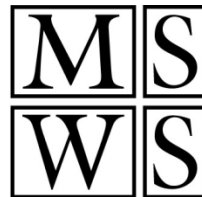


**ESOPHAGEAL CANCER ACTION NETWORK, INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**



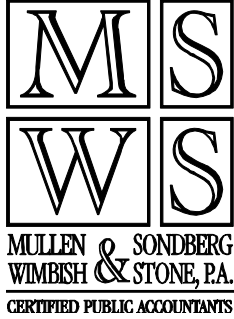
**MULLEN SONDBERG WIMBISH & STONE, PA**

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CERTIFIED PUBLIC ACCOUNTANTS

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2553 Housley Road • Suite 200 • Annapolis Maryland 21401

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of  
Esophageal Cancer Action Network, Inc.  
Pikesville, Maryland

We have reviewed the accompanying financial statements of Esophageal Cancer Action Network, Inc. (a non-profit Organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.


### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

To the Board of Directors of  
Esophageal Cancer Action Network, Inc.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

  
MULLEN, SONDBERG, WIMBISH & STONE, P.A.

Annapolis, Maryland  
November 15, 2018

Esophageal Cancer Action Network, Inc.  
STATEMENT OF FINANCIAL POSITION  
December 31, 2017

ASSETS		2017	2016
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$	46,270	\$ 41,939
Accounts receivable		86	8,445
Prepaid expenses		-	2,500
Total current assets		46,356	52,884
<b>OTHER ASSETS</b>			
Security deposits		1,125	1,125
Total assets	\$	47,481	\$ 54,009
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	\$	8,199	\$ 21,392
Deferred revenue		-	20,000
Total current liabilities		8,199	41,392
<b>NET ASSETS</b>			
Unrestricted		(13,035)	(50,717)
Temporarily restricted		52,317	63,334
Total net assets		39,282	12,617
Total liabilities and net assets	\$	47,481	\$ 54,009

See accompanying notes and independent accountant's review report.

Esophageal Cancer Action Network, Inc.  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2017  
With Summarized Financial Information for the Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total	
			2017	2016
<b>REVENUES AND OTHER SUPPORT</b>				
Contributions and donations	\$ 266,905	\$ -	\$ 266,905	\$ 207,877
Other revenues	1,653	-	1,653	24,394
Special events, net of direct expenses	-	-	-	13,012
	268,558	-	268,558	245,283
Net assets released from restrictions	11,017	(11,017)	-	-
Total revenues and other support	<u>279,575</u>	<u>(11,017)</u>	<u>268,558</u>	<u>245,283</u>
<b>EXPENSES</b>				
Program services	173,836	-	173,836	222,512
Supporting services				
Management and general	35,436	-	35,436	64,321
Fundraising	32,621	-	32,621	31,077
Total expenses	<u>241,893</u>	<u>-</u>	<u>241,893</u>	<u>317,910</u>
Change in net assets	37,682	(11,017)	26,665	(72,627)
NET ASSETS AT BEGINNING OF YEAR	<u>(50,717)</u>	<u>63,334</u>	<u>12,617</u>	<u>85,244</u>
NET ASSETS AT END OF YEAR	<u>\$ (13,035)</u>	<u>\$ 52,317</u>	<u>\$ 39,282</u>	<u>\$ 12,617</u>

See accompanying notes and independent accountant's review report.

Esophageal Cancer Action Network, Inc.  
 STATEMENT OF FUNCTIONAL EXPENSES  
 Year Ended December 31, 2017

With Summarized Financial Information for the Year Ended December 31, 2016

	Program Services	Supporting Services		Total	
		Management and General	Fundraising	2017	2016
Salaries	\$ 95,964	\$ 9,236	\$ 14,018	\$ 119,218	\$ 144,697
Payroll taxes	7,308	703	1,068	9,079	16,859
Total salaries and related expenses	103,272	9,939	15,086	128,297	161,556
Public awareness	36,512	-	-	36,512	42,907
Website and technology	11,647	79	12,806	24,532	18,526
Rent	11,157	850	1,662	13,669	21,261
Professional fees	2,300	5,300	-	7,600	31,888
Professional development	617	5,495	-	6,112	8,533
Miscellaneous	-	2,945	2,500	5,445	101
Telephone	1,592	3,390	233	5,215	5,259
Postage and shipping	-	4,975	-	4,975	2,529
Bank fees	3,039	830	-	3,869	5,536
Insurance	2,016	194	295	2,505	2,551
Office supplies	-	1,439	39	1,478	9,503
Printing	1,248	-	-	1,248	6,497
Travel	436	-	-	436	521
Depreciation	-	-	-	-	528
Repairs and maintenance	-	-	-	-	19
Utilities	-	-	-	-	195
Total expenses	\$ 173,836	\$ 35,436	\$ 32,621	\$ 241,893	\$ 317,910

See accompanying notes and independent accountant's review report.

Esophageal Cancer Action Network, Inc.  
STATEMENT OF CASH FLOWS  
Year Ended December 31, 2017

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 26,665	\$ (72,627)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	-	528
(Increase) decrease in operating assets:		
Accounts receivable	8,359	
Prepaid expenses and other current assets	2,500	694
Security deposits	-	292
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(13,193)	13,507
Deferred revenue	(20,000)	(15,000)
Net cash provided (used) by operating activities	4,331	(72,606)
Cash at beginning of year	41,939	114,545
Cash at end of year	\$ 46,270	\$ 41,939

See accompanying notes and independent accountant's review report.



