



**BLADDER CANCER ADVOCACY NETWORK, INC.**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**Years Ended December 31, 2021 and 2020**

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Financial Statements**

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## **INDEPENDENT AUDITORS' REPORT**

**Board of Directors**  
***Bladder Cancer Advocacy Network, Inc.***  
**Bethesda, Maryland**

### **Opinion**

We have audited the accompanying financial statements of ***Bladder Cancer Advocacy Network, Inc.*** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 ***Bladder Cancer Advocacy Network, Inc.*** as of December 31, 2021 and 2020 and 2021, 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.

### **Basis for Opinion**

We conducted our audits 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 ABC Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 ***Bladder Cancer Advocacy Network, Inc.'s*** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' 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 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.

**BLADDER CANCER ADVOCACY NETWORK, INC.**

**Independent Auditors' Report**

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**Auditors' Responsibilities for the Audit of the Financial Statements** (Continued)

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 **Bladder Cancer Advocacy Network, Inc.'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 **Bladder Cancer Advocacy Network, Inc.'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.

*DeLeon & Stang*

**DeLeon & Stang, CPAs and Advisors**

**Frederick, Maryland**

**April 12, 2022**

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Statements of Financial Position**  
**December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b><u>Current assets:</u></b>		
Cash and cash equivalents	\$ 4,549,691	\$ 3,273,232
Investments	4,568,262	4,103,777
Contributions receivable, current portion	74,959	707,351
Prepaid expenses and other current assets	<u>40,813</u>	<u>44,703</u>
Total current assets	<u>9,233,725</u>	<u>8,129,063</u>
<b><u>Noncurrent assets:</u></b>		
Contributions receivable, noncurrent portion, net	-	12,750
Property and equipment, net	42,479	39,976
Security deposit	<u>10,149</u>	<u>13,997</u>
Total noncurrent assets	<u>52,628</u>	<u>66,723</u>
<b>Total assets</b>	<b><u>\$ 9,286,353</u></b>	<b><u>\$ 8,195,786</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b><u>Current liabilities:</u></b>		
Accounts payable and accrued expenses	\$ 49,419	\$ 26,263
Grants payable	<u>300,000</u>	<u>150,000</u>
Total current liabilities	<u>349,419</u>	<u>176,263</u>
<b><u>Other liabilities:</u></b>		
Paycheck Protection Program loan payable	-	159,500
Deferred lease liability	<u>88,051</u>	<u>91,484</u>
Total other liabilities	<u>88,051</u>	<u>250,984</u>
Total liabilities	<u>437,470</u>	<u>427,247</u>
<b><u>Net assets:</u></b>		
Net assets without donor restrictions		
Undesignated	7,437,947	5,018,096
Board designated	<u>1,132,742</u>	<u>1,595,295</u>
	8,570,689	6,613,391
Net assets with donor restrictions		
Restricted by purpose or time	<u>278,194</u>	<u>1,155,148</u>
Total net assets	<u>8,848,883</u>	<u>7,768,539</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 9,286,353</u></b>	<b><u>\$ 8,195,786</u></b>

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Statements of Activities**  
**For the Years Ended December 31, 2021 and 2020**

