

Caring for Carcinoid Foundation, Inc.

Independent Auditor's Report

December 31, 2007



Bernice F. Lord
CERTIFIED PUBLIC ACCOUNTANT

Caring for Carcinoid Foundation, Inc.

Table of Contents

<i>Independent Auditor's Report on Basic Financial Statements</i>	<i>1</i>
<i>Financial Statements</i>	
<i>Statement of Financial Position</i> <i>With Summary Totals for 2006</i>	<i>2</i>
<i>Statement of Activities</i> <i>With Summary Totals for 2006</i>	<i>3</i>
<i>Statement of Functional Expenses</i> <i>With Summary Totals for 2006</i>	<i>4</i>
<i>Statement of Cash Flows</i> <i>With Summary Totals for 2006</i>	<i>5</i>
<i>Notes to Financial Statements</i>	<i>6</i>



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INDEPENDENT AUDITOR'S REPORT

BOARD OF DIRECTORS
CARING FOR CARCINOID FOUNDATION, INC.
CAMBRIDGE, MASSACHUSETTS

I have audited the accompanying statement of financial position of the Caring for Carcinoid Foundation, Inc. (a Massachusetts corporation, not for profit) as of December 31, 2007 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Caring for Carcinoid Foundation, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from the Organization's 2006 financial statement's and, in my report dated April 30, 2007, I expressed an unqualified opinion on those financial statements.

I conducted my audit in accordance with auditing standards, generally accepted in the United States of America. Those standards require that I plan and perform the audit 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Caring for Carcinoid Foundation, Inc. as of December 31, 2007 and the results of its operations and changes in net assets for the year then ended, in conformity with generally accepted accounting principles.

May 14, 2008

Caring for Carcinoid Foundation, Inc.
Statement of Financial Position
As of December 31, 2007
With Summary Totals for 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Current Assets		
Cash and Cash Equivalents	\$ 183,647	\$ 258,977
Pledges Receivable	<u>1,275,200</u>	<u>1,280,500</u>
Total Current Assets	<u>1,458,847</u>	<u>1,458,847</u>
Total Assets	<u>\$1,458,847</u>	<u>\$1,539,477</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Grants Payable	<u>\$ 847,979</u>	<u>\$1,250,000</u>
Total Current Liabilities	<u>847,979</u>	<u>1,250,000</u>
Unrestricted Net Assets	<u>610,868</u>	<u>289,477</u>
Total Net Assets	<u>610,868</u>	<u>289,477</u>
Total Liabilities and Net Assets	<u>\$1,458,847</u>	<u>\$1,539,477</u>

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

Caring for Carcinoid Foundation, Inc.
Statement of Activities
For the Year Ended December 31, 2007
With Summary Totals for 2006

	<u>2007</u>	<u>2006</u>
Revenue and Support:		
Contributions	\$ 330,818	\$1,167,694
Interest Income	<u>9,068</u>	<u>7,457</u>
Total Revenue and Support	339,886	1,175,151
Expenses:		
General and Administrative	7,457	3,435
Program	0	1,000,000
Fundraising	<u>11,038</u>	<u>13,584</u>
Total Expenses	<u>18,495</u>	<u>1,017,019</u>
Change in net assets	321,391	158,132
Net assets at beginning of the year	<u>289,477</u>	<u>131,345</u>
Net assets at end of the year	<u>\$ 610,868</u>	<u>\$ 289,477</u>

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

Caring for Carcinoid Foundation, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2007
With Summary Totals for 2006

	<u>Program Expenses</u>	<u>Fundraising</u>	<u>General & Administrative</u>	<u>Total 2007</u>	<u>Total 2006</u>
Dues & Fees					\$ 752
Grants					1,000,000
Office Expense		\$ 549	\$ 1,918	\$ 2,467	3,826
Professional Fees			5,539	5,539	3,435
Promotional Events		10,489		10,489	2,695
Telephone					1,348
Travel	_____	_____	_____	_____	_____
<i>Totals</i>	<u>\$ 0</u>	<u>\$11,038</u>	<u>\$ 7,457</u>	<u>\$18,495</u>	<u>\$1,017,019</u>

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

Caring for Carcinoid Foundation, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2007
With Summary Totals for 2006

	<u>2007</u>	<u>2006</u>
Cash Flows From Operating Activities		
Changes in net assets	\$ 321,391	158,132
Adjustments to reconcile change in net assets to net cash provided by operating activities		
(Increase) Decrease in assets		
Pledges Receivable	5,300	(530,500)
Increase (Decrease) in liabilities		
Grants Payable	<u>(402,021)</u>	<u>500,000</u>
Net Cash Provided (Used) by Operating Activities	<u>(75,330)</u>	<u>127,632</u>
Cash Flows From Investing Activities:		
None		
Cash Flows From Financing Activities:		
None		
Net Increase (Decrease) in cash	(75,330)	127,632
Cash at beginning of the year	<u>258,977</u>	<u>131,345</u>
Cash at end of the year	<u>\$ 183,647</u>	<u>\$ 258,977</u>

Supplemental disclosure:

Noncash investing and financial activities: NONE

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

Caring for Carcinoid Foundation, Inc.

Notes to Financial Statements

December 31, 2007

I. Summary of Significant Accounting Policies

A. Basis of Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The accrual method recognizes income as it is earned and expenses as they are incurred.

The Organization has adopted Statement of Financial Accounting Standards Nos. 116 and 117, Accounting for Contributions Received and Contributions Made (SFAS 116) and "Financial Statements of Not-For-Profit Organizations" (SFAS 117). Under SFAS 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Under SFAS 117, the Organization 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. As permitted by the statement, the Organization does not fund accounting. Currently, the Organization has no restricted assets.

B. Property and Equipment:

Property and equipment are recorded at cost. The cost of maintenance and repairs is charged to income as incurred. Major improvements are capitalized. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Currently, the Organization has no fixed assets.

C. Cash Equivalents:

For purposes of the statement of cash flows, the Foundation considers all cash and all other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Caring for Carcinoid Foundation, Inc.

Notes to Financial Statements

December 31, 2007

D. Investments:

The Foundation follows the guidance of SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

E. Advertising Costs:

The Foundation expenses the cost of advertising as incurred. There were no advertising costs incurred in 2007 or 2006.

2. Nature of Activities

The Foundation was incorporated under the laws of the Commonwealth of Massachusetts on July 2, 1968 for the purpose of receiving funds and distributing such funds and/or income therefrom to:

1. Support carcinoid cancer research
2. Promote awareness of carcinoid cancer
3. Inform the public of the progress on carcinoid research

3. Organization

Caring for Carcinoid Foundation, Inc. is a not for profit corporation organized under Massachusetts General Laws Chapter 180; it is also a 501(c)(3) organization under the Internal Revenue Code of 1986 as amended. As such, the organization is exempt from federal and state corporate income taxes and various federal and state excise and sales taxes. As a 501(c)(3) organization, all donations made to the organization may be deductible for federal income tax purposes.

Caring for Carcinoid Foundation, Inc.

Notes to Financial Statements

December 31, 2007

4. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

5. Fair Value of Financial Instruments

The Foundation's financial instruments include cash and cash equivalents, grants receivable, and grants payable. The Foundation estimates that the fair value of these financial instruments at December 31, 2007 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

The estimated fair value has been determined using available market information and appropriate valuation methods. The carrying amounts of cash and cash equivalents, grants receivable and grants payable reported in the statement of financial position approximate fair value because of the short maturities of those instruments.

6. Prior Year Information

Prior year information presented in these financial statements is not a complete presentation in conformity with generally accepted accounting principles.

