

**AMERICAN CHILDHOOD CANCER ORGANIZATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024**

AMERICAN CHILDHOOD CANCER ORGANIZATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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Independent Auditor's Report

To the Board of Directors of
American Childhood Cancer Organization
Beltsville, Maryland

Opinion

We have audited the accompanying financial statements of American Childhood Cancer Organization (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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.

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, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Childhood Cancer Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Childhood Cancer Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 American Childhood Cancer Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Childhood Cancer Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Platform CPAs, LLP

Annapolis, Maryland

July 22, 2025

AMERICAN CHILDHOOD CANCER ORGANIZATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

| | |
|--|---------------------|
| Current Assets: | |
| Cash and Cash Equivalents - Unrestricted | \$ 668,907 |
| Cash and Cash Equivalents - Restricted | 128,621 |
| Total Cash | <u>797,528</u> |
| Accounts Receivable | 137,995 |
| Investments | 1,391,013 |
| Inventory | 265,339 |
| Prepaid Expenses | 7,625 |
| Total Current Assets | <u>2,599,500</u> |
| Property and Equipment, Net of Accumulated Depreciation of \$25,973 | 4,471 |
| Other Assets | |
| Intangible Assets, Net of Accumulated Amortization of \$2,959 | 84,442 |
| Deposits | 4,626 |
| Right-of-Use Assets | 231,814 |
| Total Other Assets | <u>320,882</u> |
| Total Assets | <u>\$ 2,924,853</u> |

LIABILITIES AND NET ASSETS

| | |
|---|---------------------|
| Current Liabilities: | |
| Accounts Payable and Accrued Expenses | \$ 23,460 |
| Deferred Revenue | 35,045 |
| Operating Lease Liability, Current Portion | 46,597 |
| Total Current Liabilities | <u>105,102</u> |
| Noncurrent Liabilities: | |
| Operating Lease Liability, Net of Current Portion | 195,680 |
| Total Noncurrent Liabilities | <u>195,680</u> |
| Total Liabilities | 300,782 |
| Net Assets: | |
| Without Donor Restriction | 1,930,954 |
| With Donor Restriction | 693,117 |
| Total Net Assets | <u>2,624,071</u> |
| Total Liabilities and Net Assets | <u>\$ 2,924,853</u> |

See independent auditor's report and accompanying notes to financial statements.

AMERICAN CHILDHOOD CANCER ORGANIZATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

| | Without Donor <u>Restrictions</u> | With Donor <u>Restrictions</u> | <u>Total</u> |
|---|---|--------------------------------------|---------------------|
| REVENUE AND SUPPORT | | | |
| Grant Revenue | \$ 236,050 | \$ 159,381 | \$ 395,431 |
| Contributions | 455,645 | - | 455,645 |
| In-Kind Contributions of Services | 100,960 | - | 100,960 |
| Event/Program Revenue | 290,305 | 226,325 | 516,630 |
| Publication and Merchandise Sales | 21,895 | - | 21,895 |
| Other Revenue | 18,287 | - | 18,287 |
| Net Assets Released from Restriction Due to Satisfaction of Program or Time Restrictions | <u>568,303</u> | <u>(568,303)</u> | <u>-</u> |
| Total Revenue and Support | 1,691,445 | (182,597) | 1,508,848 |
| | | | |
| INVESTMENT ACTIVITY, NET | <u>139,014</u> | <u>-</u> | <u>139,014</u> |
| Total Revenue, Support and Investment Activity | 1,830,459 | (182,597) | 1,647,862 |
| | | | |
| EXPENSES | | | |
| Program Services | | | |
| Advocacy | 496,916 | - | 496,916 |
| Awareness | 685,382 | - | 685,382 |
| Information/Resource | <u>244,613</u> | <u>-</u> | <u>244,613</u> |
| Total Program Services | 1,426,911 | - | 1,426,911 |
| Supporting Services | | | |
| Fundraising | 23,400 | - | 23,400 |
| Management and Administrative | <u>133,874</u> | <u>-</u> | <u>133,874</u> |
| Total Supporting Services | <u>157,274</u> | <u>-</u> | <u>157,274</u> |
| | | | |
| Total Expenses | <u>1,584,185</u> | <u>-</u> | <u>1,584,185</u> |
| Change in Net Assets | 246,274 | (182,597) | 63,677 |
| Net Assets at Beginning of Year | <u>1,684,680</u> | <u>875,714</u> | <u>2,560,394</u> |
| Net Assets at End of Year | <u>\$ 1,930,954</u> | <u>\$ 693,117</u> | <u>\$ 2,624,071</u> |

See independent auditor's report and accompanying notes to financial statements.