	<b>2021</b>			<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and support:</b>						
Contributions	\$ 3,579,754	\$ 529,658	\$ 4,109,412	\$ 3,421,499	\$ 722,933	\$ 4,144,432
Grants	178,508	-	178,508	100,000	400,000	500,000
Conference income	20	-	20	111,940	-	111,940
Investment income	95,656	-	95,656	45,935	-	45,935
Other income	3,479	-	3,479	22,524	-	22,524
Net assets released from restrictions	<u>1,406,612</u>	<u>(1,406,612)</u>	<u>-</u>	<u>791,422</u>	<u>(791,422)</u>	<u>-</u>
Total revenue and support	<u>5,264,029</u>	<u>(876,954)</u>	<u>4,387,075</u>	<u>4,493,320</u>	<u>331,511</u>	<u>4,824,831</u>
<b>Expenses:</b>						
<u>Program services:</u>						
Research	1,118,674	-	1,118,674	720,575	-	720,575
Education and information	461,232	-	461,232	372,986	-	372,986
Think Tank	294,832	-	294,832	230,035	-	230,035
Other	<u>382,181</u>	<u>-</u>	<u>382,181</u>	<u>441,167</u>	<u>-</u>	<u>441,167</u>
Total program services	<u>2,256,919</u>	<u>-</u>	<u>2,256,919</u>	<u>1,764,763</u>	<u>-</u>	<u>1,764,763</u>
<u>Supporting services:</u>						
Management and general	771,308	-	771,308	613,235	-	613,235
Fundraising	<u>278,504</u>	<u>-</u>	<u>278,504</u>	<u>219,126</u>	<u>-</u>	<u>219,126</u>
Total supporting services	<u>1,049,812</u>	<u>-</u>	<u>1,049,812</u>	<u>832,361</u>	<u>-</u>	<u>832,361</u>
Total expenses	<u>3,306,731</u>	<u>-</u>	<u>3,306,731</u>	<u>2,597,124</u>	<u>-</u>	<u>2,597,124</u>
<b>Change in net assets</b>	1,957,298	(876,954)	1,080,344	1,896,196	331,511	2,227,707
<b>Net assets, beginning of year</b>	<u>6,613,391</u>	<u>1,155,148</u>	<u>7,768,539</u>	<u>4,717,195</u>	<u>823,637</u>	<u>5,540,832</u>
<b>Net assets, end of year</b>	<u>\$ 8,570,689</u>	<u>\$ 278,194</u>	<u>\$ 8,848,883</u>	<u>\$ 6,613,391</u>	<u>\$ 1,155,148</u>	<u>\$ 7,768,539</u>

See Accompanying Notes to Financial Statements

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2021**

	<b>Program services</b>					<b>Supporting services</b>		
	<b>Research</b>	<b>education and Information</b>	<b>Think Tank</b>	<b>Other</b>	<b>Total</b>	<b>management and General</b>	<b>Fundraising</b>	<b>Total</b>
Personnel costs:								
Salaries	\$ 46,299	\$ 168,452	\$ 191,400	\$ 261,363	\$ 667,514	\$ 182,841	\$ 172,194	\$ 1,022,549
Employee benefits	3,910	14,227	16,165	22,074	56,376	15,444	14,544	86,364
Payroll taxes	<u>3,472</u>	<u>12,634</u>	<u>14,355</u>	<u>19,602</u>	<u>50,063</u>	<u>13,713</u>	<u>12,915</u>	<u>76,691</u>
Total personnel costs	53,681	195,313	221,920	303,039	773,953	211,998	199,653	1,185,604
Grant expense	1,019,785	-	155	-	1,019,940	-	-	1,019,940
Occupancy expense	5,728	20,839	23,678	32,334	82,579	22,620	21,302	126,501
IT support and online fees	10,333	3,375	30,219	534	44,461	126,129	20,519	191,109
Consultants	24,740	220	2,776	24,140	51,876	151,247	6,126	209,249
Marketing and promotion	-	696	5,232	1,452	7,380	46,631	2,494	56,505
Printing and copying	-	8,938	1,415	2,229	12,582	25,945	16,141	54,668
Accounting fees	-	-	-	-	-	41,935	-	41,935
Travel	4,258	150	407	49	4,864	3,827	-	8,691
Meetings and conferences	-	1,619	2,500	-	4,119	5	-	4,124
Postage and shipping	-	10,009	6,054	6,817	22,880	32,541	766	56,187
Telephone and communications	149	842	-	-	991	56,224	-	57,215
Office supplies	-	33	-	-	33	13,183	-	13,216
Miscellaneous expense	-	-	318	-	318	2,898	-	3,216
State registrations	-	-	-	-	-	1,146	9,266	10,412
Equipment rental and maintenance	-	-	-	-	-	2,332	-	2,332
Merchandise	-	9,046	-	9,435	18,481	3,850	-	22,331
Dues and membership	-	64	-	-	64	5,819	2,237	8,120
Media production/services	-	210,088	158	379	210,625	4,489	-	215,114
Insurance	-	-	-	-	-	4,965	-	4,965
Professional development	-	-	-	-	-	470	-	470
Depreciation	-	-	-	-	-	9,836	-	9,836
Permits and fees	-	-	-	1,773	1,773	1,036	-	2,809
Volunteer recognition	-	-	-	-	-	-	-	-
Board expense	-	-	-	-	-	2,182	-	2,182
PCORI awards	-	-	-	-	-	-	-	-
<b>Total</b>	<b><u>\$ 1,118,674</u></b>	<b><u>\$ 461,232</u></b>	<b><u>\$ 294,832</u></b>	<b><u>\$ 382,181</u></b>	<b><u>\$ 2,256,919</u></b>	<b><u>\$ 771,308</u></b>	<b><u>\$ 278,504</u></b>	<b><u>\$ 3,306,731</u></b>

