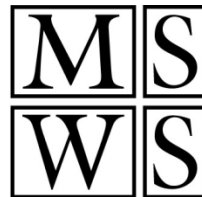


ESOPHAGEAL CANCER ACTION NETWORK, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2019

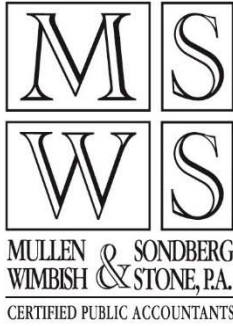


MULLEN SONDBERG WIMBISH & STONE, PA

CERTIFIED PUBLIC ACCOUNTANTS

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888 Bestgate Road • Suite 310 • 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, 2019, 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.

Summarized Comparative Information

We previously reviewed Esophageal Cancer Action Network, Inc.'s December 31, 2018 financial statements and in our conclusion dated November 11, 2019, stated that based on our review, we were not aware of any material modifications that should be made to the December 31, 2018 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2018, for it to be consistent with the reviewed financial statements from which it has been derived.



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

Annapolis, Maryland
November 16, 2020

Esophageal Cancer Action Network, Inc.
STATEMENT OF FINANCIAL POSITION
December 31, 2019

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 125,610	\$ 101,416
Accounts receivable	93	93
Total current assets	<u>125,703</u>	<u>101,509</u>
FURNITURE AND EQUIPMENT		
Net of accumulated depreciation	<u>6,115</u>	<u>-</u>
OTHER ASSETS		
Security deposits	<u>1,125</u>	<u>1,125</u>
Total assets	<u><u>\$ 132,943</u></u>	<u><u>\$ 102,634</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 32,527	\$ 22,542
Accrued payroll and related liabilities	<u>-</u>	<u>8,116</u>
Total current liabilities	<u>32,527</u>	<u>30,658</u>
NET ASSETS		
Net assets without donor restrictions	65,716	19,659
Net assets with donor restrictions	<u>34,700</u>	<u>52,317</u>
Total net assets	<u>100,416</u>	<u>71,976</u>
Total liabilities and net assets	<u><u>\$ 132,943</u></u>	<u><u>\$ 102,634</u></u>

See accompanying notes and independent accountant's review report.

Esophageal Cancer Action Network, Inc.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2019
With Summarized Financial Information for the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total	
			2019	2018
REVENUES AND OTHER SUPPORT				
Contributions and donations	\$ 415,188	\$ -	\$ 415,188	\$ 334,776
Special events, net of direct expenses	22,782	-	22,782	20,642
Other revenues	559	-	559	1,848
	438,529	-	438,529	357,266
Net assets released from restrictions	17,617	(17,617)	-	-
Total revenues and other support	456,146	(17,617)	438,529	357,266
EXPENSES				
Program services	322,669	-	322,669	246,112
Supporting services				
Management and general	46,137	-	46,137	48,528
Fundraising	41,283	-	41,283	29,932
Total expenses	410,089	-	410,089	324,572
Change in net assets	46,057	(17,617)	28,440	32,694
NET ASSETS AT BEGINNING OF YEAR	19,659	52,317	71,976	39,282
NET ASSETS AT END OF YEAR	\$ 65,716	\$ 34,700	\$ 100,416	\$ 71,976

See accompanying notes and independent accountant's review report.

Esophageal Cancer Action Network, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019
With Summarized Financial Information for the Year Ended December 31, 2018

