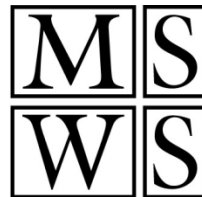


ESOPHAGEAL CANCER ACTION NETWORK, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2018

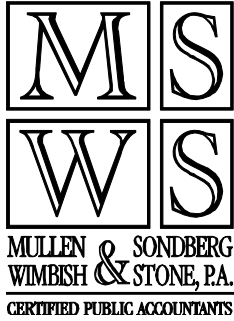


MULLEN SONDBERG WIMBISH & STONE, PA

CERTIFIED PUBLIC ACCOUNTANTS

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2553 Housley Road • Suite 200 • Annapolis Maryland 21401

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, 2018, 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 11, 2019

Esophageal Cancer Action Network, Inc.
STATEMENT OF FINANCIAL POSITION
December 31, 2018

ASSETS		2018	2017
CURRENT ASSETS			
Cash and cash equivalents		\$ 101,416	\$ 46,270
Accounts receivable		93	86
Total current assets		101,509	46,356
OTHER ASSETS			
Security deposits		1,125	1,125
Total assets		\$ 102,634	\$ 47,481
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued expenses		\$ 22,542	\$ 8,199
Accrued payroll and related liabilities		8,116	-
Total current liabilities		30,658	8,199
NET ASSETS			
Net assets without donor restrictions		19,659	(13,035)
Net assets with donor restrictions		52,317	52,317
Total net assets		71,976	39,282
Total liabilities and net assets		\$ 102,634	\$ 47,481

See accompanying notes and independent accountant's review report.

Esophageal Cancer Action Network, Inc.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018
With Summarized Financial Information for the Year Ended December 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total	
			2018	2017
REVENUES AND OTHER SUPPORT				
Contributions and donations	\$ 334,776	\$ -	\$ 334,776	\$ 266,905
Special events, net of direct expenses	20,642	-	20,642	-
Other revenues	1,848	-	1,848	1,653
	<u>357,266</u>	<u>-</u>	<u>357,266</u>	<u>268,558</u>
Net assets released from restrictions	-	-	-	-
Total revenues and other support	<u>357,266</u>	<u>-</u>	<u>357,266</u>	<u>268,558</u>
EXPENSES				
Program services	246,112	-	246,112	173,836
Supporting services				
Management and general	48,528	-	48,528	35,436
Fundraising	29,932	-	29,932	32,621
Total expenses	<u>324,572</u>	<u>-</u>	<u>324,572</u>	<u>241,893</u>
Change in net assets	32,694	-	32,694	26,665
NET ASSETS AT BEGINNING OF YEAR	<u>(13,035)</u>	<u>52,317</u>	<u>39,282</u>	<u>12,617</u>
NET ASSETS AT END OF YEAR	<u>\$ 19,659</u>	<u>\$ 52,317</u>	<u>\$ 71,976</u>	<u>\$ 39,282</u>

See accompanying notes and independent accountant's review report.

Esophageal Cancer Action Network, Inc.
 STATEMENT OF FUNCTIONAL EXPENSES
 Year Ended December 31, 2018

With Summarized Financial Information for the Year Ended December 31, 2017

	Program Services	Supporting Services		Total	
		Management and General	Fundraising	2018	2017
Salaries	\$ 145,729	\$ 14,026	\$ 21,287	\$ 181,042	\$ 119,218
Payroll taxes	12,795	1,232	1,869	15,896	9,079
Total salaries and related expenses	158,524	15,258	23,156	196,938	128,297
Public awareness	46,300	-	876	47,176	36,512
Office supplies	-	1,804	23,736	25,540	1,478
Website and technology	15,089	61	3,691	18,841	24,532
Rent	11,504	876	1,714	14,094	13,669
Professional development	4,669	8,884	-	13,553	6,112
Professional fees	2,008	8,202	-	10,210	7,600
Travel	631	-	8,711	9,342	436
Telephone	1,433	4,378	209	6,020	5,215
Miscellaneous	-	4,053	431	4,484	5,445
Postage and shipping	-	3,975	-	3,975	4,975
Bank fees	3,256	637	-	3,893	3,869
Insurance	2,019	194	295	2,508	2,505
Printing	679	206	867	1,752	1,248
Total expenses	246,112	48,528	63,686	358,326	241,893
Less: special events expenses included with revenue in the statement of activities	-	-	(33,754)	(33,754)	-
Total expenses reported in the statement of activities	\$ 246,112	\$ 48,528	\$ 29,932	\$ 324,572	\$ 241,893

See accompanying notes and independent accountant's review report.