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2020**

	<b>Program services</b>					<b>Supporting services</b>		
	<b>Research</b>	<b>education and Information</b>	<b>Think Tank</b>	<b>Other</b>	<b>Total</b>	<b>management and General</b>	<b>Fundraising</b>	<b>Total</b>
Personnel costs:								
Salaries	\$ 41,537	\$ 151,127	\$ 171,715	\$ 234,483	\$ 598,862	\$ 164,036	\$ 154,484	\$ 917,382
Employee benefits	3,591	13,066	14,846	20,273	51,776	14,184	13,357	79,317
Payroll taxes	3,045	11,079	12,588	17,189	43,901	12,025	11,325	67,251
Total personnel costs	48,173	175,272	199,149	271,945	694,539	190,245	179,166	1,063,950
Grant expense	655,742	96,300	-	-	752,042	-	-	752,042
Occupancy expense	6,480	23,578	26,790	36,582	93,430	25,592	24,101	143,123
IT support and online fees	10,000	5,713	900	20,847	37,460	91,972	3,205	132,637
Consultants	-	11,257	-	33,915	45,172	78,376	-	123,548
Marketing and promotion	-	7,765	-	33,253	41,018	55,126	132	96,276
Printing and copying	-	15,694	-	15,403	31,097	20,806	-	51,903
Accounting fees	-	-	-	-	-	36,699	-	36,699
Travel	-	2,923	-	5,766	8,689	21,586	11	30,286
Meetings and conferences	-	14,277	-	9,286	23,563	-	-	23,563
Postage and shipping	-	2,775	1,411	857	5,043	17,225	-	22,268
Telephone and communications	-	-	-	-	-	17,594	-	17,594
Office supplies	-	26	-	194	220	16,545	-	16,765
Miscellaneous expense	-	8,560	-	2,575	11,135	5,345	-	16,480
State registrations	-	-	-	-	-	896	10,773	11,669
Equipment rental and maintenance	-	-	-	-	-	9,246	-	9,246
Merchandise	-	880	1,420	3,775	6,075	2,186	-	8,261
Dues and membership	-	-	-	3,250	3,250	3,119	1,738	8,107
Media production/services	-	7,248	365	438	8,051	-	-	8,051
Insurance	-	-	-	-	-	6,844	-	6,844
Professional development	-	-	-	-	-	6,549	-	6,549
Depreciation	-	-	-	-	-	6,180	-	6,180
Permits and fees	-	-	-	3,081	3,081	820	-	3,901
Volunteer recognition	-	718	-	-	718	-	-	718
Board expense	-	-	-	-	-	284	-	284
PCORI awards	180	-	-	-	180	-	-	180
<b>Total</b>	<b>\$ 720,575</b>	<b>\$ 372,986</b>	<b>\$ 230,035</b>	<b>\$ 441,167</b>	<b>\$ 1,764,763</b>	<b>\$ 613,235</b>	<b>\$ 219,126</b>	<b>\$ 2,597,124</b>

