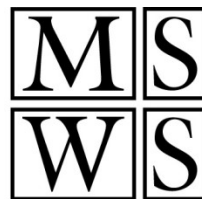


ESOPHAGEAL CANCER ACTION NETWORK, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2020

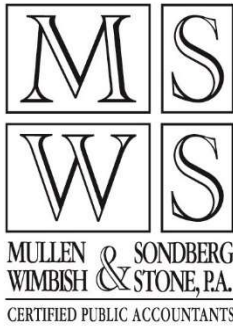


MULLEN SONDBERG WIMBISH & STONE, PA

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, 2020, 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, 2019 financial statements and in our conclusion dated November 16, 2020, stated that based on our review, we were not aware of any material modifications that should be made to the December 31, 2019 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, 2019, 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 12, 2021

Esophageal Cancer Action Network, Inc.
STATEMENT OF FINANCIAL POSITION
December 31, 2020

ASSETS		2020	2019
CURRENT ASSETS			
Cash and cash equivalents		\$ 278,837	\$ 125,610
Accounts receivable		93	93
Total current assets		278,930	125,703
FURNITURE AND EQUIPMENT			
Net of accumulated depreciation		3,307	6,115
OTHER ASSETS			
Security deposits		1,125	1,125
Total assets		\$ 283,362	\$ 132,943
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued expenses		\$ 9,362	\$ 32,527
Notes payable		1,493	-
Total current liabilities		10,855	32,527
LONG-TERM LIABILITIES			
Notes payable		148,507	-
Paycheck Protection Program loan payable		41,272	-
Total long-term liabilities		189,779	-
Total liabilities		200,634	32,527
NET ASSETS			
Net assets without donor restrictions		48,028	65,716
Net assets with donor restrictions		34,700	34,700
Total net assets		82,728	100,416
Total liabilities and net assets		\$ 283,362	\$ 132,943

See accompanying notes and independent accountant's review report.

Esophageal Cancer Action Network, Inc.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2020
With Summarized Financial Information for the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
REVENUES AND OTHER SUPPORT				
Contributions and donations	\$ 296,805	\$ -	\$ 296,805	\$ 415,188
Special events, net of direct expenses	48,713	-	48,713	22,782
Other revenues	64	-	64	559
	<u>345,582</u>	<u>-</u>	<u>345,582</u>	<u>438,529</u>
Net assets released from restrictions	-	-	-	-
Total revenues and other support	<u>345,582</u>	<u>-</u>	<u>345,582</u>	<u>438,529</u>
EXPENSES				
Program services	292,210	-	292,210	322,669
Supporting services				
Management and general	37,855	-	37,855	46,137
Fundraising	33,205	-	33,205	41,283
Total expenses	<u>363,270</u>	<u>-</u>	<u>363,270</u>	<u>410,089</u>
Change in net assets	(17,688)	-	(17,688)	28,440
NET ASSETS AT BEGINNING OF YEAR	<u>65,716</u>	<u>34,700</u>	<u>100,416</u>	<u>71,976</u>
NET ASSETS AT END OF YEAR	<u>\$ 48,028</u>	<u>\$ 34,700</u>	<u>\$ 82,728</u>	<u>\$ 100,416</u>

See accompanying notes and independent accountant's review report.

Esophageal Cancer Action Network, Inc.
 STATEMENT OF FUNCTIONAL EXPENSES
 Year Ended December 31, 2020

With Summarized Financial Information for the Year Ended December 31, 2019

	Program Services	Supporting Services		Total	
		Management and General	Fundraising	2020	2019
Salaries	\$ 141,118	\$ 13,582	\$ 20,613	\$ 175,313	\$ 200,332
Payroll taxes	18,114	1,743	2,646	22,503	31,242
Total salaries and related expenses	159,232	15,325	23,259	197,816	231,574
Public awareness	68,213	-	175	68,388	63,911
Rent	29,699	2,262	4,425	36,386	34,221
Website and technology	20,655	84	5,052	25,791	36,347
Professional fees	2,370	8,365	-	10,735	8,310
Office supplies	-	489	6,538	7,027	15,376
Bank fees	4,448	954	-	5,402	6,079
Miscellaneous	-	1,807	3,277	5,084	42,530
Telephone	903	3,372	132	4,407	5,626
Professional development	2,630	1,315	-	3,945	4,455
Insurance	2,304	221	337	2,862	2,688
Depreciation	-	2,808	-	2,808	2,309
Printing	1,624	-	-	1,624	2,413
Travel	132	-	1,000	1,132	9,802
Postage and shipping	-	853	-	853	2,502
Total expenses	292,210	37,855	44,195	374,260	468,143
Less: special events expenses included with revenue in the statement of activities	-	-	(10,990)	(10,990)	(58,054)
Total expenses reported in the statement of activities	\$ 292,210	\$ 37,855	\$ 33,205	\$ 363,270	\$ 410,089

See accompanying notes and independent accountant's review report.

Esophageal Cancer Action Network, Inc.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2020

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (17,688)	\$ 28,440
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,808	2,309
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(23,165)	9,985
Accrued payroll and related liabilities	-	(8,116)
Net cash provided by (used in) operating activities	(38,045)	32,618
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	-	(8,424)
Net cash used in investing activities	-	(8,424)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	150,000	-
Proceeds from Paycheck Protection Program loan	41,272	-
Net cash provided by financing activities	191,272	-
Net change in cash and cash equivalents	153,227	24,194
Cash at beginning of year	125,610	101,416
Cash at end of year	\$ 278,837	\$ 125,610

See accompanying notes and independent accountant's review report.

