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**AMERICAN CHILDHOOD CANCER ORGANIZATION**  
**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**  
**YEAR ENDED DECEMBER 31, 2020**

**MATTHEWS, CARTER & BOYCE**  
RESPECT. CONFIDENCE. TRUST.

**AMERICAN CHILDHOOD CANCER ORGANIZATION**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Independent Auditors' Report**

Board of Directors  
American Childhood Cancer Organization  
Beltsville, Maryland

We have audited the accompanying financial statements of American Childhood Cancer Organization, which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses 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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 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 December 31, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Fairfax, Virginia  
November 29, 2021

AMERICAN CHILDHOOD CANCER ORGANIZATION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

ASSETS

**CURRENT ASSETS**

Cash and cash equivalents	\$ 902,624
Accounts receivable	53,238
Investments	817,365
Inventory	254,773
Prepaid expenses	4,959
	<hr/>
Total Current Assets	\$ 2,032,959

**PROPERTY AND EQUIPMENT**

Furniture and equipment	\$ 54,215
Less accumulated depreciation	(42,135)
	<hr/>
Net Property and Equipment	\$ 12,080

**OTHER ASSETS**

Intangible assets, net of accumulated amortization of \$2,959	\$ 49,427
Deposits	6,604
	<hr/>
Total Other Assets	\$ 56,031

**TOTAL ASSETS**

\$ 2,101,070

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable and accrued expenses	\$ 8,288
	<hr/>

**NET ASSETS**

Net assets without donor restrictions	\$ 1,360,088
Net assets with donor restrictions	732,694
	<hr/>
Total Net Assets	\$ 2,092,782

**TOTAL LIABILITIES AND NET ASSETS**

\$ 2,101,070

The accompanying notes are an integral part of these financial statements.

**AMERICAN CHILDHOOD CANCER ORGANIZATION**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Grant revenue	\$ 106,081	\$ 456,000	\$ 562,081
Government grant revenue, Paycheck Protection Program	68,022	-	68,022
Contributions	209,433	-	209,433
Event/Program revenue	244,382	238,858	483,240
Publication and merchandise sales	14,495	-	14,495
Other revenue	66,411	-	66,411
Net assets released from restriction due to satisfaction of program or time restrictions	881,638	(881,638)	-
	<b>\$ 1,590,462</b>	<b>\$ (186,780)</b>	<b>\$ 1,403,682</b>
Total Revenue and Support			
	<b>\$ 98,686</b>	<b>\$ -</b>	<b>\$ 98,686</b>
<b>INVESTMENT ACTIVITY, net</b>			
	<b>\$ 1,689,148</b>	<b>\$ (186,780)</b>	<b>\$ 1,502,368</b>
Total Revenue, Support and Investment Activity			
<b>EXPENSES</b>			
Program services:			
Advocacy	\$ 467,436	\$ -	\$ 467,436
Awareness	273,458	-	273,458
Information/Resource	324,220	-	324,220
Other	39,729	-	39,729
	<b>\$ 1,104,843</b>	<b>\$ -</b>	<b>\$ 1,104,843</b>
Total Program Services			
Supporting services:			
Fundraising	\$ 7,224	\$ -	\$ 7,224
Management and administrative	122,076	-	122,076
	<b>\$ 129,300</b>	<b>\$ -</b>	<b>\$ 129,300</b>
Total Supporting Services			
	<b>\$ 1,234,143</b>	<b>\$ -</b>	<b>\$ 1,234,143</b>
Total Expenses			
<b>CHANGES IN NET ASSETS</b>	<b>\$ 455,005</b>	<b>\$ (186,780)</b>	<b>\$ 268,225</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>905,083</b>	<b>919,474</b>	<b>1,824,557</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 1,360,088</b>	<b>\$ 732,694</b>	<b>\$ 2,092,782</b>

The accompanying notes are an integral part of these financial statements.