AMERICAN CHILDHOOD CANCER ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

| | Program Services | | | | Supporting Services | | | Total Expenses |
|--------------------------------------|-------------------|-------------------|---------------------------|------------------------------|---------------------|-------------------------------------|---------------------------------|---------------------|
| | Advocacy | Awareness | Information/ Resources | Total Program Services | Fundraising | Management and Administration | Total Supporting Services | |
| Salaries, Benefits and Payroll Taxes | \$ - | \$ 176,170 | 20,833 | \$ 197,003 | \$ 23,400 | \$ - | \$ 23,400 | \$ 220,403 |
| Accounting and Bookkeeping | - | - | - | - | - | 37,388 | 37,388 | 37,388 |
| Advertising and Public Relations | - | 108,376 | - | 108,376 | - | - | - | 108,376 |
| Alliance Expenses | 111,985 | - | - | 111,985 | - | - | - | 111,985 |
| Bank Charges | - | - | - | - | - | 172 | 172 | 172 |
| Consulting | 37,500 | 43,884 | 51,896 | 133,280 | - | 77,467 | 77,467 | 210,747 |
| Depreciation and Amortization | - | - | 1,330 | 1,330 | - | - | - | 1,330 |
| Dues and Subscriptions | 4,084 | 26,751 | 2,722 | 33,557 | - | 1,361 | 1,361 | 34,918 |
| Insurance | 3,295 | - | 4,942 | 8,237 | - | - | - | 8,237 |
| Meetings, Conferences, and Events | 333,822 | 318,929 | - | 652,751 | - | - | - | 652,751 |
| Office Expenses | 6,230 | 11,272 | 12,657 | 30,159 | - | 3,164 | 3,164 | 33,323 |
| Postage and Delivery | - | - | 18,911 | 18,911 | - | - | - | 18,911 |
| Pro Bono Legal Services | - | - | - | - | - | 6,630 | 6,630 | 6,630 |
| Publications and Merchandise | - | - | 28,958 | 28,958 | - | - | - | 28,958 |
| Rent and Storage | - | - | 65,661 | 65,661 | - | 6,186 | 6,186 | 71,847 |
| Cost-Free Distribution | - | - | 22,321 | 22,321 | - | - | - | 22,321 |
| Utilities | - | - | 14,382 | 14,382 | - | 1,506 | 1,506 | 15,888 |
| Total Expenses | \$ 496,916 | \$ 685,382 | \$ 244,613 | \$ 1,426,911 | \$ 23,400 | \$ 133,874 | \$ 157,274 | \$ 1,584,185 |

See independent auditor's report and accompanying notes to financial statements.

AMERICAN CHILDHOOD CANCER ORGANIZATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

| | |
|--|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Change in Net Assets | \$ 63,677 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | |
| Depreciation and Amortization Expense | 1,330 |
| Net Realized and Unrealized (Gain) on Investments | (98,200) |
| Changes in Assets and Liabilities | |
| (Increase) Decrease in Assets: | |
| Accounts Receivable | (102,345) |
| Inventory | 22,321 |
| Prepaid Expenses | 6,996 |
| Deposits | 1,978 |
| Right-of-Use Assets | (210,558) |
| Increase (Decrease) in Liabilities: | |
| Accounts Payable and Accrued Expenses | (26,452) |
| Deferred Revenue | 35,045 |
| Operating Lease Liabilities | <u>220,543</u> |
| Total Adjustments | <u>(149,342)</u> |
| Net Cash Flow - Operating Activities | (85,665) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Cash Paid for Purchase of Property and Equipment | (4,399) |
| Cash Paid for Purchases of Intangible Assets | (6,178) |
| Proceeds from Sale of Investments | 581,744 |
| Investment Earnings Re-Invested | (38,178) |
| Purchase of Investments | <u>(573,500)</u> |
| Net Cash Flow - Investing Activities | (40,511) |
| Net Change in Cash and Cash Equivalents | (126,176) |
| Cash and Cash Equivalents at Beginning of Year | <u>923,704</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 797,528</u> |

See independent auditor's report and accompanying notes to financial statements.

AMERICAN CHILDHOOD CANCER ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

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 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.

