



FINANCIAL REPORT

December 31, 2021 and 2020

ESOPHAGEAL CANCER ACTION NETWORK, INC.

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FINANCIAL STATEMENTS

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying financial statements of Esophageal Cancer Action Network, Inc. (a non-profit organization) which comprise the statements of financial position as of December 31, 2021, 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 company 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.

We are required to be independent of Esophageal Cancer Action, Network, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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.

Report on 2020 Financial Statements

The financial statements of Esophageal Cancer Action Network, Inc. as of December 31, 2020 were reviewed by other accountants whose report dated November 12, 2021 stated that based on their procedures, they are not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

JBS: Company, LLC

Stevensville, Maryland
October 24, 2022

ESOPHAGEAL CANCER ACTION NETWORK, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2021 and 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 356,766	\$ 278,837
PROPERTY AND EQUIPMENT, at cost		
Furniture and equipment	12,279	12,279
Accumulated Depreciation	(11,780)	(8,972)
Total property and equipment	499	3,307
OTHER ASSETS		
Security deposits	1,125	1,125
TOTAL ASSETS	\$ 358,390	\$ 283,362
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 25,470	\$ 9,362
Current portion of notes payable	5,456	1,493
Total current liabilities	30,926	10,855
NON-CURRENT LIABILITIES		
Notes payable, net of current portion	144,544	148,507
Paycheck protection program loan	-	41,272
Total non-current liabilities	144,544	189,779
NET ASSETS		
Without donor restrictions	148,220	48,028
With donor restrictions	34,700	34,700
Total net assets	182,920	82,728
TOTAL LIABILITIES AND NET ASSETS	\$ 358,390	\$ 283,362

See Independent accountants' review report and accompanying notes.

ESOPHAGEAL CANCER ACTION NETWORK, INC.

STATEMENTS OF ACTIVITIES

For the years ended December 31, 2021 and 2020

	December 31, 2021			December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Contributions and donations	\$ 601,634	\$ -	\$ 601,634	\$ 296,805	\$ -	\$ 296,805
Special events	116,554	-	116,554	59,703	-	59,703
Other revenues	6,935	-	6,935	64	-	64
Net assets released from restrictions (See "Note 3" in the Financial Statements)	-	-	-	-	-	-
Total revenue and support	725,123	-	725,123	356,572	-	356,572
EXPENSES						
Program services	502,137	-	502,137	292,210	-	292,210
Management and general	49,758	-	49,758	37,855	-	37,855
Fundraising	73,036	-	73,036	44,195	-	44,195
Total expenses	624,931	-	624,931	374,260	-	374,260
Change in net assets	100,192	-	100,192	(17,688)	-	(17,688)
NET ASSETS, beginning of year	48,028	34,700	82,728	65,716	34,700	100,416
NET ASSETS, end of year	\$ 148,220	\$ 34,700	\$ 182,920	\$ 48,028	\$ 34,700	\$ 82,728

See Independent accountants' review report and accompanying notes.

ESOPHAGEAL CANCER ACTION NETWORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Totals</u>
Public awareness	\$ 183,478	\$ -	\$ 552	\$ 184,030
Salaries	145,206	14,521	21,781	181,508
Events and conferences	69,907	-	17,477	87,384
Rent	29,315	2,931	4,397	36,643
Website and technology	21,447	-	5,362	26,809
Payroll taxes	11,281	1,128	1,692	14,101
Professional development	10,833	5,335	-	16,168
Bank fees	6,337	1,391	-	7,728
Professional fees	4,915	-	17,428	22,343
Merchandise	4,437	-	-	4,437
Volunteer appreciation	4,172	-	1,043	5,215
Marketing	2,637	-	659	3,296
Insurance	2,496	247	339	3,082
Fundraising	2,423	-	606	3,029
Professional fees	1,867	6,618	-	8,485
Telephone	1,131	4,353	170	5,654
Printing	255	-	-	255
Office supplies	-	115	1,530	1,645
Depreciation	-	2,808	-	2,808
Postage and shipping	-	10,311	-	10,311
	<u>\$ 502,137</u>	<u>\$ 49,758</u>	<u>\$ 73,036</u>	<u>\$ 624,931</u>

See Independent accountants' review report and accompanying notes.

