

**The Carcinoid Cancer Foundation, Inc.**

**Financial Statements**

**February 28, 2018 and 2017**

The Carcinoid Cancer Foundation, Inc.  
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February 28, 2018 and 2017

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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, 2018 and 2017, 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, 2018 and 2017, 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.

*Frank A. Salandra & Co. CPAs LLP*

Harrison, New York  
June 4, 2018

**The Carcinoid Cancer Foundation, Inc.**  
**Statement of Financial Position**  
**As of February 28, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash & Cash Equivalents-Unrestricted	\$ 834,326	\$ 964,265
Cash & Cash Equivalents-Restricted	31	31
Investments	787	901
Accounts Receivable	-	50,000
Prepaid Payroll	20,020	17,942
<b>Total Current Assets</b>	<u>855,164</u>	<u>1,033,139</u>
<b>Fixed Assets</b>		
Office Improvements	17,000	17,000
Computers & Peripherals	115,241	115,241
Office Equipment	54,464	54,464
Less: Accumulated Depreciation	<u>(178,219)</u>	<u>(177,176)</u>
<b>Total Fixed Assets</b>	8,486	9,529
<b>Other Assets</b>		
Rent Deposit	<u>4,125</u>	<u>4,125</u>
<b>Total Assets</b>	<u>\$ 867,775</u>	<u>\$ 1,046,793</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accrued Expenses	\$ <u>8,438</u>	\$ <u>999</u>
<b>Total Current Liabilities</b>	<u>8,438</u>	<u>999</u>
<b>Net Assets</b>		
Restricted Fund Balance	-	35,000
Unrestricted Fund Balance	<u>859,337</u>	<u>1,010,794</u>
<b>Total Net Assets</b>	<u>859,337</u>	<u>1,045,794</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 867,775</u>	<u>\$ 1,046,793</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, 2018 and 2017**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>
<b><u>CONTRIBUTIONS</u></b>				
<b>Public Support</b>				
Contributions	\$ 310,356	\$ -	\$ 310,356	\$ 526,344
<b>Revenue</b>				
Educational Programs	400	-	400	198,000
Fundraising - Agents	13,347	-	13,347	10,510
Grants	-	-	-	35,000
Interest/Dividend Income	182	-	182	179
Other	-	-	-	6,500
<b>Total Revenues</b>	<b><u>13,929</u></b>	<b><u>-</u></b>	<b><u>13,929</u></b>	<b><u>250,189</u></b>
<b>Total Public Support &amp; Revenue</b>	<b><u>324,285</u></b>	<b><u>-</u></b>	<b><u>324,285</u></b>	<b><u>776,533</u></b>
<b>Functional Expenses</b>				
Program Services	369,964	-	369,964	335,010
General & Administrative	116,388	-	116,388	100,256
Fundraising	24,270	-	24,270	18,044
<b>Total Expenses</b>	<b><u>510,622</u></b>	<b><u>-</u></b>	<b><u>510,622</u></b>	<b><u>453,310</u></b>
<b>Change in Net Assets</b>	<b>(186,337)</b>	<b>-</b>	<b>(186,337)</b>	<b>323,223</b>
<b>Net Assets - Beginning of Year</b>	<b>1,010,794</b>	<b>35,000</b>	<b>1,045,794</b>	<b>722,327</b>
<b>Net Assets Released from Restriction</b>	<b>35,000</b>	<b>(35,000)</b>	<b>-</b>	<b>-</b>
<b>Unrealized Gain(Loss) on Investments</b>	<b><u>(120)</u></b>	<b><u>-</u></b>	<b><u>(120)</u></b>	<b><u>244</u></b>
<b>Net Assets - End of Year</b>	<b>\$ <u>859,337</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>859,337</u></b>	<b>\$ <u>1,045,794</u></b>

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

**The Carcinoid Cancer Foundation, Inc.**  
**Statements of Cash Flows**  
**As of February 28, 2018 and 2017**

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	<b>2018</b>	<b>2017</b>
<b>Cash Flows from Operating Activities</b>		
Changes in Net Assets	\$ (186,337)	\$ 323,223
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation and Amortization	1,043	1,648
Unrealized (Loss)Gain on Investment	(120)	244
Decrease(Increase) in Rent Deposit	-	(4,125)
Decrease(Increase) in Investments	114	(247)
Decrease(Increase) in Accounts Receivable	50,000	(50,000)
(Increase)Decrease in Prepaid Payroll Expenses	(2,078)	(17,942)
Increase(Decrease) in Accrued Expenses	7,439	(168)
<b>Net Cash Provided by Operating Activities</b>	<u>(129,939)</u>	<u>252,633</u>
<b>Net Change in Cash and Cash Equivalents</b>	(129,939)	252,633
<b>Cash and Cash Equivalents, Beginning</b>	<u>964,265</u>	<u>711,632</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 834,326</u>	<u>\$ 964,265</u>

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

The Carcinoid Cancer Foundation, Inc.  
Notes to Financial Statements  
February 28, 2018 and 2017

## 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, 2018 and \$35,000 at February 28, 2017.

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 no unrelated business income for the years ended February 28, 2018 and 2017, respectively. 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, 2018 and 2017

**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 year ended February 28, 2017, the Foundation received the use of facilities valued at \$6,000. This amount has been recorded as a contribution and a rent expense on the accompanying financial statements for February 28, 2017.