AMERICAN CHILDHOOD CANCER ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Information (Continued)

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, 2022, without charge to children with cancer and their families across the U.S.

Research - ACCO's What About Kids Research Initiative has resulted in securing state-based legislation and appropriations for childhood cancer research. ACCO supports cutting-edge research initiatives to further the molecular understanding of pediatric cancers and advances 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).

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.

Basis of Presentation

The financial statement presentation follows the recommendation of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As required by the Non-profit Entities Topic of the FASB ASC, the ACCO is required to report information regarding its financial position and activities according to two classes to net assets, as follows:

- Net Assets Without Donor Restriction – Net assets without donor restrictions include undesignated funds that are available for the support of the Organization's activities and not subject to donor-imposed restrictions.
- Net Assets With Donor Restriction – Net assets with donor restrictions result from the unconditional contributions whose use is limited by donor-imposed stipulations that are fulfilled and removed by actions of the Organization pursuant to these stipulations.

When contributions are received and the restrictions met within the same fiscal year, the amounts are reported as net assets without donor restriction.

AMERICAN CHILDHOOD CANCER ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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).

Income Tax Status

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, 2024. 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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

For financial statement purposes, the Organization classifies bank deposit accounts and certificates of deposit maturing within 90 days of year-end as cash and cash equivalents.

The Organization maintains cash and cash equivalents with commercial banks. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. As such, the failure of an underlying institution could result in financial loss to the Organization.

Restricted Cash

Restricted cash is held to comply with donor restrictions.

AMERICAN CHILDHOOD CANCER ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are stated at aggregate fair value. Publicly traded securities are valued at the last reported sales price on the last business day of the year. The difference between the total fair value at the beginning and end of the year, including investments bought and sold during the year, is included in the statements of activities and changes in other revenue. All purchases and sales of investments are recorded on a trade-date basis. Any unsettled transactions are recorded either as a receivable or a liability on the statements of financial position.

Financial assets and liabilities valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. For certain long-term debt, the fair value was based on present value techniques using inputs derived principally or corroborated from market data. Financial assets and liabilities using level 3 inputs were primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied.

Accounts Receivable

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 grants and other accounts 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, 2024.

Inventory

Inventory consists of item's provided to children with cancer, survivors, and their families. Inventory is stated at the lower of cost or fair market value.

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.

AMERICAN CHILDHOOD CANCER ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$84,442 that are not amortized due to an indeterminate useful life.

Leases

Accounting Standards Update 2016-02, Accounting for Leases (ASC 842) requires that all leases greater than twelve months be presented on the balance sheet. Lease liabilities and right-of-use (ROU) assets are presented on the balance sheet for operating leases with terms greater than twelve months.

The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating lease liabilities and right-of-use assets are recognized at the present value of the future lease payments, generally for the base noncancellable lease term, at the lease commencement date for each lease. The interest rate used to determine the present value of the future lease payments is the risk-free rate as neither the interest rate implicit in most of the Organization's leases nor the Organization's incremental borrowing rate are readily determinable. Lease right-of-use assets also include any prepaid lease payments and lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option.

AMERICAN CHILDHOOD CANCER ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition and Deferred Revenue

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 and changes in net assets 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.

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 substantially 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.

Contributions of services and other non-cash items are recorded at fair value as revenues and expenses based upon the requirements of FASB ASC 958. ACCO received pro bono legal service contributions for services performed, and online ad space, with approximate fair market values of \$6,000 and \$100,000, respectively, during the year ended December 31, 2024.

ACCO adopted ASC 606, Revenue from Contracts with Customers. The standard outlines a five-step model whereby revenue is recognized when 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 Organization satisfies a performance obligation

AMERICAN CHILDHOOD CANCER ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition and Deferred Revenue (Continued)

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.

Functional Expenses

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.

Advertising

Advertising costs are expensed as incurred.

Subsequent Events

ACCO has evaluated events through July 22, 2025, the date the financial statements were available to be issued, and determined that there were no subsequent events or transactions subsequent to December 31, 2024 that would require adjustment to or disclosure in the financial statements.