ESOPHAGEAL CANCER ACTION NETWORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2020

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Totals</u>
Salaries	\$ 141,118	\$ 13,582	\$ 20,613	\$ 175,313
Payroll taxes	18,114	1,743	2,646	22,503
Public awareness	68,213	-	175	68,388
Rent	29,699	2,262	4,425	36,386
Website and technology	20,655	84	5,052	25,791
Professional fees	2,370	8,365	-	10,735
Office supplies	-	489	6,538	7,027
Bank fees	4,448	954	-	5,402
Miscellaneous	-	1,807	3,277	5,084
Telephone	903	3,372	132	4,407
Professional development	2,630	1,315	-	3,945
Insurance	2,304	221	337	2,862
Depreciation	-	2,808	-	2,808
Printing	1,624	-	-	1,624
Travel	132	-	1,000	1,132
Postage and shipping	-	853	-	853
	<u>\$ 292,210</u>	<u>\$ 37,855</u>	<u>\$ 44,195</u>	<u>\$ 374,260</u>

See Independent accountants' review report and accompanying notes.

ESOPHAGEAL CANCER ACTION NETWORK, INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 100,192	\$ (17,688)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Gain on debt forgiveness - paycheck protection program	(41,272)	-
Depreciation	2,808	2,808
Decrease in operating assets:		
Accounts receivable	93	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	16,108	(23,165)
Net cash provided by (used in) operating activities	<u>77,929</u>	<u>(38,045)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	-	150,000
Proceeds from paycheck protection program note payable	-	41,272
Net cash provided by financing activities	<u>-</u>	<u>191,272</u>
Net increase in cash and equivalents	77,929	153,227
Cash and cash equivalents, beginning of year	<u>278,837</u>	<u>125,610</u>
Cash and cash equivalents, end of year	<u>\$ 356,766</u>	<u>\$ 278,837</u>

See Independent accountants' review report and accompanying notes.

ESOPHAGEAL CANCER ACTION NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Esophageal Cancer Action Network, Inc. ("ECAN") is a not-for-profit organization incorporated under the laws of the State of Maryland on January 9, 2008. ECAN 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 financial statements of ECAN have been prepared 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.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. These net assets may be used at the discretion of the ECAN's management and the Board of Directors.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses gains, losses and other changes in net assets during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalent

For purposes of financial statement presentation, cash includes all checking and cash management accounts.

ESOPHAGEAL CANCER ACTION NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Credit Risk

ECAN maintains bank deposits that at times may exceed federally insured limits. FDIC insurance covers all deposit accounts, including checking and savings accounts, money market accounts and certificates of deposit. The standard insurance amount is \$250,000 per depositor, per insured bank, for each account ownership category. ECAN has not experienced any losses on its deposits and believes it is not exposed to significant risk on cash and equivalents.

Contributions and Grants Receivable

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a market interest rate applicable to the year in which the promise is received. Future amortization of the discount will be included in contributions revenue. Management closely monitors outstanding balances and writes off any balances deemed uncollectible.

Contributions and Grants

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts and investment income having donor stipulations that are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Gifts of land, buildings, equipment and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions to net assets without donor restrictions are reported when the long-lived assets are placed in service.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

ESOPHAGEAL CANCER ACTION NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

ECAN is a not-for-profit organization that is exempt from taxes under Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. ECAN has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. ECAN has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Income Tax Position

ECAN 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 ECAN's financial statements.

ECAN 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, 2018 remain subject to examination by federal and state authorities.

Compensated Absences

Full time employees of ECAN are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. ECAN's policy is to recognize the costs of compensated absences when actually paid to employees.

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.

Advertising Costs

ECAN expenses advertising costs when incurred. Advertising expense was \$3,296 and \$6,456 for the years ended December 31, 2021 and 2020.

ESOPHAGEAL CANCER ACTION NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 ECAN.

Many volunteers have made significant contributions of time in furthering ECAN'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, 2021 and 2020.

