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AMERICAN CHILDHOOD CANCER ORGANIZATION
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
AUGUST 31, 2015 AND 2014

MATTHEWS, CARTER & BOYCE
RESPECT. CONFIDENCE. TRUST.

AMERICAN CHILDHOOD CANCER ORGANIZATION

FINANCIAL STATEMENTS

AUGUST 31, 2015 AND 2014

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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, 2015 and 2014, 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, 2015 and 2014, 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
January 28, 2016

AMERICAN CHILDHOOD CANCER ORGANIZATION

STATEMENTS OF FINANCIAL POSITION

AUGUST 31, 2015 AND 2014

ASSETS

	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	\$ 310,377	\$ 350,925
Accounts receivable	110,438	-
Investments	365,430	359,087
Inventory	22,054	33,029
Prepaid expenses, net	<u>229,731</u>	<u>245,971</u>
Total Current Assets	<u>\$ 1,038,030</u>	<u>\$ 989,012</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	\$ 35,014	\$ 14,823
Less accumulated depreciation	<u>(17,335)</u>	<u>(13,331)</u>
Net Property and Equipment	<u>\$ 17,679</u>	<u>\$ 1,492</u>
OTHER ASSETS		
Intangible assets, net of accumulated amortization of \$2,959 and \$2,927, respectively	\$ 22,144	\$ 22,176
Deposits	<u>1,250</u>	<u>1,250</u>
Total Other Assets	<u>\$ 23,394</u>	<u>\$ 23,426</u>
TOTAL ASSETS	<u><u>\$ 1,079,103</u></u>	<u><u>\$ 1,013,930</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 17,988</u>	<u>\$ 28,410</u>
NET ASSETS		
Unrestricted net assets	\$ 668,579	\$ 587,246
Temporarily restricted net assets	<u>392,536</u>	<u>398,274</u>
Total Net Assets	<u>\$ 1,061,115</u>	<u>\$ 985,520</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,079,103</u></u>	<u><u>\$ 1,013,930</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, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT						
Grant revenue	\$ -	\$ 81,750	\$ 81,750	\$ -	\$ 171,000	\$ 171,000
Contributions	274,237	20,000	294,237	215,470	10,000	225,470
Event/Program revenue	377,467	41,970	419,437	194,987	7,702	202,689
Publication and merchandise sales	35,886	-	35,886	40,750	-	40,750
Other revenue	11,658	29,091	40,749	2,928	49,574	52,502
Net assets released from restriction due to satisfaction of program or time restrictions	178,549	(178,549)	-	155,174	(155,174)	-
Total Revenue and Support	\$ 877,797	\$ (5,738)	\$ 872,059	\$ 609,309	\$ 83,102	\$ 692,411
INVESTMENT ACTIVITY						
Interest and dividend income	\$ 296	\$ -	\$ 296	\$ 851	\$ -	\$ 851
Realized gain on investments	57,716	-	57,716	21,918	-	21,918
Unrealized gain (loss) on investments	(51,529)	-	(51,529)	23,588	-	23,588
Total Investment Activity	\$ 6,483	\$ -	\$ 6,483	\$ 46,357	\$ -	\$ 46,357
Total Revenue, Support and Investment Activity	\$ 884,280	\$ (5,738)	\$ 878,542	\$ 655,666	\$ 83,102	\$ 738,768

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, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
EXPENSES						
Program services:						
Advocacy	\$ 178,231	\$ -	\$ 178,231	\$ 91,979	\$ -	\$ 91,979
Awareness	283,340	-	283,340	191,839	-	191,839
Information/Resource	190,769	-	190,769	202,672	-	202,672
Other	82,286	-	82,286	89,069	-	89,069
Total Program Services	\$ 734,626	\$ -	\$ 734,626	\$ 575,559	\$ -	\$ 575,559
Supporting services:						
Fundraising	\$ 12,786	\$ -	\$ 12,786	\$ 13,073	\$ -	\$ 13,073
Management and administrative	55,535	-	55,535	33,031	-	33,031
Total Supporting Services	\$ 68,321	\$ -	\$ 68,321	\$ 46,104	\$ -	\$ 46,104
Total Expenses	\$ 802,947	\$ -	\$ 802,947	\$ 621,663	\$ -	\$ 621,663
CHANGE IN NET ASSETS	\$ 81,333	\$ (5,738)	\$ 75,595	\$ 34,003	\$ 83,102	\$ 117,105
NET ASSETS, BEGINNING OF YEAR	587,246	398,274	985,520	553,243	315,172	868,415
NET ASSETS, END OF YEAR	\$ 668,579	\$ 392,536	\$ 1,061,115	\$ 587,246	\$ 398,274	\$ 985,520

See notes to the financial statements.