**AMERICAN CHILDHOOD CANCER ORGANIZATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services				Total Program Services	Supporting Services			Total Expenses
	Advocacy	Awareness	Information/ Resource	Other		Fundraising	Management and Administrative	Total Supporting Services	
Salaries, benefits and payroll taxes	\$ -	\$ 146,898	\$ 146,899	\$ -	\$ 293,797	\$ -	\$ 43,900	\$ 43,900	\$ 337,697
Accounting and bookkeeping	-	-	-	-	-	-	56,059	56,059	56,059
Advertising and public relations	-	36,278	-	-	36,278	1,355	-	1,355	37,633
Alliance expenses	28,738	-	-	-	28,738	-	-	-	28,738
Bank charges	-	-	-	-	-	-	1,005	1,005	1,005
Consulting	100,000	50,000	50,000	30,006	230,006	-	6,000	6,000	236,006
Depreciation and amortization	-	-	-	-	-	-	3,652	3,652	3,652
Dues and subscriptions	17,608	17,606	17,606	-	52,820	5,869	-	5,869	58,689
Insurance	-	-	-	-	-	-	6,530	6,530	6,530
Legal fees	1,857	-	-	-	1,857	-	-	-	1,857
Meetings, conferences and programs	296,182	-	-	-	296,182	-	-	-	296,182
Office expenses	7,719	7,717	7,717	-	23,153	-	4,085	4,085	27,238
Postage and delivery	-	-	22,710	-	22,710	-	-	-	22,710
Publications and merchandise	-	-	49,368	-	49,368	-	-	-	49,368
Rent and storage	14,959	14,959	29,920	-	59,838	-	-	-	59,838
Travel	373	-	-	-	373	-	-	-	373
Utilities	-	-	-	9,723	9,723	-	845	845	10,568
<b>Total Expenses</b>	<b>\$ 467,436</b>	<b>\$ 273,458</b>	<b>\$ 324,220</b>	<b>\$ 39,729</b>	<b>\$ 1,104,843</b>	<b>\$ 7,224</b>	<b>\$ 122,076</b>	<b>\$ 129,300</b>	<b>\$ 1,234,143</b>

The accompanying notes are an integral part of these financial statements.

# AMERICAN CHILDHOOD CANCER ORGANIZATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

### CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 268,225
Adjustments to reconcile change in net assets to net cash - operating activities:	
Depreciation expense	\$ 3,652
Net realized and unrealized loss (gain) on investments	(63,981)
Changes in assets and liabilities	
(Increase) Decrease in Assets:	
Accounts receivable	23,284
Inventory	(4,855)
Prepaid expenses	2,852
Increase (Decrease) in Liabilities:	
Accounts payable and accrued expenses	(68,975)
Total Adjustments	\$ (108,023)
Net Cash - Operating Activities	\$ 160,202

### CASH FLOWS FROM INVESTING ACTIVITIES

Cash paid for purchases of intangible assets	\$ (1,640)
Cash paid for purchases of furniture and equipment	(3,234)
Proceeds from sale of investments	624,591
Investment earnings re-invested	(11,658)
Purchase of investments	(647,530)
Net Cash - Investing Activities	\$ (39,471)

**NET CHANGE IN CASH AND CASH EQUIVALENTS** \$ 120,731

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** 781,893

**CASH AND CASH EQUIVALENTS, END OF YEAR** \$ 902,624

Non-cash investing and financing activity:

There was no non-cash investing activity during the year ended December 31, 2020.

Non-cash financing activity during the year ended December 31, 2020: forgiveness of Paycheck Protection Program refundable advance of \$68,022.

The accompanying notes are an integral part of these financial statements.

# AMERICAN CHILDHOOD CANCER ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

### Note 1. Organization and Programs

#### Organization

The American Childhood Cancer Organization (ACCO), formerly known as Candlelighters Childhood Cancer Foundation, is a nonprofit organization dedicated to making childhood cancer a national child health priority through shaping policy, supporting research, raising awareness, and providing educational resources and innovative programs to children with cancer, survivors, and their families. ACCO's mission is to fund cancer research, increase public awareness and provide information and support to children and adolescents with cancer and their families throughout the United States.

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.

#### Program information

ACCO's programs include the following:

Advocacy – Through ACCO's 'What About Kids?'® initiative, we have proven that states play a critical role in overcoming the national disparity between adult and childhood cancer research, treatment, and support. As the oldest grassroots voice of families of children treated for cancer in the U.S., we lead the way advocating to secure state-based funding for childhood cancer research.

Awareness – ACCO is the founding organization of the gold ribbon symbol for childhood cancer. As such, ACCO initiates many awareness activities that involve raising awareness of the gold ribbon symbol and our nation's littlest cancer patients. These include: '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; and GO GOLD® for Kids with Cancer. ACCO is also the founder of the program known as 'Pjammin'® (<https://www.acco.org/pjammin/>) in which healthy children and adults in schools and workplace employment wear their pajamas to school/work to bring awareness of the tens of thousands of children on active cancer treatment in the country.

