

The Carcinoid Cancer Foundation, Inc.

Financial Statements  
(Together with Independent Auditor's Report)

For the years ended  
February 29, 2020 and February 28, 2019

The Carcinoid Cancer Foundation, Inc.  
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February 29, 2020 and February 28, 2019

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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 29, 2020 and February 28, 2019, 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 29, 2020 and February 28, 2019, 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 29, 2020

**The Carcinoid Cancer Foundation, Inc.**  
**Statement of Financial Position**  
**As of February 29, 2020 and February 28, 2019**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 945,963	\$ 888,821
Investments	1,130	706
Accounts receivable	5,000	20,000
Prepaid payroll	21,769	17,959
<b>Total Current Assets</b>	<u>973,862</u>	<u>927,486</u>
<b>Fixed Assets</b>		
Office Improvements	17,000	17,000
Computers and Peripherals	115,241	115,241
Office Equipment	54,464	54,464
Less: Accumulated Depreciation	(179,091)	(178,655)
<b>Total Fixed Assets</b>	<u>7,614</u>	<u>8,050</u>
<b>Other Assets</b>		
Rent Deposit	4,125	4,125
<b>Total Assets</b>	<u>985,601</u>	<u>939,661</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accrued Expenses	1,235	3,503
<b>Total Current Liabilities</b>	<u>1,235</u>	<u>3,503</u>
<b>Net Assets</b>		
Without donor restrictions	984,366	936,158
<b>Total Net Assets</b>	<u>984,366</u>	<u>936,158</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 985,601</u>	<u>\$ 939,661</u>

The accompanying notes are an integral part of these financial statements.

## Statement of Activities and Changes in Net Assets

For the years ended February 29, 2020 and February 28, 2019

	<u>2020</u>	<u>2019</u>
<b><u>CONTRIBUTIONS</u></b>		
<b>Public Support</b>		
Contributions	\$ 489,699	\$ 547,246
<b>Revenue</b>		
Educational Programs	5,000	10,000
Fundraising	9,500	-
Interest/Dividend Income	164	217
<b>Total Revenues</b>	<u>14,664</u>	<u>10,217</u>
<b>Total Public Support &amp; Revenue</b>	<u>504,363</u>	<u>557,463</u>
<b>Functional Expenses</b>		
Program Services	273,586	306,110
General & Administrative	154,988	155,664
Fundraising	28,003	18,785
<b>Total Expenses</b>	<u>456,577</u>	<u>480,559</u>
<b>Change in Net Assets</b>	47,786	76,904
<b>Net Assets - Beginning of Year</b>	936,158	859,337
<b>Unrealized Gain(Loss) on Investments</b>	<u>422</u>	<u>(83)</u>
<b>Net Assets - End of Year</b>	<u>\$ 984,366</u>	<u>\$ 936,158</u>

## Statement of Functional Expenses

For the years ended February 29, 2020

(with comparative totals for the year ended February 28, 2019)

	Program Services	General & Administrative	Fundraising Expenses	2020 Total	2019 Total
Accounting Fees	\$ -	\$ 9,050	\$ -	\$ 9,050	\$ 4,600
Advertising	-	10,332	-	10,332	14,996
Bank & Finance Charges	-	141	-	141	1,126
Bookkeeping	-	-	-	-	6,650
Computer Expenses	-	6,444	-	6,444	805
Credit Card Processing Fees	-	-	1,574	1,574	1,216
Depreciation	436	-	-	436	436
Education Events	384	-	-	384	1,091
Fundraising Expenses	-	-	7,331	7,331	2,025
Health Education	6,058	-	-	6,058	4,925
Insurance	-	32,821	-	32,821	39,221
Legal	-	718	-	718	1,907
Office Expenses	-	3,464	-	3,464	12,198
Other	-	1,800	-	1,800	1,915
Payroll Expense	147,259	46,604	18,778	212,641	200,081
Payroll Taxes	-	16,267	-	16,267	15,307
Professional Fees	-	250	-	250	-
Payroll Fees	-	1,980	-	1,980	1,376
Postage & Delivery	-	3,086	-	3,086	3,620
Rental of Facilities	18,546	18,546	-	37,092	33,117
Printing & Imaging	-	-	320	320	2,415
Storage	-	1,175	-	1,175	1,038
Telephone	-	2,310	-	2,310	1,815
Travel	2,223	-	-	2,223	4,514
Video Services	90,818	-	-	90,818	103,466
Website Expenses	7,862	-	-	7,862	20,699
<b>Total Functional Expenses:</b>	<u>\$ 273,586</u>	<u>\$ 154,988</u>	<u>\$ 28,003</u>	<u>\$ 456,577</u>	<u>\$ 480,559</u>

**The Carcinoid Cancer Foundation, Inc.**  
**Statement of Functional Expenses**  
**For the year ended February 28, 2019**