See Accompanying Notes to Financial Statements



**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b><u>Cash Flows From Operating Activities:</u></b>		
Change in net assets	\$ 1,080,344	\$ 2,227,707
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,836	6,180
Forgiveness of PPP loan	(143,364)	-
Unrealized gains on investments	(78,128)	(23,537)
Change in operating assets and liabilities:		
Contributions receivable	645,142	(632,827)
Prepaid expenses and other current assets	3,890	(1,048)
Security deposit	3,848	-
Accounts payable and accrued expenses	23,156	(10,787)
Grants payable	150,000	-
Deferred lease liability	(3,433)	88,902
Net cash provided by operating activities	1,691,291	1,654,590
<b><u>Cash Flows From Investing Activities:</u></b>		
Purchases of investments	(389,865)	-
Proceeds from the sales of investments	3,508	173,881
Purchases of property and equipment	(12,339)	(2,880)
Net cash provided by (used in) investing activities	(398,696)	171,001
<b><u>Cash Flows From Financing Activities:</u></b>		
Proceeds from (payments on) Paycheck Protection Program loan	(16,136)	159,500
Net cash provided by (used in) financing activities	(16,136)	159,500
<b>Net increase in cash and cash equivalents</b>	1,276,459	1,985,091
<b>Cash and cash equivalents at, beginning of year</b>	3,273,232	1,288,141
<b>Cash and cash equivalents at, end of year</b>	\$ 4,549,691	\$ 3,273,232

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

**NOTE 1**      **ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

The Bladder Cancer Advocacy Network, Inc. (BCAN) is a not-for-profit corporation that was established in 2005 as the first national patient-based advocacy organization for bladder cancer. BCAN serves as the leading voice for bladder cancer in the United States by providing resources to not only those diagnosed with the disease but also their families, caregivers and the medical community united in support of people affected by the disease. The organization is setting the agenda for bladder cancer by promoting and funding collaborative and cutting-edge research programs and providing critical patient support and education services. Each year, it provides thousands of patients, caregivers, and the medical community with the educational resources and support services they need to navigate their bladder cancer journey. BCAN works collaboratively with the medical and research professionals who are dedicated to the prevention, diagnosis, and treatment of bladder cancer and empowers the patient community by allowing them to share their experiences with others and to participate in building awareness of the need for a cure.

Significant Program Services

A summary of BCAN's significant programs follows:

*Research*

BCAN works to advance bladder cancer research. Recognizing the overwhelming need for research funding, BCAN has engaged a new generation of researchers with the Young Investigator Research Awards, and in 2021 granted five awards. In addition, BCAN supports exceptionally novel and creative projects with great potential to produce breakthroughs in the management of bladder cancer through its Bladder Cancer Research Innovation Award, a \$300,000 grant awarded over two-years. Two Research Innovation awards were granted in 2021.

*Education and Information*

BCAN hosts a variety of educational programs and publishes printed materials to educate those coping with a bladder cancer diagnosis. BCAN's comprehensive patient handbook, "Bladder Cancer Basics for the Newly Diagnosed," has been provided to thousands of survivors, caregivers, urology practices, and cancer centers across the United States. The Patient Insight Webinar Series is an interactive program that addresses a variety of issues. The webinars feature top experts in their field and address patient concerns in an easy format. The Survivor 2 Survivor program connects newly diagnosed patients with survivors with a similar diagnosis.

*Think Tank*

The Bladder Cancer Think Tank (Think Tank) is the premier scientific medical symposium dedicated solely to bladder cancer. Through collaboration, urologists, oncologists, scientists, and researchers are pioneering new treatment protocols, investigating genetic expressions, and improving access to quality care for those living with the disease. The 2021 Think Tank was held virtually due to the global pandemic.

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Notes to the Financial Statements** (Continued)  
**December 31, 2021 and 2020**

**NOTE 1**      **ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Other Program Services

Other program services include the following:

*Walk to End Bladder Cancer*

The Walk to End Bladder Cancer is BCAN's signature awareness event and primarily takes place in May. The Walks unite bladder cancer survivors, loved ones, and the medical community to promote recognition and understanding of the disease. In 2021, BCAN had 1,443 virtual participants from 714 cities in 47 states (including D.C. and Puerto Rico) and 11 countries. BCAN's social media reach was 3.1 million people.

*Advocacy*

As the voice for the patient community, BCAN participates in coalitions and works with other membership groups to weigh in on policy issues that directly impact those living with bladder cancer. BCAN provides the bladder cancer community with the opportunity to build connections, identify bladder cancer state and national legislative issues of importance, and learn best practices for raising awareness of bladder cancer within communities.

*Patient and Volunteer Support*

BCAN is a grassroots organization and volunteers are an important part of patient outreach. BCAN continues to expand its volunteer programs which were formalized in 2014.

- *Survivor 2 Survivor* matches newly diagnosed patients with other survivors who have had a similar experience. Through these personal connections, newly diagnosed patients learn more about living with bladder cancer and treatment options.