AMERICAN CHILDHOOD CANCER ORGANIZATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 75,595	\$ 117,105
Adjustments to reconcile change in net assets to net cash - operating activities:		
Depreciation expense	\$ 4,004	\$ 1,291
Amortization expense	32	192
Provision for obsolete prepaid expenses	5,260	(2,983)
Realized and unrealized gain on investments	(6,026)	(45,506)
Change in assets and liabilities		
(Increase) Decrease in Assets:		
Accounts receivable	(110,438)	-
Inventory	10,975	18,850
Prepaid expenses	10,980	(72,617)
Increase (Decrease) in Liabilities:		
Accounts payable and accrued expenses	(10,422)	23,792
	<u>(10,422)</u>	<u>23,792</u>
Total Adjustments	\$ (95,635)	\$ (76,981)
Net Cash - Operating Activities	\$ (20,040)	\$ 40,124
 CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for purchases of property and equipment	\$ (20,192)	\$ -
Investment earnings re-invested	(316)	(558)
	<u>(20,508)</u>	<u>(558)</u>
Net Cash - Investing Activities	\$ (20,508)	\$ (558)
 NET CHANGE IN CASH	\$ (40,548)	\$ 39,566
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>350,925</u>	<u>311,359</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 310,377</u></u>	<u><u>\$ 350,925</u></u>

There were no non-cash investing or financing activities during the years ended August 31, 2015 or 2014.

See notes to the financial statements.

AMERICAN CHILDHOOD CANCER ORGANIZATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED AUGUST 31, 2015

	Program Services				Supporting Services				Total Expenses
	Advocacy	Awareness	Information/ Resource	Other Programs	Total Program Services	Fundraising	Management and Administrative	Total Supporting Services	
Salaries and payroll taxes	\$ -	\$ 54,557	\$ 36,797	\$ 36,739	\$ 128,093	\$ -	\$ 4,688	\$ 4,688	\$ 132,781
Accounting and bookkeeping	-	-	-	-	-	-	22,627	22,627	22,627
Advertising and public relations	-	9,428	-	-	9,428	6,245	-	6,245	15,673
Bank charges	-	810	1,314	-	2,124	-	338	338	2,462
Publications and merchandise	1,243	3,035	97,380	-	101,658	-	-	-	101,658
Consulting	60,812	69,961	17,707	5,488	153,968	4,851	-	4,851	158,819
Depreciation and amortization	-	-	-	-	-	-	4,036	4,036	4,036
Dues and subscriptions	5,533	8,464	-	-	13,997	-	3,570	3,570	17,567
Insurance	-	-	-	-	-	-	7,668	7,668	7,668
Legal fees	-	68,481	-	150	68,631	-	-	-	68,631
Meetings and conferences	78,694	55,194	2,068	23,032	158,988	-	51	51	159,039
Miscellaneous	-	1,746	-	11,635	13,381	-	-	-	13,381
Office supplies	506	5,458	1,497	1,700	9,161	-	7,220	7,220	16,381
Postage and delivery	3	162	2,327	340	2,832	-	304	304	3,136
Rent and storage	-	100	28,632	-	28,732	1,690	3,380	5,070	33,802
Telephone	3,606	195	590	-	4,391	-	1,469	1,469	5,860
Travel	27,834	5,749	2,457	3,202	39,242	-	184	184	39,426
Total Expenses	\$ 178,231	\$ 283,340	\$ 190,769	\$ 82,286	\$ 734,626	\$ 12,786	\$ 55,535	\$ 68,321	\$ 802,947

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 and payroll taxes	\$ 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
Publications and merchandise	-	-	85,123	-	85,123	-	-	-	85,123
Consulting	33,561	32,432	38,355	18,346	122,694	4,917	7,029	11,946	134,640
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
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
Total Expenses	\$ 91,979	\$ 191,839	\$ 202,672	\$ 89,069	\$ 575,559	\$ 13,073	\$ 33,031	\$ 46,104	\$ 621,663

See notes to the financial statements.

AMERICAN CHILDHOOD CANCER ORGANIZATION

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2015 AND 2014

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.

Effective August 12, 2015 ACCO formed a wholly owned subsidiary, ACCO Inland Northwest, LLC. There was no activity for this subsidiary during the year ended August 31, 2015.

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 premier website for childhood cancer organizations and received more than 321,300 visits in 2015.

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 numerous nationwide childhood cancer awareness events including: 'Light up the Holidays with Hope' representing thousands of children diagnosed with cancer on the National Childhood Cancer Awareness Tree; Light it Up Gold – the gold lighting in September of government buildings, bridges and monuments; Go Gold for Kids with Cancer and International Childhood Cancer Day. ACCO was the founding organization of the gold ribbon symbol for childhood cancer. As such, these initiatives which involve the gold ribbon symbol build 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."®

Learning resources – ACCO is a publisher and distributor of free childhood cancer learning resources in the country. These comprehensive materials educate and empower children with cancer and their families with information that assists them in their understanding of the childhood cancer journey and with the many difficult treatment decisions they must make. More than 45,000 individual resources were distributed in the past fiscal year without charge to children with cancer and their families across the U.S.