#### **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, 2018 and 2017 respectively, 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, 2017. The Foundation continually monitors its deposits in the financial institution and does not anticipate any financial losses. At February 28, 2018, the Foundation’s uninsured cash balance is \$333,922, and the total held within institutions which is not FDIC insured is \$333,922.



The Carcinoid Cancer Foundation, Inc.  
Notes to Financial Statements  
February 28, 2018 and 2017

#### **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**

As of February 28, 2018, there were no funds due other organizations.



Frank A. Salandra & Co. CPAs LLP  
*Accountants and Consultants*

Frank A. Salandra, CPA  
Nancy A. Vernali, CPA

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 years ended February 28, 2018 and 2017, and our report thereon dated June 4, 2018, 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.

*Frank A. Salandra & Co. CPAs LLP*

Harrison, New York  
June 4, 2018

**The Carcinoid Cancer Foundation, Inc.**  
**Statement of Functional Expenses**  
**For The Year Ended February 28, 2017**

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	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
	<b>Program</b>	<b>General &amp;</b>	<b>Fundraising</b>	<b>Total</b>
	<b>Services</b>	<b>Administrative</b>	<b>Expenses</b>	
Accounting Fees	\$ -	4,600	-	\$ 4,600
Advertising	-	304	-	304
Bank & Finance Charges	-	195	-	195
Bookkeeping	-	5,500	-	5,500
Computer Expenses	-	2,295	-	2,295
Credit Card Processing Fees	-	-	814	814
Depreciation	1,648	-	-	1,648
Education Events	182,505	-	-	182,505
Fundraising Expenses	-	-	5,279	5,279
Health Education	4,937	-	-	4,937
Insurance	-	25,405	-	25,405
Legal	-	84	-	84
Office Expenses	-	4,559	-	4,559
Other	-	125	-	125
Payroll Expense	119,133	25,637	10,146	154,916
Payroll Taxes	-	11,851	-	11,851
Payroll Fees	-	1,225	-	1,225
Postage & Delivery	-	2,090	-	2,090
Rental of Facilities	14,025	14,025	-	28,050
Printing & Imaging	-	-	1,805	1,805
Storage	-	80	-	80
Telephone	1,141	2,281	-	3,422
Travel	8,992	-	-	8,992
Video Services	-	-	-	-
Website Expenses	2,629	-	-	2,629
<b>Total Functional Expenses:</b>	<b>\$ 335,010</b>	<b>\$ 100,256</b>	<b>\$ 18,044</b>	<b>\$ 453,310</b>

See Independent Auditor's Report on Supplementary Information.

**The Carcinoid Cancer Foundation, Inc.**  
**Statement of Functional Expenses**  
**For The Year Ended February 28, 2018**

	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<b>Program</b>	<b>General &amp;</b>	<b>Fundraising</b>	<b>Total</b>
	<b>Services</b>	<b>Administrative</b>	<b>Expenses</b>	
Accounting Fees	\$ -	4,600	-	4,600
Advertising	-	100	-	100
Bank & Finance Charges	-	276	-	276
Bookkeeping	-	4,675	-	4,675
Computer Expenses	-	1,761	-	1,761
Consultants	126,535	-	-	126,535
Credit Card Processing Fees	-	-	924	924
Depreciation	1,043	-	-	1,043
Education Events	145	-	-	145
Fundraising Expenses	-	-	8,992	8,992
Health Education	4,125	-	-	4,125
Insurance	-	24,543	-	24,543
Legal Fees	-	1,147	-	1,147
Office Expenses	-	4,618	-	4,618
Other	-	1,000	-	1,000
Payroll Expense	165,417	35,312	13,854	214,583
Payroll Taxes	-	16,416	-	16,416
Payroll Fees	-	1,012	-	1,012
Postage & Delivery	-	1,527	-	1,527
Rental of Facilities	17,190	17,190	-	34,380
Printing & Imaging	-	-	500	500
Storage	-	888	-	888
Telephone	661	1,323	-	1,984
Travel	8,982	-	-	8,982
Video Services	16,500	-	-	16,500
Website Expenses	29,366	-	-	29,366
<b>Total Functional Expenses:</b>	<b>\$ 369,964</b>	<b>116,388</b>	<b>24,270</b>	<b>\$ 510,622</b>

See Independent Auditor's Report on Supplementary Information.