Esophageal Cancer Action Network, Inc.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 32,694	\$ 26,665
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Increase) decrease in operating assets:		
Accounts receivable	(7)	8,359
Prepaid expenses and other current assets	-	2,500
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	14,343	(13,193)
Accrued payroll and related liabilities	8,116	-
Deferred revenue	-	(20,000)
Net cash provided by operating activities	55,146	4,331
Cash at beginning of year	46,270	41,939
Cash at end of year	\$ 101,416	\$ 46,270

See accompanying notes and independent accountant's review report.

Esophageal Cancer Action Network, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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.

Financial Statement 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 June 30, 2017, from which the summarized information was derived.

Revenue Recognition

Contributions 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 restriction. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions 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 net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions 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, 2018

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

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. Generally Accepted Accounting Principles, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's managements and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some other donor restrictions are temporary in nature: those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

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 non-profit 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.

Esophageal Cancer Action Network, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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

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, 2018 and 2017 as the Organization has not incurred any unrelated business income during this period.

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, 2015 remain subject to examination by Federal and State authorities.

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, 2018

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

Donated Goods and Services

Donated services are recognized as a contribution if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

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 \$1,000 and \$8,000 during the years ended December 31, 2018 and 2017, respectively.

New Accounting Pronouncement

On August 18, 2016, FASB issued *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these financial statements accordingly. *ASU 2016-14* has been applied retrospectively to all periods presented. As a result of the implementation of *ASU 2016-14*, net assets have been reclassified in the accompanying financial statements as follows as of December 31, 2017:

Net Asset Classification	Prior to the Adoption of ASU 2016-14	After the Adoption of ASU 2016-14
Unrestricted net assets	\$ (13,035)	\$ -
Temporarily restricted net assets	52,317	-
Net assets without donor restrictions	-	(13,035)
Net assets with donor restrictions	-	52,317
	\$ 39,282	\$ 39,282

Esophageal Cancer Action Network, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Note 2 - Availability and Liquidity

The following represents the Organization's financial assets at December 31:

Financial assets at year end:	2018	2017
Cash and cash equivalents	\$ 101,416	\$ 46,270
Accounts receivable	93	86
Total financial assets	101,509	46,356
Less amounts not available to be used within one year:		
Net assets with donor restrictions	52,317	52,317
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 49,192</u>	<u>\$ (5,961)</u>

The Organization does not have a formal policy or state goal regarding the availability of financial assets. The Organization's management is responsible for managing and investing the surplus funds of the Organization on an as needed basis.

Note 3 - Furniture and Equipment

Furniture and equipment consists of the following at December 31:

	Estimated Lives	2018	2017
Furniture and fixtures	5 years	\$ 3,855	\$ 3,855
Less accumulated depreciation		<u>(3,855)</u>	<u>(3,855)</u>
Total		<u>\$ -</u>	<u>\$ -</u>

Depreciation expense was \$-0- for the years ended December 31, 2018 and 2017.

Note 4 - Commitment

The Organization leases office space under a lease which expires in February 2021. Total rent expense for the year ended December 31, 2018 and 2017 was \$14,094 and \$13,669, respectively. Future minimum payments are as follows for the years ended December 31:

2019	29,750
2020	36,593
2021	<u>6,129</u>
	<u>\$ 72,472</u>

Esophageal Cancer Action Network, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Note 5 - Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following at December 31:

	<u>2018</u>	<u>2017</u>
Patient guide update	\$ 30,000	\$ 30,000
Advocacy project	14,617	14,617
FDA petition	<u>7,700</u>	<u>7,700</u>
	<u>\$ 52,317</u>	<u>\$ 52,317</u>

Note 6 - Subsequent Events

Subsequent events and transactions have been evaluated for potential recognition in the financial statements through November 11, 2019, the date the Organization's financial statements were available to be issued. No such events have been identified requiring disclosure.