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AMERICAN CHILDHOOD CANCER ORGANIZATION  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
AUGUST 31, 2014 AND 2013

MATTHEWS, CARTER & BOYCE  
RESPECT. CONFIDENCE. TRUST.

**AMERICAN CHILDHOOD CANCER ORGANIZATION**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2014 AND 2013**

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**MATTHEWS, CARTER & BOYCE**  
CPAs • ADVISORS

## Independent Auditors' Report

Board of Directors  
American Childhood Cancer Organization  
Kensington, MD

We have audited the accompanying financial statements of the American Childhood Cancer Organization (ACCO), which comprise the statements of financial position as of August 31, 2014 and 2013, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years 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.

### *Auditors' 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 auditors consider 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 American Childhood Cancer Organization as of August 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Fairfax, Virginia  
March 4, 2015

**AMERICAN CHILDHOOD CANCER ORGANIZATION**

**STATEMENTS OF FINANCIAL POSITION**

**AUGUST 31, 2014 and 2013**

**ASSETS**

	2014	2013
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 350,925	\$ 311,359
Investments	359,087	313,023
Inventory	33,029	51,879
Prepaid expenses, net	<u>245,971</u>	<u>170,371</u>
Total Current Assets	<u>\$ 989,012</u>	<u>\$ 846,632</u>
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and fixtures	\$ 14,823	\$ 14,823
Less accumulated depreciation	<u>(13,331)</u>	<u>(12,040)</u>
Net Property and Equipment	<u>\$ 1,492</u>	<u>\$ 2,783</u>
<b>OTHER ASSETS</b>		
Intangible assets, net of accumulated amortization of \$2,927 and \$2,735, respectively	\$ 22,176	\$ 22,368
Deposits	<u>1,250</u>	<u>1,250</u>
Total Other Assets	<u>\$ 23,426</u>	<u>\$ 23,618</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,013,930</u></u>	<u><u>\$ 873,033</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	<u>\$ 28,410</u>	<u>\$ 4,618</u>
<b>NET ASSETS</b>		
Unrestricted net assets	\$ 587,246	\$ 553,243
Temporarily restricted net assets	<u>398,274</u>	<u>315,172</u>
Total Net Assets	<u>\$ 985,520</u>	<u>\$ 868,415</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,013,930</u></u>	<u><u>\$ 873,033</u></u>

See notes to the financial statements.

**AMERICAN CHILDHOOD CANCER ORGANIZATION**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013**

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>						
Grant revenue	\$ -	\$ 171,000	\$ 171,000	\$ 5,000	\$ 110,000	\$ 115,000
Contributions	215,470	10,000	225,470	148,496	22,804	171,300
Event/Program Revenue	194,987	7,702	202,689	130,187	-	130,187
Publication and merchandise sales	40,750	-	40,750	41,877	-	41,877
Other revenue	2,928	49,574	52,502	(1,381)	-	(1,381)
Net assets released from restriction due to satisfaction of program or time restrictions	155,174	(155,174)	-	108,680	(108,680)	-
Total Revenue and Support	<b>\$ 609,309</b>	<b>\$ 83,102</b>	<b>\$ 692,411</b>	<b>\$ 432,859</b>	<b>\$ 24,124</b>	<b>\$ 456,983</b>
<b>INVESTMENT ACTIVITY</b>						
Interest and dividend income	\$ 851	\$ -	\$ 851	\$ 1,603	\$ -	\$ 1,603
Realized gain on investments and assets	21,918	-	21,918	13,909	-	13,909
Unrealized gain on investments	23,588	-	23,588	34,769	-	34,769
Total Investment Activity	<b>\$ 46,357</b>	<b>\$ -</b>	<b>\$ 46,357</b>	<b>\$ 50,281</b>	<b>\$ -</b>	<b>\$ 50,281</b>
Total Revenue, Support and Investment Activity	<b>\$ 655,666</b>	<b>\$ 83,102</b>	<b>\$ 738,768</b>	<b>\$ 483,140</b>	<b>\$ 24,124</b>	<b>\$ 507,264</b>

See notes to the financial statements.