Subsequent Events

ECAN has evaluated subsequent events through the date the financial statements were available to be issued on October 21, 2022 and determined there are no material transactions to disclose.

NOTE 2 - CONCENTRATION OF CASH BALANCES

At December 31, 2021 and 2020, 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 \$84,065 and \$22,000, as of December 31, 2021 and 2020, respectively.

NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets that have been restricted by the donor for the following purposes at December 31:

Subject to expenditure for specified purpose:	<u>2021</u>	<u>2020</u>
Patient guide update	\$ 27,000	\$ 27,000
FDA petition	7,700	7,700
Total net assets with donor restrictions	<u>\$ 34,700</u>	<u>\$ 34,700</u>

Net assets *released* from donor restrictions by incurring expenses satisfying the restricted purpose specified by donors during fiscal year ending December 31, 2021 are as follows:

Purpose restrictions accomplished:	<u>2021</u>	<u>2020</u>
Patient guide update	\$ -	\$ -
FDA petition	-	-
Total net assets <i>released</i> from donor restrictions	<u>\$ -</u>	<u>\$ -</u>

ESOPHAGEAL CANCER ACTION NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

ECAN regularly monitors liquidity to meet its operating needs. ECAN's sources of liquidity at its disposal are cash and total receivables.

For the purpose of analyzing resources available to meet general expenditures over a 12- month period, ECAN considers all expenditures related to ongoing activities of its programs as well as the conduct of services undertaken to support those activities to be general expenditures.

The following reflects the ECAN's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash	\$ 356,766	\$ 278,837
Grants receivable	-	93
	<u>356,766</u>	<u>278,930</u>
Less those <i>unavailable</i> for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor based on purpose	<u>(34,700)</u>	<u>(34,700)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 322,066</u>	<u>\$ 244,230</u>

Financial assets available to meet cash needs for general expenditures within one year are \$569,308 in 2021. Refer to the statement of activities, which identifies the sources of ECANS's cash and decrease in net assets without donor restrictions for the years ended December 31, 2021.

NOTE 5 - OPERATING LEASE

In January of 2019, ECAN entered into a one year operating lease for office space in Stevensville, Maryland. This agreement has been extended various times and expires in February 2022.

Rent expense totaled \$35,643 and \$36,386 for the years ended December 31, 2021 and 2020, respectively, inclusive of property taxes and maintenance charges.

Future minimum lease commitments under non-cancellable operating leases are as follows:

2022 \$ 5,950

NOTE 6 - RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had *no* effect on net assets.

ESOPHAGEAL CANCER ACTION NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 7 - NOTES PAYABLE

Notes payable is summarized below as of December 31:

	2021	2020
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	\$ 150,000
Less: Current portion	(5,456)	(1,493)
	\$ 144,544	\$ 148,507

Principal maturities on long-term debt are as follows:

For the year ending December 31:

2022	\$ 5,456
2023	3,764
2024	3,869
2025	3,977
2026	4,088
Thereafter	128,846
	\$ 150,000

NOTE 8 - COVID 19

The World Health Organization declared the outbreak of a novel and highly contagious strain of the coronavirus as a global pandemic on March 11, 2020. The situation is constantly evolving, and precautionary measures put in place are having significant economic impacts across the world. The extent of the impact of COVID-19 on the SAADA's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak impact on our donors, philanthropies, and employees all of which are uncertain and cannot be predicted. At this point, the extent of which COVID-19 may impact the SAADA's financial condition or results of operations is uncertain.

NOTE 9 - PAYCHECK PROTECTION PROGRAM NOTE PAYABLE

During 2020, The Company was granted a loan from the Small Business Administration in the amount of \$41,272, pursuant to the Paycheck Protection Program ("PPP) under Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act ("CARES, Act"), which was enacted March 27, 2020. The PPP, established as part of the CARES Act, provided for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business.

This loan was forgiven by the Small Business Administration on May 19, 2021. ECAN recognized \$41,272 related to the forgiveness of the loan (included in the caption "grant") for the year ended December 31, 2021.