Learning resources – The ACCO's Medical Play Kit is a free learning resource designed to familiarize children battling cancer with many of the medical instruments they will encounter during their hospital stays. The kit empowers children by helping them become more comfortable in a hospital environment and giving them the opportunity to play the role of doctor/caregiver rather than be forced into the role of patient. ACCO also distributes free Emoji kits to help children express their thoughts and feelings during this difficult time in their lives. Additionally, ACCO's website is the premier website for childhood cancer organizations. Through social media, ACCO raises awareness of the cause and connects individual family members, childhood cancer survivors, and supporters.

Books and informational materials - ACCO is the largest 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 the many difficult treatment decisions they must make. More than 30,000 individual resources were distributed in the year ended December 31, 2020, without charge to children with cancer and their families across the U.S.

Research – ACCO supports cutting-edge 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.



# AMERICAN CHILDHOOD CANCER ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

### Note 1. Organization and Programs (Concluded)

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).

Founding Hope Program – ACCO fosters support and development of local ACCO family support. Through our Founding Hope Program, families can honor a child and make an impact in the childhood cancer community.

### 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 two classes of net assets: with donor restrictions and without donor restrictions.

**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 ACCO's management and the Board of Directors.

**Net assets with donor restrictions** – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of ACCO or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. ACCO does not currently hold net assets with perpetual donor restrictions.

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### Revenue recognition

ACCO accounts for contributions in accordance with the requirements of FASB Accounting Standards Update (ASU) 2018-08 Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Under the guidelines of FASB ASU 2018-08, contributions received are recorded as support with donor restrictions or without donor restrictions 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 net assets with donor restrictions, 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, net assets with donor restrictions are reclassified to without donor restrictions and reported in the statement of activities as net assets released from restrictions. ACCO reports gifts of equipment as support without donor restrictions 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 support with donor restrictions. 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.

# AMERICAN CHILDHOOD CANCER ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

#### Revenue recognition (concluded)

ACCO recognizes contributions and grants when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected based on a market rate of return.

ACCO adopted ASC 606, *Revenue from Contracts with Customers*, on January 1, 2020. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The five-step model is:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognized in the periods in which they are earned, at the time of the sale, from the sale of publications and merchandise which is when ACCO satisfies the performance obligation. The adoption of ASC 606 did not have a material impact on ACCO as the sales income continues to be recognized at a point in time and uses the same recognition methodology that was applied prior to the adoption of ASC 606.

The recording of contributions and grants is outside of the scope of ASC 606.

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

All contributions and grants are considered to be available for use without donor restrictions 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 December 31, 2020. No interest is accrued on receivables. Accounts receivable balances were \$53,238 and \$76,622 as of December 31, 2020 and 2019, respectively/

#### 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.

# AMERICAN CHILDHOOD CANCER ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

#### **Investments**

Investments are recorded at fair market value. Unrealized gains and losses are included in the statement of activities and changes 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 \$1,640 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 \$50,745 that are not amortized due to an indeterminate 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 GAAP 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 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 year ended December 31, 2020. Accordingly, no provision for income tax is made in the accompanying financial statements.

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. ACCO is not under audit by any taxing jurisdiction.

# AMERICAN CHILDHOOD CANCER ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

#### Advertising

Advertising costs are expensed as incurred.

#### New accounting pronouncements

FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for determining whether revenue is recognized over time or at a point in time, and expand disclosures about revenue. ACCO has adopted Topic 606 for 2020. Analysis of various provisions of this standard resulted in no significant changes in the way the ACCO recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

The FASB has issued ASU 2016-02, which requires lessees to recognize on the balance sheet the assets and liabilities for the rights and obligations created by leases with terms greater than twelve months. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2021. ACCO plans to adopt the standard on its effective date, which for ACCO is January 1, 2022. The effect of implementing this standard has not yet been determined.

### Note 3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

Cash and cash equivalents	\$	902,624
Accounts receivable		53,238
Investments		<u>817,365</u>
Net		1,773,227
Less net assets with donor restrictions	(	<u>732,694</u> )
	\$	<u>1,040,533</u>

ACCO will actively and regularly monitor cash projections within the next twelve months with the understanding that positive cash flow is desired. During the normal course of operations during the year ending December 31, 2021, ACCO expects to receive additional contributions which will be available to spend on general expenditures.