**AMERICAN CHILDHOOD CANCER ORGANIZATION**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (CONCLUDED)**

**FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013**

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>EXPENSES</b>						
Program services:						
Advocacy Program	\$ 91,979	\$ -	\$ 91,979	\$ 58,804	\$ -	\$ 58,804
Awareness Program	191,839	-	191,839	95,915	-	95,915
Information/Resource Programs	202,672	-	202,672	215,596	-	215,596
Other Programs	89,069	-	89,069	64,109	-	64,109
Total Program Services	<u>\$ 575,559</u>	<u>\$ -</u>	<u>\$ 575,559</u>	<u>\$ 434,424</u>	<u>\$ -</u>	<u>\$ 434,424</u>
Supporting services:						
Fundraising	\$ 13,073	\$ -	\$ 13,073	\$ 12,821	\$ -	\$ 12,821
Management and administrative	33,031	-	33,031	32,022	-	32,022
Total Supporting Services	<u>\$ 46,104</u>	<u>\$ -</u>	<u>\$ 46,104</u>	<u>\$ 44,843</u>	<u>\$ -</u>	<u>\$ 44,843</u>
Total Expenses	<u>\$ 621,663</u>	<u>\$ -</u>	<u>\$ 621,663</u>	<u>\$ 479,267</u>	<u>\$ -</u>	<u>\$ 479,267</u>
<b>CHANGE IN NET ASSETS</b>	\$ 34,003	\$ 83,102	\$ 117,105	\$ 3,873	\$ 24,124	\$ 27,997
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>553,243</u>	<u>315,172</u>	<u>868,415</u>	<u>549,370</u>	<u>291,048</u>	<u>840,418</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 587,246</u></u>	<u><u>\$ 398,274</u></u>	<u><u>\$ 985,520</u></u>	<u><u>\$ 553,243</u></u>	<u><u>\$ 315,172</u></u>	<u><u>\$ 868,415</u></u>

See notes to the financial statements.

**AMERICAN CHILDHOOD CANCER ORGANIZATION**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 117,105	\$ 27,997
Adjustments to reconcile change in net assets to net cash - operating activities:		
Depreciation expense	\$ 1,291	\$ 4,359
Amortization expense	192	241
Loss on disposal of fixed assets	-	7,586
Provision for obsolete prepaid expenses	(2,983)	8,623
Realized and unrealized gain on investments	(45,506)	(48,678)
Change in assets and liabilities		
(Increase) Decrease in Assets:		
Pledges receivable	-	25,000
Inventory	18,850	(26,609)
Prepaid expenses	(72,617)	62,055
Increase (Decrease) in Liabilities:		
Accounts payable and accrued expenses	23,792	945
	<u>23,792</u>	<u>945</u>
Total Adjustments	\$ (76,981)	\$ 33,522
Net Cash - Operating Activities	\$ 40,124	\$ 61,519
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment earnings re-invested	\$ (558)	\$ (1,603)
<b>NET CHANGE IN CASH</b>	\$ 39,566	\$ 59,916
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>311,359</u>	<u>251,443</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 350,925</u>	<u>\$ 311,359</u>

There were no non-cash investing or financing activities during the years ended August 31, 2014 and 2013.

See notes to the financial statements.

**AMERICAN CHILDHOOD CANCER ORGANIZATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED AUGUST 31, 2014**

	Program Services				Supporting Services				Total Expenses
	Advocacy	Awareness	Information/ Resource	Other Programs	Total Program Services	Fundraising	Management and Administrative	Total Supporting Services	
Salaries, payroll taxes, and benefits	\$ 944	\$ 41,574	\$ 32,733	\$ -	\$ 75,251	\$ -	\$ 7,324	\$ 7,324	\$ 82,575
Accounting and bookkeeping	-	1,834	1,834	-	3,668	-	7,398	7,398	11,066
Advertising and public relations	-	-	1,363	1,363	2,726	4,542	-	4,542	7,268
Bank Charges	-	90	-	467	557	-	387	387	944
Books and merchandise	-	-	85,123	-	85,123	-	-	-	85,123
Depreciation and amortization	-	-	-	-	-	-	1,483	1,483	1,483
Dues and subscriptions	5,696	9,908	-	489	16,093	-	-	-	16,093
Insurance	-	-	1,857	-	1,857	-	1,924	1,924	3,781
Legal fees	-	74,534	-	-	74,534	-	-	-	74,534
Meetings and conferences	40,214	25,536	114	34,306	100,170	-	836	836	101,006
Miscellaneous	-	-	-	4,531	4,531	-	-	-	4,531
Office supplies	1,145	2,492	4,497	14,764	22,898	933	1,238	2,171	25,069
Postage and delivery	-	-	18,040	18	18,058	1,746	-	1,746	19,804
Professional fees	33,561	32,432	38,355	18,346	122,694	4,917	7,029	11,946	134,640
Rent and storage	-	-	16,558	8,956	25,514	858	2,230	3,088	28,602
Telephone	3,861	-	-	-	3,861	-	749	749	4,610
Travel	6,558	3,439	2,198	5,829	18,024	77	2,433	2,510	20,534
<b>Total Expenses</b>	<b>\$ 91,979</b>	<b>\$ 191,839</b>	<b>\$ 202,672</b>	<b>\$ 89,069</b>	<b>\$ 575,559</b>	<b>\$ 13,073</b>	<b>\$ 33,031</b>	<b>\$ 46,104</b>	<b>\$ 621,663</b>

See notes to the financial statements.