Accounting Method

BCAN uses the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

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. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, BCAN considers all highly liquid investment instruments purchased with an original maturity of three months or less to be cash equivalents.

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Notes to the Financial Statements** (Continued)  
**December 31, 2021 and 2020**

**NOTE 1**      **ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Investments

Investments consist primarily of money market funds, time deposits and exchange traded funds. These investments with readily determinable fair values are reflected at their fair market value based on quoted market prices. To adjust the carrying amount of these investments, the difference between cost and fair market value is charged or credited to operations and reflected in the statements of activities. Dividends and interest are reflected as income when earned.

Fair Value Measurements

BCAN complies with Financial Accounting Standards Codification topic, *Fair Value Measurements*. The statement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest prior to unobservable inputs (level 3 measurement).

Contributions Receivable

Contributions receivable are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon review of outstanding receivables, historical collection information and existing economic conditions. Receivables deemed uncollectible are charged off based on specific circumstances of the parties involved. At December 31, 2021 and 2020, management feels the amount in contributions receivable is fully collectible.

Property and Equipment

Acquisitions of property and equipment in excess of \$1,000 are capitalized and are carried at cost. Depreciation is computed using the straight-line method over an estimated life of three years. Repairs and maintenance fees are charged to expense when incurred.

Description of Net Assets

Net assets are classified based on existence or absence of donor-imposed restrictions as follows:

*Net Assets Without Donor Restrictions* are currently available for operating purposes under the direction of management and the board of directors or designated by the board for specific use.

*Net Assets With Donor Restrictions* are stipulated by donors for specific operating purposes or for the acquisition of property and equipment or are time restricted. These include donor restrictions requiring the net assets to be held in perpetuity or for a specific term with investment return specified for a specific purpose. Net assets with donor restrictions totaled \$278,194 and \$1,155,148 at December 31, 2021 and 2020, respectively.

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Notes to the Financial Statements** (Continued)  
**December 31, 2021 and 2020**

**NOTE 1**      **ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Revenue Recognition

BCAN recognizes contributions when cash, securities, or other assets; unconditional promise to give; or notification of a beneficial interest are 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.

Grants and contributions received that are designated for future periods or that are restricted by the donor for specific purposes, if any, are reported as support with donor restrictions and as an increase to net assets with donor restrictions. All other amounts received are reported as support without donor restrictions and as an increase to net assets without donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions on the statement of activities.

Conference income is recognized at the time of the conference, which is when the performance obligation is satisfied.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized in the accompanying statements of functional expenses. Costs which cannot be specifically identified with a particular function and which benefit more than one functional category are allocated to the different functional areas based on an allocation of salaries. Management believes that this method accurately reflects the cost of administering BCAN's programs.

Tax Exempt Status

BCAN is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to BCAN's tax-exempt purpose is subject to taxation as unrelated business income. For the years ended December 31, 2021 and 2020, there was no unrelated business income.

Accounting for Uncertain Tax Provisions

In general, when tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority.

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Notes to the Financial Statements** (Continued)  
**December 31, 2021 and 2020**

**NOTE 1**      **ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Accounting for Uncertain Tax Provisions (Continued)

The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheets, along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

BCAN has determined that no such liabilities were required at December 31, 2021 and 2020. At December 31, 2021, tax years 2018 through 2020 remain subject to examination by federal and state taxing jurisdictions. BCAN has not been contacted by any tax authority regarding any tax issue.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*. This standard requires that the rights and obligations of new and existing lease arrangements with terms of more than 12 months be recognized as assets and liabilities in the statement of financial position. The standard will also require disclosures to better inform financial statements users of the amount, timing, and uncertainty of cash flows arising from leases. This update is effective for BCAN beginning in January 2022. BCAN will be required to record a "right of use" asset and a lease liability payable for current operating leases and is currently evaluating the impact of this adoption, including the use of practical expedients provided in the guidance.

**NOTE 2**      **RISKS AND UNCERTAINTIES**

Concentration of Credit Risk

Financial instruments which potentially subject BCAN to concentrations of credit risk include cash deposits with commercial banks. BCAN's cash management policies limit its exposure to concentrations of credit risk by maintaining cash accounts at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Cash deposits may, however, exceed the FDIC insurable limits at times throughout the year. Management does not consider this a significant concentration of credit risk.