Esophageal Cancer Action Network, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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. 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, 2019, 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, 2020

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

Classification of Net Assets

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, 2020

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, 2020 and 2019 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, 2017 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, 2020

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. There were no amounts recorded for donated goods and services for the years ending December 31, 2020 and 2019.

New Accounting Pronouncements

On January 1, 2020, the Organization adopted *ASU 2014-09, Revenue Recognition (Topic 606) – "Revenue from Contracts with Customers"*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. *ASU 2014-09* outlines a five-step process for revenue recognition that focuses on transfer of control, as opposed to transfer of risk and rewards, and also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenues and cash flows from contracts with customers. Major provisions include determining which goods and services are distinct and represent separate performance obligations, how variable consideration (which may include change orders and claims) is recognized, whether revenue should be recognized at a point in time or over time and ensuring the time value of money is considered in the transaction price. The Organization adopted *ASU 2014-09* and related amendments using the retrospective method. Accordingly, the financial statements for the year ending December 31, 2020 have been adjusted to fully conform with *ASU 2014-09*. The adoption of *ASU 2014-09* did not have any impact on the Organization's financial position, results of operations or cash flows, and therefore did not result in a prior period adjustment. The adjustments to the year ending December 31, 2020 consisted of enhanced disclosures regarding revenue recognition and timing of cash flows only.

Note 2 - Concentration of Cash Balances

At December 31, 2020 and 2019, and at various times during the years then ended, the Organization maintained cash balances in excess of the federally insured limited. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Amounts held in excess of FDIC insurance coverage limits were approximately \$22,000 and \$-0-, as of December 31, 2020 and 2019, respectively.

Esophageal Cancer Action Network, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
December 31, 2020

Note 3 - Availability and Liquidity

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

Financial assets at year end:	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 278,837	\$ 125,610
Accounts receivable	<u>93</u>	<u>93</u>
Total financial assets	278,930	125,703
Less: amounts not available to be used within one year:		
Net assets with donor restrictions	<u>34,700</u>	<u>34,700</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 244,230</u>	<u>\$ 91,003</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 4 - Furniture and Equipment

Furniture and equipment consists of the following at December 31:

	<u>Estimated Lives</u>	<u>2020</u>	<u>2019</u>
Furniture and fixtures	5 years	\$ 12,279	\$ 12,279
Less: accumulated depreciation		<u>(8,972)</u>	<u>(6,164)</u>
Total		<u>\$ 3,307</u>	<u>\$ 6,115</u>

Depreciation expense was \$2,808 and \$2,309, respectively, for the years ended December 31, 2020 and 2019.

Esophageal Cancer Action Network, Inc.
 NOTES TO FINANCIAL STATEMENTS (Cont.)
 December 31, 2020

Note 5 - Notes Payable

Notes payable is summarized below as of December 31:

	2020	2019
Economic Injury Disaster Loan (EIDL) obtained from Small Business Administration (SBA). The loan is secured by the assets of the Organization. The loan has a monthly payment of \$641, interest at 2.75% and maturity date of July 6, 2050.	\$ 150,000	\$ -
Less: current portion	(1,493)	-
Notes payable, long-term portion	\$ 148,507	\$ -

Maturities of the notes payable are as follows for future years ending December 31:

2021	\$ 1,493
2022	3,654
2023	3,756
2024	3,860
2025	3,968
Thereafter	133,269
	\$ 150,000

Note 6 - Commitment

The Organization leases office space under a lease which expires in February 2022. Total rent expense for the year ended December 31, 2020 and 2019 was \$36,386 and \$34,221, respectively. Future minimum payments are as follows for the years ended December 31:

2021	\$ 35,700
2022	5,950
	\$ 41,650

Esophageal Cancer Action Network, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
December 31, 2020

Note 7 - Net Assets With Donor Restrictions

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

	<u>2020</u>	<u>2019</u>
Patient guide update	\$ 27,000	\$ 27,000
FDA petition	<u>7,700</u>	<u>7,700</u>
	<u>\$ 34,700</u>	<u>\$ 34,700</u>

Note 8 - Paycheck Protection Program Loan

The Organization received \$41,272 under the United States Small Business Administration's (SBA) Paycheck Protection Program (PPP). The PPP funding is legally structured as a forgivable loan by the SBA. In order to achieve forgiveness of the loan, the Organization must spend the funding for specific purposes and also must generally maintain its full-time equivalent level of staffing over a defined period of time. The Organization has flexibility in determining the forgiveness period (may elect 8 weeks or 24 weeks), the specific start date for the determination of qualifying expenditures, and the specific expenses to be utilized in qualifying for forgiveness under the PPP.

The Organization has accounted for the PPP funding as a long-term loan in the financial statements. The Organization's PPP funding is subject to a formal forgiveness application as well as a potential audit by the SBA. Until forgiveness has been legally achieved and required audits have been completed, there exists a contingent liability to refund any amounts received in excess of allowable costs. Management of the Organization is of the opinion that no significant liability will result from audit adjustments, if any. The Organization will recognize forgiveness revenue once legal forgiveness is obtained.

Note 9 - Subsequent Events

The Organization has evaluated the impact of significant subsequent events. Except as described below, there have been no subsequent events through November 12, 2021, the date the financial statements were available to be issued, that require recognition or disclosure.

In March 2021, the Organization was notified by its lender that the Organization's application for forgiveness of the PPP loan was approved for forgiveness in full by the SBA.