**AMERICAN CHILDHOOD CANCER ORGANIZATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED AUGUST 31, 2013**

	Program Services				Supporting Services				Total Expenses
	Advocacy	Awareness	Information/ Resource	Other Programs	Total Program Services	Fundraising	Management and Administrative	Total Supporting Services	
Salaries, payroll taxes, and benefits	\$ -	\$ 43,233	\$ 33,216	\$ 15,000	\$ 91,449	\$ -	\$ 9,258	\$ 9,258	\$ 100,707
Accounting and bookkeeping	3,564	1,188	3,564	1,782	10,098	-	3,676	3,676	13,774
Advertising and public relations	-	175	3,276	-	3,451	3,450	-	3,450	6,901
Bank Charges	-	-	-	-	-	-	171	171	171
Books and merchandise	-	-	94,637	-	94,637	-	-	-	94,637
Depreciation and amortization	-	-	-	-	-	-	4,600	4,600	4,600
Dues and subscriptions	12,414	1,925	166	1,454	15,959	-	-	-	15,959
Insurance	-	-	2,673	-	2,673	-	1,885	1,885	4,558
Legal fees	-	12,170	-	-	12,170	-	-	-	12,170
Meetings and conferences	191	15,647	-	29,689	45,527	696	-	696	46,223
Miscellaneous	-	-	-	-	-	-	808	808	808
Office supplies	2,140	3,643	6,811	-	12,594	1,169	1,915	3,084	15,678
Postage and delivery	-	-	22,769	-	22,769	1,971	-	1,971	24,740
Professional fees	28,259	9,420	33,869	14,130	85,678	4,760	4,760	9,520	95,198
Rent and storage	3,167	5,042	12,705	-	20,914	775	4,131	4,906	25,820
Telephone	893	149	1,910	-	2,952	-	818	818	3,770
Travel	8,176	3,323	-	2,054	13,553	-	-	-	13,553
<b>Total Expenses</b>	<b>\$ 58,804</b>	<b>\$ 95,915</b>	<b>\$ 215,596</b>	<b>\$ 64,109</b>	<b>\$ 434,424</b>	<b>\$ 12,821</b>	<b>\$ 32,022</b>	<b>\$ 44,843</b>	<b>\$ 479,267</b>

See notes to the financial statements.

# AMERICAN CHILDHOOD CANCER ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2014 AND 2013

### Note 1. Organization and Programs

#### Organization

American Childhood Cancer Organization (ACCO), formerly known as Candlelighters Childhood Cancer Foundation, is a nonprofit organization dedicated to support cancer research, increase public awareness and provide information and support to children and adolescents with cancer and their families throughout the United States.

#### Program information

ACCO's programs include the following:

Books and informational materials – ACCO publishes and distributes up-to-date childhood cancer books for children and adolescents with cancer, their families and caregivers. ACCO's website is the most utilized website about childhood cancer in the country with an average of 3.2 million 'hits' annually.

Advocacy – ACCO represents the grassroots voice of the families of the children treated for cancer to advocate with community treatment centers, government agencies and foundations for increased pediatric cancer funding, research and supportive psychosocial care.

Awareness – ACCO is the founder and host of the nation's largest childhood cancer awareness event 'Light up the Holidays with Hope'. This event brings families together from across the country to light the *National Childhood Cancer Awareness Tree* that is displayed in Washington DC. ACCO was the founding organization of the gold ribbon symbol for childhood cancer. As such, this tree which is decorated solely with thousands of the gold ribbons builds awareness of our nation's littlest cancer patients.

ACCO is also founder of the awareness program known as 'Pjammin'® (<http://www.acco.org/Pjammin.aspx>) in which healthy children and adults in schools and work place employment across the country wear their pajamas to school/work on a designated day to bring awareness of the tens of thousands of children on active cancer treatment in the country. Building on the gold ribbon symbol for childhood cancer, ACCO is the founder of "Go Gold for Kids with Cancer."®

Research – ACCO supports cutting-edge molecular research initiatives to further the molecular understanding of pediatric cancers, and advance the development of new types of targeted drugs leading to increased overall cure rates, in conjunction with a decrease of long term late-effects of current cancer therapies.