### 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 Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

# AMERICAN CHILDHOOD CANCER ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

### Note 4. Investments (Concluded)

- 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.

All of the investment assets recorded in the Statement 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 December 31, 2020:

	Fair Value	Cost
Cash and cash equivalents	\$ 12,746	\$ 12,746
Mutual funds	<u>804,619</u>	<u>744,852</u>
	<u>\$ 817,365</u>	<u>\$ 757,598</u>

### Note 5. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for use for the following purposes as of December 31, 2020:

Research (GALA)	\$ 134,246
Awareness	407,448
International	<u>191,000</u>
Total	<u>\$ 732,694</u>

Net assets were released from donor restrictions by incurring expenses satisfying donor restriction purposes or by occurrence of other events specified by donors. The following is a summary of assets released from restriction during the year ended December 31, 2020:

Research (GALA)	\$ 25,000
Awareness	670,642
International	96,596
Database	56,400
Survey	<u>33,000</u>
Total	<u>\$ 881,638</u>

# AMERICAN CHILDHOOD CANCER ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

### Note 6. Leasing Arrangements

In April 2016, ACCO entered into an operating lease for office space in Beltsville, Maryland, which lease term began June 2016. The lease expired May 31, 2021. In April 2021, the lease was amended and renewed for a lease term that began June 1, 2021. The amended lease expires on May 31, 2024. The lease contains annual rent increases of 2.5% each year over the previous year's rate. ACCO must also pay 4.22% of all projected common area operating costs and real estate taxes, a monthly insurance charge and must maintain insurance policies on personal property, commercial liability and automobiles. ACCO is responsible for all utilities. Rent for the additional term of 3 years will be set at annual increases of 2.5% over the previous year's rate.

ACCO entered into a lease for a copier at the rate of \$202 per month beginning September 2016. This lease has a sixty-month term and it expired in August 2021. ACCO purchased the copier upon the termination of the lease term.

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

2021	\$	46,942
2022		50,092
2023		51,595
2024		<u>21,762</u>
Total	\$	<u>170,391</u>

### Note 7. Concentrations

#### Major contributors

During the year ended December 31, 2020, one contributor accounted for 41% of the grant revenue.

#### Credit Risk

ACCO maintains cash balances in national financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC). ACCO consistently maintains cash balances in excess of the FDIC insurable amount. ACCO has not experienced any losses in such accounts.

ACCO utilizes coverage from the Securities Investor Protection Corporation (SIPC) to manage the risk over the investment accounts up to the insurable amounts. ACCO consistently maintains investment balances in excess of the SPIC insurable amount. The investments are subject to market fluctuations and risk of loss.

### Note 8. Risks and Uncertainties

In March 2020, a pandemic of the Coronavirus (COVID-19) was declared by the World Health Organization. Future events, revenues and expenses of the organization are uncertain due to the highly contagious nature of the virus, the requirement for social distancing, limited gatherings and restrictions on travel. The ultimate impact of the COVID-19 pandemic on the amount and likelihood of loss is unknown and depends on future developments.

# AMERICAN CHILDHOOD CANCER ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

**Note 9. Paycheck Protection Program Loan (Refundable Advance):**

During May 2020, ACCO obtained a Paycheck Protection Program (PPP) loan (refundable advance) totaling \$68,022. The interest rate for this loan was 1%. The entire amount of this loan was forgiven December 29, 2020. ACCO recorded the use of the loan proceeds under FASB ASC 958-605 as a refundable advance which was then reduced using the funds to pay allowable costs including salary, group health care benefits and rent. As of December 31, 2020, the entire balance has been recognized as government grant revenue, Paycheck Protection Program in the Statement of Activities and Changes in Net Assets and as cash received from grants and contributions in the Statement of Cash Flows.

**Note 10. Subsequent Events**

ACCO has evaluated events through November 29, 2021, the date the financial statements were available to be issued, and determined that the following events occurring subsequent to December 31, 2020, require recognition or disclosure in the financial statements:

- ACCO applied for and received a second PPP loan in the amount of \$70,000 on February 1, 2021,
- The above loan of \$70,000 was forgiven on September 8, 2021,
- ACCO entered into a new three-year lease, see Note 6 above.