	<b>Program Services</b>	<b>General &amp; Administrative</b>	<b>Fundraising Expenses</b>	<b>2019 Total</b>
Accounting Fees	\$ -	\$ 4,600	\$ -	\$ 4,600
Advertising	-	14,996	-	14,996
Bank & Finance Charges	-	1,126	-	1,126
Bookkeeping	-	6,650	-	6,650
Computer Expenses	-	805	-	805
Credit Card Processing Fees	-	-	1,216	1,216
Depreciation	436	-	-	436
Education Events	1,091	-	-	1,091
Fundraising Expenses	-	-	2,025	2,025
Health Education	4,925	-	-	4,925
Insurance	-	39,221	-	39,221
Legal	-	1,907	-	1,907
Office Expenses	-	12,198	-	12,198
Other	-	1,915	-	1,915
Payroll Expense	153,815	33,137	13,129	200,081
Payroll Taxes	-	15,307	-	15,307
Payroll Fees	-	1,376	-	1,376
Postage & Delivery	-	3,620	-	3,620
Rental of Facilities	16,559	16,558	-	33,117
Printing & Imaging	-	-	2,415	2,415
Storage	-	1,038	-	1,038
Telephone	605	1,210	-	1,815
Travel	4,514	-	-	4,514
Video Services	103,466	-	-	103,466
Website Expenses	20,699	-	-	20,699
<b>Total Functional Expenses:</b>	<b>\$ 306,110</b>	<b>\$ 155,664</b>	<b>\$ 18,785</b>	<b>\$ 480,559</b>

The accompanying notes are an integral part of these financial statements.

## Statements of Cash Flows

For the years ended February 29, 2020 and February 28, 2019

	2020	2019
<b>Cash Flows from Operating Activities</b>		
Changes in Net Assets	\$ 48,208	\$ 76,738
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation and amortization	436	436
Unrealized gain(loss) on investment	(424)	83
Decrease in restricted cash	-	31
Decrease in investments	-	81
Decrease (increase) in accounts receivable	15,000	(20,000)
Decrease in prepaid payroll expenses	(3,810)	2,061
(Decrease) in accrued expenses	(2,268)	(4,935)
<b>Net Cash Provided by Operating Activities</b>	<u>57,142</u>	<u>54,495</u>
<b>Net Change in Cash and Cash Equivalents</b>	57,142	54,495
<b>Cash and Cash Equivalents, Beginning</b>	<u>888,821</u>	<u>834,326</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 945,963</u>	<u>\$ 888,821</u>



The Carcinoid Cancer Foundation, Inc.  
Notes to Financial Statements  
February 29, 2020 and February 28, 2019

## NOTE A – DESCRIPTION OF THE ORGANIZATION

**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.

## NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation** – The financial statements of the Foundation have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”), which require the Foundation to report information regarding its financial position and activities according to the following net assets classifications.

**Net assets without donor restrictions** – Net assets that are not subject to donor-imposed restrictions and may be expended for the purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation’s management and board of directors.

**Net assets with donor restrictions** – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; these restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Contributions** – Contribution received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restrictions expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restrictions. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Cash and Cash Equivalents** – The Foundation’s cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except those amounts that are held in the investment portfolio which are considered to be invested for long-term purposes.

**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.

The Carcinoid Cancer Foundation, Inc.  
Notes to Financial Statements  
February 29, 2020 and February 28, 2019

#### **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Allocation of Expenses** - 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.

The Foundation is subject to the provisions of the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. Because the Foundation's general tax-exempt status, management believes ASC Topic 740 has not had, and is not expected to have a material impact on the Foundation's financial statements.

#### **NOTE C - FIXED ASSETS**

The Foundation has fixed assets stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated using the straight-line basis over a three to ten year estimated useful life for assets other than office improvements. Office improvements is depreciated over thirty-nine years.

Depreciation charged to expense was \$436 for the years ended February 29, 2020 and February 28, 2019.

#### **NOTE D - CONTINGENCIES**

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

#### **NOTE E - CONCENTRATION OF CREDIT RISK**

Cash and cash equivalents that potentially subject the Foundation to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Interest-bearing accounts are insured up to \$250,000 per depositor. As of February 29, 2019 and February 28, 2018 there was approximately \$696,098 and \$643,067, respectively, of cash equivalents held by banks that exceeded FDIC limits.

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February 29, 2020 and February 28, 2019

#### **NOTE F- FAIR VALUE MEASUREMENTS**

Investments are measured and reported at fair value. Changes in fair value are reported as investment return in the statement of activities. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and recorded in the statement of activities in the period in which the securities are sold. Interest and dividends are recorded when earned.

Fair value measurement is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair market measurement, a fair value hierarchy prioritize observable and unobservable inputs used to measure fair value into three levels:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that are Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for similar assts or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3- Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

At February 29, 2019, The Foundation's Level 1 financial assets consists of investments, there were no Level 2 or 3 financial assets or liabilities.

#### **NOTE G- DUE TO OTHER ORGANIZATIONS**

As of February 28, 2019, there were no funds due other organizations.

#### **NOTE H - SUBSEQUENT EVENTS**

The Carcinoid Cancer Foundation, Inc. has evaluated subsequent events through June 29, 2020, which is the date the financial statements were available to be issued. The Foundation is not aware of any material subsequent events.