ACCO also conducts psychological research that looks at the impact of the childhood cancer diagnosis on the family (finances, employment, time spent caring for the child) as well as the impact on the cancer patient (access to care, access to clinical trials, long term survivorship physical, cognitive and emotional impairment).

Affiliate Support – ACCO fosters support and development of local affiliate organizations across the United States through the maintenance of trademarks, logos, resources, awareness items, store, website, and patient and family referrals.

ACCO is supported primarily through grants and contributions. Many of the contributions received come from the families of children who have personally benefitted from the support services that ACCO offers.

# AMERICAN CHILDHOOD CANCER ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2014 AND 2013

### Note 2. Summary of Significant Accounting Policies

#### **Basis of presentation**

Financial statement presentation adheres to the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Presentation of Financial Statements for Not-for-Profit Entities*. Under FASB ASC 958-205, ACCO is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

#### **Revenue recognition**

ACCO accounts for contributions in accordance with the requirements of FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made*. Under the guidelines of FASB ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor, including pledges, is reported as an increase in temporarily restricted or permanently restricted net assets, depending on the nature of the restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

ACCO reports gifts of equipment as unrestricted support unless explicit stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit stipulations about how long those long-lived assets must be maintained, ACCO reports expirations of restrictions when the assets are placed in service.

#### **Contributions, grants, accounts receivable and allowance for doubtful accounts**

All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. Unconditional contributions and grants are recognized as revenue in the period the pledge is received. Conditional contributions and grants are recognized when the conditions on which they depend are substantially met.

Accounts receivable are recorded at the lower of cost or fair value. The risk of loss on the receivables is the balance due at the time of default. All receivables are unsecured. ACCO uses the allowance method to record uncollectible contributions and other receivables. The allowance is based upon experience, management's analysis of specific promises made, and other historical factors that pertain to the receivables. The allowance as of August 31, 2014 and 2013 is \$0. No interest is accrued on receivables.

#### **Cash equivalents**

For purposes of the statement of cash flows, ACCO considers all highly liquid short term debt instruments whose maturity dates do not extend past three months from the date of purchase, and money market funds not held in a brokerage account, to be cash equivalents.

# AMERICAN CHILDHOOD CANCER ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2014 AND 2013

### Note 2. Summary of Significant Accounting Policies (Continued)

#### **Inventory**

Inventory is valued at the lower of cost (first in, first out) or market.

#### **Investments**

Investments are recorded at fair market value. Unrealized gains and losses are included in the change in net assets.

#### **Furniture and equipment**

Furniture and equipment are recorded at cost. Depreciation is computed using the straight line method over useful lives that range from three to seven years. Assets having a cost greater than \$500 and a useful life greater than one year are capitalized.

#### **Intangibles**

Intangible assets consist of trademark costs amortized using the straight line method over an estimated useful life of five years. Intangible assets also include name research, trademark legal costs and patent costs that are not amortized due to an indefinite useful life.

#### **Functional allocation of expenditures**

The costs of providing various programs and other activities of ACCO have been summarized on a functional basis in the accompanying financial statements. Costs that can be identified with a particular program or support function are charged directly to that program or function. Salaries and related costs and other allocable costs have been allocated among the programs and supporting services based upon management's best estimates of the proportion of these costs applicable to each program.

#### **Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

#### **Fair value of financial instruments**

Items considered to be financial instruments (cash and accounts payable) are stated in the accompanying financial statements at amounts which approximate their fair value.

#### **Income taxes**

The Internal Revenue Service has determined that ACCO is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Income which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. ACCO did not engage in activities which might give rise to income tax during the years ended August 31, 2014 and 2013. Accordingly, no provision for income tax is made in the accompanying financial statements.

# AMERICAN CHILDHOOD CANCER ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2014 AND 2013

### Note 2. Summary of Significant Accounting Policies (Concluded)

#### Income taxes (concluded)

ACCO has adopted FASB ASC 740, *Income Taxes*, which requires changes in recognition and measurement for uncertain tax positions. ACCO has analyzed its tax positions, and has concluded that it is not aware of any uncertain tax positions for which it believes that there is a reasonable possibility that the total amounts of unrecognized tax benefits will change materially in the next twelve months. If this position changes, ACCO will assess the impact of any such matters on its financial position and results of operations.

ACCO files its information tax returns for Federal and various states' reporting purposes. Currently, the 2014, 2013 and 2012 tax returns are open and subject to examination. ACCO is not currently under audit by any taxing jurisdiction.

