

The Carcinoid Cancer Foundation, Inc.

Financial Statements  
(Together with Independent Auditor's Report)

For the years ended  
February 28, 2022 and February 28, 2021

The Carcinoid Cancer Foundation, Inc.  
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**TOBIN & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS, PC

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 Incorporated. (a non-profit organization) which comprise the statements of financial position as of February 28, 2022 and 2021, and the related statements of activities and change in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Carcinoid Cancer Foundation Incorporated, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Carcinoid Cancer Foundation Incorporated and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Carcinoid Cancer Foundation Incorporated's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of

not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Carcinoid Cancer Foundation Incorporated's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Carcinoid Cancer Foundation Incorporated's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*John E. Company*  
*Certified Public Accountants, PC*

Purchase, New York  
October 3, 2022

**The Carcinoid Cancer Foundation, Inc.**  
**Statement of Financial Position**  
**As of February 28, 2022 and February 28, 2021**

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	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 877,486	\$ 814,145
Investments	11,936	1,293
Accounts receivable	20,000	45,000
Prepaid payroll	22,299	20,316
<b>Total Current Assets</b>	<u>931,721</u>	<u>880,754</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	<u>(179,963)</u>	<u>(179,527)</u>
<b>Total Fixed Assets</b>	6,742	7,178
<b>Other Assets</b>		
Rent Deposit	<u>-</u>	<u>1,181</u>
<b>Total Assets</b>	<u><u>938,463</u></u>	<u><u>889,113</u></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accrued Expenses	<u>12,100</u>	<u>1,727</u>
<b>Total Current Liabilities</b>	<u>12,100</u>	<u>1,727</u>
<b>Net Assets</b>		
Without donor restrictions	<u>926,363</u>	<u>887,386</u>
<b>Total Net Assets</b>	<u>926,363</u>	<u>887,386</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 938,463</u></u>	<u><u>\$ 889,113</u></u>

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

**The Carcinoid Cancer Foundation, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**For the years ended February 28, 2022 and February 28, 2021**

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	<u>2022</u>	<u>2021</u>
<b><u>CONTRIBUTIONS</u></b>		
<b>Public Support</b>		
Contributions	\$ 436,461	\$ 403,318
<b>Revenue</b>		
Fundraising	25,000	1,653
Interest/Dividend Income	106	142
<b>Total Revenues</b>	<u>25,106</u>	<u>1,795</u>
<b>Total Public Support &amp; Revenue</b>	<u>461,567</u>	<u>405,113</u>
<b>Functional Expenses</b>		
Program Services	229,504	309,742
General & Administrative	160,479	159,427
Fundraising	32,662	33,050
<b>Total Expenses</b>	<u>422,645</u>	<u>502,219</u>
<b>Change in Net Assets</b>	<b>38,922</b>	<b>(97,106)</b>
<b>Net Assets - Beginning of Year</b>	<b>887,386</b>	<b>984,366</b>
<b>Unrealized Gain(Loss) on Investments</b>	<u>55</u>	<u>126</u>
<b>Net Assets - End of Year</b>	<u>\$ 926,363</u>	<u>\$ 887,386</u>

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

**The Carcinoid Cancer Foundation, Inc.**  
**Statement of Functional Expenses**  
**For the year ended February 28, 2022**  
**(with comparative totals for the year ended February 28, 2021)**