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).

AMERICAN CHILDHOOD CANCER ORGANIZATION

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2015 AND 2014

Note 1. Organization and Programs (Concluded)

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.

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. There was no allowance deemed necessary as of August 31, 2015 or 2014. No interest is accrued on receivables.

AMERICAN CHILDHOOD CANCER ORGANIZATION

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2015 AND 2014

Note 2. Summary of Significant Accounting Policies (Continued)

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.

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 \$2,959 of trademark costs amortized using the straight line method over an estimated useful life of five to ten years and are fully amortized. Intangible assets also include name research, trademark legal costs and patent costs of \$22,144 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, 2015 or 2014. Accordingly, no provision for income tax is made in the accompanying financial statements.

AMERICAN CHILDHOOD CANCER ORGANIZATION

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2015 AND 2014

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>2015</u>	<u>2014</u>
Insurance	\$ 1,157	\$ 6,902
Program merchandise expenses	<u>228,574</u>	<u>239,069</u>
Total	<u>\$ 229,731</u>	<u>\$ 245,971</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, 2015 AND 2014

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:

	2015		2014	
	Fair Value	Cost	Fair Value	Cost
Money market funds	\$ 7,346	\$ 7,346	\$ 7,212	\$ 7,212
Mutual funds	327,956	233,388	12,540	12,516
Equity securities	<u>30,128</u>	<u>-</u>	<u>339,335</u>	<u>144,588</u>
	<u>\$ 365,430</u>	<u>\$ 240,734</u>	<u>\$ 359,087</u>	<u>\$ 164,316</u>

Investment income at August 31, 2015 and 2014 includes interest and dividends of \$296 and \$851, unrealized gains/losses of (\$51,529) and \$23,588 and realized gains of \$57,716 and \$21,918, respectively.

Note 5. Temporarily Restricted Net Assets

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

	2015	2014
Research (GALA)	\$ 134,246	\$ 134,246
Staff positions	-	79,690
Publications	45,000	23,138
Development	116,750	70,000
Kit development	-	-
Awareness	82,500	60,496
Finance management/software	4,304	9,182
Survey	8,000	8,000
Affiliates/Fiscal Sponsorships	<u>1,736</u>	<u>13,522</u>
Total	<u>\$ 392,536</u>	<u>\$ 398,274</u>

AMERICAN CHILDHOOD CANCER ORGANIZATION

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2015 AND 2014

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:

	2015	2014
Research (GALA)	\$ -	\$ -
Staff positions	59,690	52,455
Publications	8,138	32,442
Development	-	1,000
Kit development	10,000	15,595
Awareness	54,967	6,705
Finance management/software	4,879	8,924
Survey	-	2,000
Affiliates/Fiscal Sponsorships	<u>40,875</u>	<u>36,053</u>
Total	<u>\$ 178,549</u>	<u>\$ 155,174</u>

Note 6. Leasing Arrangements

In December 2010 ACCO entered into an operating lease for office space in Kensington, Maryland. The annual rent will be increased 3% each year over the previous year's rate. ACCO had the right upon 90 days notice to renew the lease for a minimum three year term. Rent for the additional term of 3 years was set at annual increases of 3% over the previous year's rate. ACCO also had the first right of refusal to adjoining office space if it became available during the lease term. The lease expired November 30, 2015. ACCO is pursuing renting larger facilities. ACCO is continuing the lease on a month to month basis.

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.

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

Note 7. Non-cash Transactions

During the years ended August 31, 2015 and 2014, ACCO received pro bono legal services for trademark work valued at \$68,481 and \$73,234, respectively. During the year ended August 31, 2015, ACCO received consulting services valued at \$2,325.

Note 8. Concentrations

During the years ended August 31, 2015 and 2014, two contributors accounted for 100% and 88%, respectively, of the grant revenue received during the respective years.

AMERICAN CHILDHOOD CANCER ORGANIZATION

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2015 AND 2014

Note 9. Fiscal Sponsor Agreements

ACCO has entered into fiscal sponsor agreements with various entities. During the years ended August 31, 2015 and 2014, ACCO received \$29,091 and \$49,574 of revenue for the sponsor organizations which is included in other income and ACCO incurred \$44,685 and \$39,917 in expenses on behalf of the sponsored organizations.

Note 10. Subsequent Events

ACCO has evaluated events through January 28, 2016, the date the financial statements were available to be issued, and determined there were no events occurring subsequent to August 31, 2015, which would have a material impact on ACCO's results of operations or financial position as of August 31, 2015.