### Note 3. Prepaid Expenses

Prepaid expenses were comprised of the following at August 31:

	<u>2014</u>	<u>2013</u>
Insurance	\$ 6,902	\$ 3,338
Program Expenses	<u>239,069</u>	<u>167,033</u>
Total	<u>\$ 245,971</u>	<u>\$ 170,371</u>

### Note 4. Investments

ACCO adopted the provisions of FASB ASC 820, *Fair Value Measurement*. In accordance with FASB ASC 820, ACCO has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

- Level 1 – Inputs to the valuation methodology that are quoted in an active market
- Level 2 – Inputs to the valuation methodology that are inputs other than quoted prices that are observable for the assets
- Level 3 – Inputs to the valuation methodology that are unobservable and significant to the fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments. These investments include non-readily marketable securities that do not have an active market.

**AMERICAN CHILDHOOD CANCER ORGANIZATION**

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2014 AND 2013**

**Note 4. Investments (Concluded)**

All of the investment assets recorded in the Statements of Financial Position are categorized based on the inputs to the valuation technique and are valued at quoted prices in active markets for identical assets, Level 1 assets.

ACCO reports investments in debt and equity securities at fair value, with gains and losses included in the statement of activities and changes in net assets.

Investments consisted of the following as of August 31:

	2014		2013	
	Fair Value	Cost	Fair Value	Cost
Money market funds	\$ 7,212	\$ 7,212	\$ 19,196	\$ 19,196
Mutual funds	12,540	12,516	-	-
Equity securities	339,335	144,588	293,827	163,074
	\$ 359,087	\$ 164,316	\$ 313,023	\$ 182,270

Investment income at August 31, 2014 and 2013 includes interest and dividends of \$851 and \$1,603, unrealized gains of \$23,588 and \$34,769 and realized gains of \$21,918 and \$13,909, respectively.

**Note 5. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for use for the following purposes as of August 31:

	2014	2013
Research (GALA)	\$ 134,246	\$ 134,246
Staff positions	79,690	52,145
Publications	23,138	45,580
Development	70,000	20,000
Kit development	-	15,595
Awareness	60,496	19,500
Finance management/software	9,182	18,106
Survey	8,000	10,000
Affiliates/Fiscal Sponsorships	13,522	-
Total	\$ 398,274	\$ 315,172

**AMERICAN CHILDHOOD CANCER ORGANIZATION**

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2014 AND 2013**

**Note 5. Temporarily Restricted Net Assets (Concluded)**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. The following is a summary of assets released from restriction during the year ended August 31:

	2014	2013
Research (GALA)	\$ -	\$ 12,223
Staff positions	52,455	5,000
Publications	32,442	5,802
Development	1,000	10,810
Kit development	15,595	7,855
Awareness	6,705	1,895
Finance management/software	8,924	40,095
Survey	2,000	25,000
Affiliates/Fiscal Sponsorships	36,053	-
Total	\$ 155,174	\$ 108,680

**Note 6. Leasing Arrangements**

In December 2010 ACCO entered into an operating lease for office space in Kensington, Maryland. The lease expires November 30, 2015. The annual rent will increase 3% each year over the previous year's rate. ACCO has the right upon 90 days notice to renew the lease for a minimum three year term. Rent for the additional term of 3 years will be set at annual increases of 3% over the previous year's rate. ACCO also has the first right of refusal to adjoining office space if it becomes available during the lease term.

ACCO entered into a lease addendum to lease storage space at the rate of \$327 per month beginning March 1, 2014. This lease is on a 90 day term and can be terminated with 90 days written notice. The rent under this lease follows the increases as included in the original lease.

Future minimum lease payments as of August 31 are as follows:

Year Ending August 31,	Rent
2015	\$ 21,664
2016	5,202
Total	\$ 26,866

Rent and storage expense for the years ended August 31, 2014 and 2013 were \$28,602 and \$25,820, respectively.

ACCO also has entered into agreements to rent storage space under agreements that are renewable each year.

# AMERICAN CHILDHOOD CANCER ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2014 AND 2013

**Note 7. Non-cash Transactions**

During the years ended August 31, 2014 and 2013 ACCO received pro bono legal services for trademark work valued at \$73,234 and \$8,745, respectively.

**Note 8. Concentrations**

During the years ended August 31, 2014 and 2013 two contributors accounted for 88% and 38%, respectively, of the grant revenue received during the respective years.

**Note 9. Subsequent Events**

ACCO has evaluated events through March 4, 2015, the date the financial statements were available to be issued, and determined there were no events occurring subsequent to August 31, 2014, which would have a material impact on ACCO's results of operations or financial position as of August 31, 2014.