Global Pandemic

Subsequent to year end, U.S. and global business and financial markets continue to be severely impacted by the COVID-19 pandemic. The potential long-term impact on BCAN's investments, revenue, expenses, and cash flows cannot be determined at this time.

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**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Notes to the Financial Statements (Continued)**  
**December 31, 2021 and 2020**

**NOTE 3      INVESTMENTS**

The three levels of the fair value hierarchy are described as follows:

- Level 1*      Observable inputs such as quoted prices in active markets for identical assets or liabilities;
- Level 2*      Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3*      Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

BCAN's investments consist of money market funds, certificates of deposit, and exchange traded funds. The following is a description of the valuation methodologies used for exchange traded funds and their classification in the valuation hierarchy:

*Exchange traded funds* – Valued at last sales price or if there was no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified within level 1 of the valuation hierarchy.

The following tables set forth by level within the fair value hierarchy are BCAN's investments at fair value as of December 31, 2021 and 2020:

<b>2021</b>			
<b>Level 1</b>			
	<b>Cost Basis</b>	<b>Unrealized Gain</b>	<b>Fair Value</b>
Money market and certificates of deposit	\$ 3,475,954	\$ -	\$ 3,475,954
Exchange traded funds	<u>1,014,180</u>	<u>78,128</u>	<u>1,092,308</u>
	<u>\$ 4,490,134</u>	<u>\$ 78,128</u>	<u>\$ 4,568,262</u>
<b>2020</b>			
<b>Level 1</b>			
	<b>Cost Basis</b>	<b>Unrealized Gain</b>	<b>Fair Value</b>
Money market and certificates of deposit	<u>\$ 4,080,240</u>	<u>\$ 23,537</u>	<u>\$ 4,103,777</u>

Investment income for the years ended December 31, 2021 and 2020 was comprised of the following:

	<b>2021</b>	<b>2020</b>
Interest and dividends	\$ 17,528	\$ 22,398
Unrealized gain	<u>78,128</u>	<u>23,537</u>
	<u>\$ 95,656</u>	<u>\$ 45,935</u>

**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Notes to the Financial Statements** (Continued)  
**December 31, 2021 and 2020**

**NOTE 4**      **CONTRIBUTIONS RECEIVABLE**

Contributions receivable consist of amounts due to BCAN that have not been collected as of year-end. Contributions receivable are due as of December 31, 2021 and 2020 as follows:

	<u>2021</u>	<u>2020</u>
Unconditional contributions receivable	\$ 74,959	\$ 722,106
Less: unamortized discount	-	(2,005)
Net unconditional promises to give	<u>\$ 74,959</u>	<u>\$ 720,101</u>
	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 74,959	\$ 707,351
Receivable in one to five years	-	12,750
Total contributions receivable, net	<u>\$ 74,959</u>	<u>\$ 720,101</u>

As of December 31, 2021 and 2020, management believes these contributions to be fully collectible, and accordingly no reserve has been established.

**NOTE 5**      **PROPERTY AND EQUIPMENT**

BCAN holds the following property and equipment as of December 31,:

	<u>2021</u>	<u>2020</u>
Computer equipment and software	\$ 31,873	\$ 19,534
Furniture and equipment	57,089	57,089
Total property and equipment	88,962	76,623
Less: accumulated depreciation	(46,483)	(36,647)
Property and equipment, net	<u>\$ 42,479</u>	<u>\$ 39,976</u>

Depreciation expense totaled \$9,836 and \$6,180 for the years ended December 31, 2021 and 2020, respectively.

**NOTE 6**      **PAYCHECK PROTECTION PROGRAM LOAN PAYABLE**

During April 2020, BCAN entered into a loan agreement with Capital One Bank, N.A. in the amount of \$159,500 under the Paycheck Protection Program (PPP), which was established as a part of the Coronavirus aid, Relief, and Economic Security (CARES) Act.

Under the terms of the PPP, all or a portion of the loan, including accrued interest may be forgiven if they are used for qualifying expenses, as described in the CARES Act, such as payroll, benefits, rent, and utilities, and if BCAN maintains its payroll levels.