AMERICAN CHILDHOOD CANCER ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - INVESTMENTS

The following table presents the Organization’s fair value hierarchy for the above assets and liabilities measured at fair value on a recurring basis as of December 31, 2024:

| | Quoted Market Prices in Active Markets (Level 1) | Other Observable Inputs (Level 2) | Unobservable Inputs (Level 3) | Total |
|-------------------------|---|--|-------------------------------------|---------------------|
| Certificates of Deposit | \$ 376,508 | \$ - | \$ - | \$ 376,508 |
| U.S. Government Bonds | 53,277 | - | - | 53,277 |
| Mutual Funds | <u>940,060</u> | <u>-</u> | <u>-</u> | <u>940,060</u> |
| Total Investments | <u>\$ 1,369,845</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,369,845</u> |

Investments include cash of \$21,168 as of December 31, 2024.

NOTE 3 – LIQUIDITY

The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date:

| | |
|---|---------------------|
| Financial Assets, at Year-End: | |
| Cash and Cash Equivalents - Unrestricted | \$ 668,907 |
| Accounts Receivable | 137,995 |
| Investments | <u>1,391,013</u> |
| Total Financial Assets, at Year-End | 2,197,915 |
| Less: Net Assets with Donor Restrictions | <u>(693,117)</u> |
| Financial Assets to Meet Cash Needs for General Expenditures Within One Year | <u>\$ 1,504,798</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, 2025, ACCO expects to receive additional contributions which will be available to spend on general expenditures.

AMERICAN CHILDHOOD CANCER ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction are available for use for the following purposes as of December 31, 2024:

| | |
|-----------------|------------------------------|
| Research (GALA) | \$ 159,171 |
| Awareness | 513,946 |
| Info/Resources | <u>20,000</u> |
| Total | \$ <u><u>693,117</u></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, 2024:

| | |
|-----------------|------------------------------|
| Research (GALA) | \$ 115,075 |
| Awareness | 343,847 |
| Advocacy | <u>109,381</u> |
| Total | \$ <u><u>568,303</u></u> |

NOTE 5 – OPERATING LEASES

In April 2016, ACCO entered into an operating lease for office space in Beltsville, Maryland, which lease term began in June 2016. The lease expired May 31, 2021. In April 2021, the lease was amended and renewed for a lease term that expired on May 31, 2024. The lease contained annual rent increases of 2.5% each year over the previous year’s rate. ACCO was required to 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 which are also included in rent expenses. ACCO is responsible for all utilities.

In March 2024, ACCO entered into an operating lease for office space in Beltsville, Maryland. The lease term began in May 2024 and expires in June 2029. The lease contains annual rent increases of 3.0% each year.

Operating leases are included in right-of-use assets, current operating lease liabilities and noncurrent operating lease liabilities in the statement of financial position.

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NOTE 5 – OPERATING LEASES (CONTINUED)

Additional information about the Organization’s leases is as follows:

| | Year Ended <u>2024</u> |
|--|---------------------------|
| <u>Lease Costs (included in rent expenses):</u> | |
| Operating lease expense | \$ <u>59,504</u> |
| Total lease costs | \$ <u><u>59,504</u></u> |
| <u>Other Information</u> | |
| Cash paid for amounts included in the measurement of lease liabilities | |
| Operating cash flows from operating leases | \$ 49,519 |
| ROU assets obtained in exchange for new operating lease liabilities | \$ 262,208 |
| Weighted-average remaining lease term in years for operating leases | 4.50 |
| Weighted-average discount rate for operating leases | 4.63% |

Maturities of lease liabilities as of December 31:

| | Operating |
|-------------------------------|--------------------------|
| 2025 | \$ 56,624 |
| 2026 | 58,323 |
| 2027 | 60,072 |
| 2028 | 61,874 |
| 2029 | 31,553 |
| Thereafter | <u>-</u> |
| Total undiscounted cash flows | 268,446 |
| Less: present value discount | <u>(26,169)</u> |
| Total lease liabilities | \$ <u><u>242,277</u></u> |

The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less, which includes the leases for the Organization’s copier. Short-term lease expense represents the Organization’s costs with respect to leases with a duration of 12 months or less, is not reflected on the Organization’s statement of financial position, and is recognized in the period in which it is incurred.

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NOTE 6 – CONCENTRATIONS

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 SIPC insurable amount. The investments are subject to market fluctuations and risk of loss.

NOTE 7 – RETIREMENT PLAN

In June 2021, ACCO adopted a pooled employer 401(k) plan covering all employees. Employees that are at least age 21 are eligible after a three month period of service. Employee contributions to the plan cannot exceed 10% of the employee's total covered compensation and are fully discretionary. Employees are 100% vested in all contributions after 6 years of service. ACCO may make discretionary matching contributions to the plan. There were no discretionary matching contributions made by ACCO in 2024.