

**ESOPHAGEAL CANCER EDUCATION  
FOUNDATION INC.**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2014**

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To the Board of Directors of  
Esophageal Cancer Education Foundation Inc.  
Manalapan, New Jersey 07726

**REPORT OF INDEPENDENT AUDITORS**

We have audited the accompanying financial statements of Esophageal Cancer Education Foundation Inc., which comprise the statement of financial position as of December 31, 2014 and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements.

**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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Esophageal Cancer Education Foundation Inc. as of December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Lehman Newman Flynn Vollaro*

February 20, 2015

**ESOPHAGEAL CANCER EDUCATION FOUNDATION INC.  
STATEMENTS OF FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Current assets:	
Cash and cash equivalents	\$ 80,122
Investments	<u>3,298</u>
Total assets	<u>83,420</u>
Liabilities and Net Assets	
Current liabilities:	
Accounts payable and accrued expenses	<u>3,100</u>
Commitments and contingencies	
Net assets:	
Unrestricted net assets	<u>80,320</u>
Total liabilities and net assets	<u>\$ 83,420</u>

The accompanying notes and auditor's report  
are an integral part of this statement

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**ESOPHAGEAL CANCER EDUCATION FOUNDATION INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Operating revenue:	
Contributions	\$ <u>178,052</u>
Operating expenses:	
Program services	145,978
Management and general	<u>5,084</u>
Total operating expenses	<u>151,062</u>
Net loss	26,990
Unrestricted net assets beginning of year	<u>53,330</u>
Unrestricted net assets at end of year	\$ <u>80,320</u>

The accompanying notes and auditor's report  
are an integral part of this statement

**ESOPHAGEAL CANCER EDUCATION FOUNDATION INC.  
SCHEDULE OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2014**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Grants	\$ 110,000	\$ -	\$ 110,000
Event expenses	33,583	-	33,583
Professional fees	-	3,100	3,100
Office and other expenses	1,985	1,984	3,969
Support group	<u>410</u>	<u>-</u>	<u>410</u>
Total expenses	<u>\$ 145,978</u>	<u>\$ 5,084</u>	<u>\$ 151,062</u>
	97%	3%	

**ESOPHAGEAL CANCER EDUCATION FOUNDATION INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Cash flows from operating activities:	
Changes in net assets	\$ 26,990
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Accrued expenses	<u>50</u>
Net cash used in operating activities	<u>27,040</u>
Change in cash and cash equivalents	<u>27,040</u>
Cash and cash equivalents at beginning of year	<u>53,082</u>
Cash and cash equivalents at end of year	<u>\$ 80,122</u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for:	
Interest	\$-0-
Income taxes	\$-0-

The accompanying notes and auditors' report  
are an integral part of this statement.

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**ESOPHAGEAL CANCER EDUCATION FOUNDATION INC.  
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER INFORMATION

NATURE OF ACTIVITIES

Esophageal Cancer Education Foundation Inc. (the "Company") is a not-for-profit organization located in New Jersey.

The Company's mission is to bring awareness and educate the public and medical community about this dreaded disease, to walk the journey with patients who have this disease, and to financially support research projects that focus on the development of an early warning test for this disease.

BASIS OF ACCOUNTING

The accompanying financial statements of the Company have been prepared on the accrual basis of accounting.

BASIS OF PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, *Financial Statements of Not-for-profit Organizations*. Under ASC No. 958, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents.

CONTRIBUTIONS

The organization accounts for contributions in accordance with the recommendations of the Accounting Standards Codification in ASC No. 958. In accordance with ASC No. 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Depreciation and amortization has been provided on the straight-line method over the estimated useful life of the respective assets, which range from three to ten years.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.



**ESOPHAGEAL CANCER EDUCATION FOUNDATION INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER INFORMATION (continued)

SUBSEQUENT EVENTS

ASC 855 Subsequent Events sets forth general accounting and disclosure requirements for events that occur subsequent to the balance sheet date but before the company's financial statements are issued. We have evaluated events that have occurred subsequent to December 31, 2013 as prescribed by the FASB. ASC 855 emphasizes that management is primarily responsible for determining the accounting for and disclosure of transactions and events that affect the financial statements.

2. INCOME TAXES

The Company is a not-for-profit organization and is exempt from income taxes under Section 501 (C)(3) of the Internal Revenue Service Code.

3. ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES

Esophageal Cancer Education Foundation Inc.'s current accounting policy is to disclose liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor is it aware of any exposure to unrelated business income tax. Esophageal Cancer Education Foundation Inc. is no longer subject to U.S. Federal, State and Local examinations by tax authorities for years before December 31, 2011.

4. FUNCTIONAL ALLOCATION OF EXPENSE

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. The allocation of said costs, based on Managements estimates and direct applications, is reflected in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.