Esophageal Cancer Action Network, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

Note 1 - Summary of Significant Accounting Policies

Nature of Operation

Esophageal Cancer Action Network, Inc. (the Organization) is a not-for-profit organization incorporated under the laws of the State of Maryland on January 9, 2008. The Organization helps raise awareness of the risk of esophageal cancer posed by persistent heartburn or gastroesophageal reflux disease known as GERD. The organization brings together a community of individuals and groups who are concerned about the rapid increase in esophageal cancer cases and want to support the campaign for public awareness and creation of more effective tools to prevent, detect, and treat the disease. The Organization is dedicated to increasing the funding available for medical research to battle esophageal cancer.

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor-imposed restriction. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Special event revenue is recorded when the event takes place. Revenue received in advance of the event is recorded as deferred revenue until the event takes place.

Esophageal Cancer Action Network, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

Note 1 - Summary of Significant Accounting Policies (Cont.)

Use of Estimates

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

Functional Allocation of Expenses

Accounting principles generally accepted in the United States of America require all voluntary health and welfare organizations to present their expenses on a functional basis, separating program services from management and general and fundraising expenses. Functional expenses are either charged directly to program services as incurred or allocated based on usage for items such as occupancy, depreciation, and administrative salaries.

Cash and Cash Equivalents

Cash and cash equivalents consist of short-term, highly liquid investments with an original maturity of ninety days or less.

Accounts Receivable

Accounts receivable are stated at the amounts management expects to collect from balances outstanding at year-end. The Organization has not recorded an allowance for doubtful accounts, since in the opinion of management, all outstanding accounts will be collected.

Furniture and Equipment

Furniture and equipment acquisitions in excess of \$1,000 are capitalized and recorded at cost or, if donated, at the fair value at the date of receipt. Depreciation is calculated on the straight-line basis over the useful lives of the assets, which are three to five years.

Income Taxes

The Organization has been notified by the Internal Revenue Service that it is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and that it is not considered a private foundation. The Organization is exempt from both federal and state income taxes but would be subject to taxes on any "unrelated business income". There is no provision for income taxes for the years ended December 31, 2017 and 2016 as the Organization has not incurred any unrelated business income during this period.

Esophageal Cancer Action Network, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

Note 1 - Summary of Significant Accounting Policies (Cont.)

Income Tax Position

The Organization follows the guidance of ASC 740-10, “*Accounting for Uncertainty in Income Taxes*”, which clarifies the accounting for the recognition and measurement of the benefits of individual tax positions in the financial statement, including those of non-profit organizations. Tax positions must meet a recognition threshold of more-likely-than-not in order for the benefit of those tax positions to be recognized in the Organization’s financial statements.

The Organization analyzes tax positions taken, including those related to the requirements set forth in IRC Sec. 501(c) to qualify as a tax-exempt organization, activities performed by volunteers and board members, the reporting of unrelated business income, and its status as a tax-exempt organization under Maryland state statute. The Organization does not know of any tax benefits arising from uncertain tax positions, and there was no effect on the Organization’s financial position or changes in net assets as a result of analyzing its tax positions. Years ending on or after December 31, 2014 remain subject to examination by federal and state authorities.

Donated Goods and Services

Many volunteers have made significant contributions of time in furthering the Organization’s programs and objectives. The value of this contributed time is not recorded in the accompanying financial statements, because the contributed services provided do not require specialized skills or create non-financial assets. Donations in-kind of goods, facilities, or services are recorded at fair value at the date of the gift. In-kind donations amounted to \$8,000 and \$-0- during the years ended December 31, 2017 and 2016, respectively.

Concentration of Credit Risk

The Organization maintains cash in bank accounts which, at times, may exceed federally insured limits. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Esophageal Cancer Action Network, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2017

Note 2 - Furniture and Equipment

Furniture and equipment consists of the following at December 31:

	Estimated Lives	2017	2016
Furniture and fixtures	5 years	\$ 3,855	\$ 3,855
Less accumulated depreciation		(3,855)	(3,855)
Total		\$ -	\$ -

Depreciation expense was \$-0- and \$528 for the years ended December 31, 2017 and 2016, respectively.

Note 3 - Commitment

The Organization leases office space under a lease which expires in August 2018. Total rent expense for the year ended December 31, 2017 and 2016 was \$13,669 and \$21,261, respectively. Future minimum payments for the year ended December 31, 2018 is \$9,270.

Note 4 - Temporarily Restricted Net Assets

Temporarily restricted net assets include donor-restricted funds, which are only available for specific purposes. The following summarizes temporarily restricted net assets as of December 31:

	2017	2016
Patient guide update	\$ 30,000	\$ 30,000
Advocacy project	14,617	14,617
FDA petition	7,700	18,717
	\$ 52,317	\$ 63,334

Esophageal Cancer Action Network, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

Note 5 - Subsequent Events

Subsequent events and transactions have been evaluated for potential recognition in the financial statements through November 15, 2018, the date the Organization's financial statements were available to be issued. No such events have been identified requiring disclosure.