	<b>Program Services</b>	<b>General &amp; Administrative</b>	<b>Fundraising Expenses</b>	<b>2022 Total</b>	<b>2021 Total</b>
Accounting Fees	\$ -	\$ 9,500	\$ -	\$ 9,500	\$ 4,600
Advertising	-	2,924	-	2,924	-
Bank & Finance Charges	-	389	-	389	141
Bookkeeping	-	5,400	-	5,400	7,125
Computer Expenses	-	884	-	884	2,528
Credit Card Processing Fees	-	-	192	192	1,135
Depreciation	436	-	-	436	436
Education Events	130	-	-	130	-
Fundraising Expenses	-	-	5,879	5,879	5,088
Health Education	2,792	-	-	2,792	7,241
Insurance	-	46,847	-	46,847	41,249
Legal	-	1,553	-	1,553	123
Office Expenses	-	5,626	-	5,626	4,636
Other	-	1,530	-	1,530	985
Payroll Expense	165,547	59,941	26,591	252,079	247,296
Payroll Taxes	-	19,284	-	19,284	18,918
Professional Fees	-	-	-	-	-
Payroll Fees	-	2,263	-	2,263	2,474
Postage & Delivery	-	24	-	24	1,119
Rental of Facilities	-	-	-	-	26,078
Printing & Imaging	-	-	-	-	818
Storage	-	3,360	-	3,360	2,509
Telephone	422	954	-	1,376	1,391
Travel	475	-	-	475	79
Video Services	40,100	-	-	40,100	117,800
Website Expenses	19,602	-	-	19,602	8,450
<b>Total Functional Expenses:</b>	<b>\$ 229,504</b>	<b>\$ 160,479</b>	<b>\$ 32,662</b>	<b>\$ 422,645</b>	<b>\$ 502,219</b>

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

**The Carcinoid Cancer Foundation, Inc.**  
**Statement of Functional Expenses**  
**For the year ended February 28, 2021**

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	<b>Program Services</b>	<b>General &amp; Administrative</b>	<b>Fundraising Expenses</b>	<b>2021 Total</b>
Accounting Fees	\$ -	\$ 4,600	\$ -	\$ 4,600
Advertising	-	-	-	-
Bank & Finance Charges	-	141	-	141
Bookkeeping	-	7,125	-	7,125
Computer Expenses	-	2,528	-	2,528
Credit Card Processing Fees	-	-	1,135	1,135
Depreciation	436	-	-	436
Education Events	-	-	-	-
Fundraising Expenses	-	-	5,088	5,088
Health Education	7,241	-	-	7,241
Insurance	-	41,249	-	41,249
Legal	-	123	-	123
Office Expenses	-	4,636	-	4,636
Other	-	985	-	985
Payroll Expense	162,697	58,590	26,009	247,296
Payroll Taxes	-	18,918	-	18,918
Professional Fees	-	-	-	-
Payroll Fees	-	2,474	-	2,474
Postage & Delivery	-	1,119	-	1,119
Rental of Facilities	13,039	13,039	-	26,078
Printing & Imaging	-	-	818	818
Storage	-	2,509	-	2,509
Telephone	-	1,391	-	1,391
Travel	79	-	-	79
Video Services	117,800	-	-	117,800
Website Expenses	8,450	-	-	8,450
<b>Total Functional Expenses:</b>	<b>\$ 309,742</b>	<b>\$ 159,427</b>	<b>\$ 33,050</b>	<b>\$ 502,219</b>

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



**The Carcinoid Cancer Foundation, Inc.**

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**Statements of Cash Flows****For the years ended February 28, 2022 and February 28, 2021**

	<b>2022</b>	<b>2021</b>
<b>Cash Flows from Operating Activities</b>		
Changes in Net Assets	\$ 38,922	\$ (97,106)
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation and amortization	436	434
Unrealized gain(loss) on investment	55	126
(Increase) Decrease in investments	(10,643)	(163)
Decrease (Increase) in accounts receivable	25,000	(40,000)
(Increase) Decrease in prepaid payroll expenses	(1,983)	1,454
Increase (Decrease) in accrued expenses	10,373	493
Decrease in other assets	1,181	2,944
<b>Net Cash Provided by or used in Operating Activities</b>	<u>63,341</u>	<u>(131,818)</u>
<b>Net Change in Cash and Cash Equivalents</b>	63,341	(131,818)
<b>Cash and Cash Equivalents, Beginning</b>	<u>814,145</u>	<u>945,963</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 877,486</u>	<u>\$ 814,145</u>