In February 2021, the SBA partially forgave BCAN's PPP loan in the amount of \$143,364 resulting in a remaining outstanding balance of \$16,136, which was paid during 2021.



**BLADDER CANCER ADVOCACY NETWORK, INC.**

**Notes to the Financial Statements (Continued)**

**December 31, 2021 and 2020**

**NOTE 7      COMMITMENTS**

BCAN entered into a lease agreement for office space in Bethesda, Maryland for a 63-month term beginning on January 1, 2012, with the first three months of rent abated. The lease requires base monthly payments of \$3,848 with a 4% increase annually and BCAN’s share of operating expenses and real estate taxes. On April 6, 2015, BCAN signed an addendum to the lease for additional space, extending the lease term an additional five years from the date of the addendum.

On July 29, 2019, BCAN reached an agreement for a new lease space at 4520 East West Highway in Bethesda, Maryland for a term of 93 months. BCAN moved in January 2020. Base monthly rent under the new lease is \$10,149 with a 2.75% increase annually and BCAN’s share of operating expenses and real estate taxes. The first nine months of rent were abated.

In accordance with accounting principles generally accepted in the United States of America (GAAP), all rental payments are recognized on a straight-line basis over the term of the lease. Deferred lease liability in the amounts of \$88,051 and \$91,484 as of December 31, 2021 and 2020, respectively, are included in the accompanying statements of financial position. For the years ended December 31, 2021 and 2018, occupancy expense totaled \$126,501 and \$143,123, respectively.

At December 31, 2021, the future minimum base lease obligations are as follows:

<u>Year Ending December 31,</u>	
2022	\$ 128,520
2023	132,036
2024	135,660
2025	139,380
2026 and thereafter	<u>253,557</u>
	<u>\$ 789,153</u>

**NOTE 8      BOARD DESIGNATED NET ASSETS**

As of December 31, 2021 and 2020, the Board had designated net assets without donor restrictions as follows:

	<u>2021</u>	<u>2020</u>
General reserves	\$ 1,100,000	\$ 1,100,000
Research	<u>32,742</u>	<u>495,295</u>
	<u>\$ 1,132,742</u>	<u>\$ 1,595,295</u>

These designated amounts cannot be used for operations unless the Board of Directors approves such action.

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**BLADDER CANCER ADVOCACY NETWORK, INC.**  
**Notes to the Financial Statements (Continued)**  
**December 31, 2021 and 2020**

**NOTE 9**      **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of December 31, 2021 and 2020 were comprised of the following time and purpose restricted categories:

	<u>2020</u>	<u>Additions</u>	<u>Releases</u>	<u>2021</u>
<u>Purpose restricted:</u>				
Cancer Research				
Challenge Grant	\$ 272,713	\$ 364,971	\$ (527,151)	\$ 110,533
PCORI	946	164,630	(131,751)	33,825
Bladder Cancer Genomic				
Collaboration	171,489	57	(37,710)	133,836
<u>Time restricted:</u>				
2022 program				
contributions	710,000	-	(710,000)	-
	<u>\$ 1,155,148</u>	<u>\$ 529,658</u>	<u>\$ (1,406,612)</u>	<u>\$ 278,194</u>

**NOTE 10**      **LIQUIDITY AND FUNDS AVAILABLE**

The following table reflects BCAN's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general expenditure within one year, if any. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, assets held for others, endowments and accumulated earnings net of appropriations within one year, and board designated endowments. These board designations could be drawn upon if the board approves that action.

Financial assets available to meet cash needs for general expenditures within one year as of December 31,:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 4,549,691	\$ 3,273,232
Investments	4,568,262	4,103,777
Contributions receivable, current portion	<u>74,959</u>	<u>707,351</u>
Financial assets available to meet cash needs		
for general expenditure within one year:	<u>\$ 9,192,912</u>	<u>\$ 8,084,360</u>

BCAN has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition to these available financial assets, BCAN operates with a balanced budget and it is expected that a significant portion of annual expenditures not covered by donor-restricted resources will be funded by current year collections of contributions and grants.

**NOTE 11**      **SUBSEQUENT EVENTS**

All subsequent events have been evaluated through April 12, 2022, which is the date the financial statements were available to be issued. There were no subsequent events identified requiring disclosure or recognition in the financial statements.