cash - Beginning of Year	<u>338,123</u>	<u>178,331</u>
Cash - End of Year	<u>\$ 221,484</u>	<u>\$ 338,123</u>

See accompanying notes.

THE CARCINOID CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2007 AND 2006

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

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 provides information and educational materials to medical professionals, patients, and the general public in the area of carcinoid and neuroendocrine tumors and their syndromes; provides grants, sponsors conferences, maintains a database and conducts and supports research in this area.

Financial Statements 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 financial statements are prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations, issued by the Financial Accounting Standards Board for presentation of its financial statements. 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. At this time the Foundation does not have temporarily restricted and permanently restricted net assets.

Cash and Cash Equivalents

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

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are reflected in the statements of activities and changes in net assets in accordance with Statement of Financial Accounting Standards (SFAS) No. 124, Accounting for Investments.

**THE CARCINOID CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2007 AND 2006**

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Property and Equipment

Purchased property and equipment is capitalized at cost. 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 the double declining balance method of depreciation; research equipment is being depreciated over an estimated useful life of five years using the straight-line method or double declining balance method of depreciation, depending on when the asset was placed in service.

Depreciation expense totaled \$17,711 and \$15,230 for the years ended February 28, 2007 and 2006, respectively.

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 public foundation .

Estimates

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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2 – INVESTMENTS

Investments as of February 28, 2007 and 2006 include the following:

	<u>Cost</u>	<u>2007 Market Value</u>	<u>2006 Market Value</u>
Corporate Bonds and Notes	<u>\$15,000</u>	<u>\$14,909</u>	<u>\$14,962</u>

THE CARCINOID CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2007 AND 2006

NOTE 3 – DONATED SERVICES

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 expense in the financial statements. A member of the Board of Directors who is also Secretary/Treasurer of the Foundation is legal counsel to the Foundation and received compensation of \$5,500 for his legal services during the year ended February 28, 2007.

NOTE 4 – CONCENTRATION OF CREDIT RISK

The Foundation maintains several cash accounts at three banks. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At February 28, 2007, the cash balances did not exceed the insured limit. The amount in excess of the FDIC limit totaled \$10,299 at February 28, 2006. The Foundation also holds cash funds in two brokerage accounts at UBS Financial Services, which are not insured by the FDIC. The balances of these brokerage funds totaled \$106,340 and \$119,184 for the years ended February 28, 2007 and 2006, respectively.

NOTE 5 – RESTATEMENT OF MATERIAL CHANGES IN CLASSIFICATION

Unrestricted grants at February 28, 2006 originally included \$75,000 in program service revenue for the Portland Conference which took place on September 30, 2006. For the February 28, 2007 Comparative Statements of Activities and Changes in Net Assets, \$75,000 was properly classified as Program Service Revenue – Portland Conference.

NOTE 6 – PORTLAND CONFERENCE

The Carcinoid Cancer Foundation, Inc. organized a conference in Portland, Oregon on September 30, 2006 to educate the practicing clinician about carcinoid cancer. Revenues attributed to the conference amounted to \$198,194 and \$75,000 for the years ended February 28, 2007 and 2006, respectively. Expenses incurred for the conference totaled \$215,957 at February 28, 2007. Over the two year reporting period, the conference netted a total profit of approximately \$57,237.