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

The Carcinoid Cancer Foundation, Inc.  
Notes to Financial Statements  
February 28, 2022 and February 28, 2021

## 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 expire 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 28, 2022 and February 28, 2021

#### **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** – The Foundation is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The Foundation has determined there was no uncertain tax positions that would require financial statement recognition or disclosure

**Advertising** - The Foundation uses advertising to promote its programs among the public it serves. Advertising costs are expensed as incurred. During the years ended February 28, 2022 and 2021 advertising costs totaled \$2,924 and \$0.

#### **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 28, 2022, and February 28, 2021.

#### **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 28, 2022, and February 28, 2021 there was approximately \$627,081 and \$564,284, respectively, of cash equivalents held by banks that exceeded FDIC limits.

The Carcinoid Cancer Foundation, Inc.  
Notes to Financial Statements  
February 28, 2022 and February 28, 2021

## NOTE F- INVESTMENTS

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 assets 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.

The following table sets forth by level, within the fair value hierarchy, the Foundation's investment assets measured at fair value as of February 28, 2022 and 2021:

<i>February 28, 2022</i>	Level 1	Level 2	Level 3	Total
Marketable securities	\$ 11,936	\$ -	\$ -	\$ 11,936
Total	\$ 11,936	\$ -	\$ -	\$ 11,936
<i>February 28, 2021</i>	Level 1	Level 2	Level 3	Total
Marketable securities	\$ 1,293			\$ 1,293
Total	\$ 1,293	\$ -	\$ -	\$ 1,293

The Carcinoid Cancer Foundation, Inc.  
Notes to Financial Statements  
February 28, 2022 and February 28, 2021

#### NOTE F- INVESTMENTS (CONTINUED)

Investments consisted of the following as of February 28, 2022 and 2021:

	2022	2021
Publicly Traded Stocks	\$ 11,936	\$ 1,293
<b>Fair market value</b>	<b>\$ 11,936</b>	<b>\$ 1,293</b>
Cumulative net unrealized losses/(gains)	(1,104)	(1,038)
<b>Securities at cost</b>	<b>\$ 10,832</b>	<b>\$ 255</b>

#### NOTE G- LIQUIDITY

The Foundation regularly monitors liquidity required to meet its general operating needs while also striving to maintain sufficient reserves to meet operating needs during periods of uncertainty and to assure longer term commitments will continue to be met. The Foundation's strategy is to operate within a balanced budget that anticipates collecting sufficient revenue to cover general expenditures.

Revenues available to meet general expenditures include all revenues, gains, and other support generated from ongoing operations, unless certain restrictions exist.

The following reflects the Foundation's net assets as of February 28, 2022, reduced by any amounts not available for general use within one year of the statement of financial date:

	2022
Cash-operating account	\$ 141,269
Cash-money market account	736,217
Investments	11,936
Accounts receivable	20,000
Net financial assets available within one year	909,422
Less: Amounts not available for general expenditures	
Restricted by donor with purpose restrictions	-
Financial assets available to meet general expenditures within one year	\$ 909,422

The Carcinoid Cancer Foundation, Inc.  
Notes to Financial Statements  
February 28, 2022 and February 28, 2021

**NOTE H - SUBSEQUENT EVENTS**

The Carcinoid Cancer Foundation, Inc. has evaluated subsequent events through October 3, 2022, which is the date the financial statements were available to be issued. The Foundation is not aware of any material subsequent events.

**NOTE I – COVID-19 PANDEMIC**

The Foundation's operations and financial performance may be affected by the recent COVID-19 pandemic which has adversely affected economic conditions throughout the world. The Foundation may experience a disruption in operations, a decline in support revenue, as well as a decline in fair value of its assets as a result of this pandemic. At the date of the auditor's report, management has not quantified the future effects of this pandemic but will monitor the matter closely.