	Program Services	Supporting Services		Total	
		Management and General	Fundraising	2019	2018
Salaries	\$ 161,257	\$ 15,520	\$ 23,555	\$ 200,332	\$ 181,042
Payroll taxes	25,148	2,421	3,673	31,242	15,896
Total salaries and related expenses	186,405	17,941	27,228	231,574	196,938
Public awareness	63,502	-	409	63,911	47,176
Miscellaneous	-	3,230	39,300	42,530	4,484
Website and technology	29,109	118	7,120	36,347	18,841
Rent	27,932	2,127	4,162	34,221	14,094
Office supplies	-	6,179	9,197	15,376	25,540
Travel	654	-	9,148	9,802	9,342
Professional fees	2,370	5,940	-	8,310	10,210
Bank fees	5,415	664	-	6,079	3,893
Telephone	1,913	3,434	279	5,626	6,020
Professional development	2,970	1,485	-	4,455	13,553
Insurance	2,164	208	316	2,688	2,508
Postage and shipping	-	2,502	-	2,502	3,975
Printing	235	-	2,178	2,413	1,752
Depreciation	-	2,309	-	2,309	-
Total expenses	<u>322,669</u>	<u>46,137</u>	<u>99,337</u>	<u>468,143</u>	<u>358,326</u>
Less: special events expenses included with revenue in the statement of activities	<u>-</u>	<u>-</u>	<u>(58,054)</u>	<u>(58,054)</u>	<u>(33,754)</u>
Total expenses reported in the statement of activities	<u>\$ 322,669</u>	<u>\$ 46,137</u>	<u>\$ 41,283</u>	<u>\$ 410,089</u>	<u>\$ 324,572</u>

See accompanying notes and independent accountant's review report.

Esophageal Cancer Action Network, Inc.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2019

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 28,440	\$ 32,694
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	2,309	-
(Increase) decrease in operating assets:		
Accounts receivable	-	(7)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	9,985	14,343
Accrued payroll and related liabilities	(8,116)	8,116
Net cash provided by operating activities	32,618	55,146
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(8,424)	-
Net change in cash and cash equivalents	24,194	55,146
Cash at beginning of year	101,416	46,270
Cash at end of year	\$ 125,610	\$ 101,416

See accompanying notes and independent accountant's review report.

Esophageal Cancer Action Network, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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. 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, 2018, 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 (Cont.)
December 31, 2019

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

Basis of Presentation

The Organization reports 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 management 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, whereby 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 (Cont.)
December 31, 2019

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.

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, 2019 and 2018 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, 2016 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 (Cont.)
 December 31, 2019

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, 2019 and 2018, respectively.

New Accounting Pronouncement

On July 1, 2019, the Organization adopted ASU 2018-08, “*Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made.*” This standard provides additional guidance to be used to determine whether a contribution is conditional and when a transaction should be accounted for as a contribution versus an exchange. ASU 2018-08 has been applied retrospectively to all periods presented. The adoption of ASU 2018-08 did not have any impact on the Organization’s financial position, results of operations, or cash flows.

Note 2 - Availability and Liquidity

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

Financial assets at year end:	2019	2018
Cash and cash equivalents	\$ 125,610	\$ 101,416
Accounts receivable	93	93
Total financial assets	125,703	101,509
Less amounts not available to be used within one year:		
Net assets with donor restrictions	34,700	52,317
Financial assets available to meet general expenditures over the next twelve months	\$ 91,003	\$ 49,192

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.

Esophageal Cancer Action Network, Inc.
 NOTES TO FINANCIAL STATEMENTS (Cont.)
 December 31, 2019

Note 3 - Furniture and Equipment

Furniture and equipment consists of the following at December 31:

	Estimated Lives	2019	2018
Furniture and fixtures	5 years	\$ 12,279	\$ 3,855
Less accumulated depreciation		(6,164)	(3,855)
Total		\$ 6,115	\$ -

Depreciation expense was \$2,309 and \$0-, respectively, for the years ended December 31, 2019 and 2018.

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, 2019 and 2018 was \$34,221 and \$14,094, respectively. Future minimum payments are as follows for the years ended December 31:

2020	\$	36,593
2021		6,129
	\$	42,722

Esophageal Cancer Action Network, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
December 31, 2019

Note 5 - Net Assets With Donor Restrictions

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

	<u>2019</u>	<u>2018</u>
Patient guide update	\$ 27,000	\$ 30,000
FDA petition	7,700	7,700
Advocacy project	-	14,617
	<u>\$ 34,700</u>	<u>\$ 52,317</u>

Note 6 - Subsequent Events

The Organization has evaluated the impact of significant subsequent events. There have been no subsequent events through November 16, 2020, the date the financial statements were available to be issued, that require recognition or disclosure.