

FINANCIAL STATEMENTS



FOR THE YEAR ENDED DECEMBER 31, 2023

BLADDER CANCER ADVOCACY NETWORK, INC.

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the Bladder Cancer Advocacy Network, Inc. (BCAN), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and change 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 BCAN as of December 31, 2023, and the change 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 BCAN 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 BCAN's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • WWW.GRFCPA.COM

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

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 BCAN'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 BCAN'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.



June 12, 2024

BLADDER CANCER ADVOCACY NETWORK, INC.

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 3,701,660
Investments	10,011,578
Contributions receivable	78,902
Prepaid expenses	<u>24,709</u>
Total current assets	<u>13,816,849</u>

PROPERTY AND EQUIPMENT

Equipment	57,089
Computer equipment	<u>43,120</u>
	100,209
Less: Accumulated depreciation	<u>(78,069)</u>
Net property and equipment	<u>22,140</u>

NONCURRENT ASSETS

Right-of-use asset, net	440,377
Contribution receivables, net	228,950
Security deposit	<u>10,149</u>
Total noncurrent assets	<u>679,476</u>

TOTAL ASSETS **\$ 14,518,465**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 70,762
Operating lease liability	127,925
Grants payable	<u>443,960</u>
Total current liabilities	<u>642,647</u>

NONCURRENT LIABILITIES

Operating lease liability, net of current portion	<u>383,811</u>
Total liabilities	<u>1,026,458</u>

NET ASSETS

Without donor restrictions:	
Undesignated	8,607,283
Board designated	<u>1,300,000</u>
Total net assets without donor restrictions	9,907,283
With donor restrictions	<u>3,584,724</u>
Total net assets	<u>13,492,007</u>

TOTAL LIABILITIES AND NET ASSETS **\$ 14,518,465**

BLADDER CANCER ADVOCACY NETWORK, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 3,458,330	\$ 1,568,180	\$ 5,026,510
Investment return, net	893,069	-	893,069
Grants	17,000	100,000	117,000
Contributed nonfinancial assets	109,946	-	109,946
Conference	52,825	-	52,825
Other revenue	2,347	-	2,347
Net assets released from donor restrictions	<u>1,179,096</u>	<u>(1,179,096)</u>	<u>-</u>
Total support and revenue	<u>5,712,613</u>	<u>489,084</u>	<u>6,201,697</u>
EXPENSES			
Program Services:			
Research	2,126,874	-	2,126,874
Education and Information	793,311	-	793,311
Think Tank	796,099	-	796,099
Other Programs	<u>617,709</u>	<u>-</u>	<u>617,709</u>
Total program services	<u>4,333,993</u>	<u>-</u>	<u>4,333,993</u>
Supporting Services:			
Management and General	1,292,794	-	1,292,794
Fundraising	<u>364,886</u>	<u>-</u>	<u>364,886</u>
Total supporting services	<u>1,657,680</u>	<u>-</u>	<u>1,657,680</u>
Total expenses	<u>5,991,673</u>	<u>-</u>	<u>5,991,673</u>
Change in net assets	(279,060)	489,084	210,024
Net assets at beginning of year	<u>10,186,343</u>	<u>3,095,640</u>	<u>13,281,983</u>
NET ASSETS AT END OF YEAR	<u>\$ 9,907,283</u>	<u>\$ 3,584,724</u>	<u>\$ 13,492,007</u>

BLADDER CANCER ADVOCACY NETWORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services				Supporting Services				Total Expenses
	Research	Education and Information	Think Tank	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Grant expense	\$ 2,031,072	\$ -	\$ -	\$ -	\$ 2,031,072	\$ -	\$ -	\$ -	\$ 2,031,072
Personnel costs	79,102	287,802	327,010	446,543	1,140,457	312,389	294,198	606,587	1,747,044
Consultants	7,500	155,328	1,100	4,751	168,679	354,891	-	354,891	523,570
Meetings and conferences	-	119,181	395,721	-	514,902	5,497	480	5,977	520,879
Marketing and promotion	-	60,519	1,570	16,403	78,492	154,887	14,588	169,475	247,967
Travel	-	63,055	39,921	43,878	146,854	31,235	2,693	33,928	180,782
IT support and online fees	3,678	16,011	795	18,948	39,432	104,105	19,670	123,775	163,207
Occupancy expense	5,522	20,093	22,830	31,176	79,621	21,810	20,540	42,350	121,971
Printing and copying	-	34,837	3,165	13,778	51,780	42,612	9,805	52,417	104,197
Postage and shipping	-	8,598	28	2,540	11,166	44,364	1,242	45,606	56,772
Accounting and audit fees	-	-	-	-	-	55,968	-	55,968	55,968
Professional development	-	-	-	-	-	34,583	-	34,583	34,583
Miscellaneous expense	-	13,764	1,807	8,089	23,660	8,000	772	8,772	32,432
Permits and fees	-	-	-	18,119	18,119	848	-	848	18,967
Depreciation	-	-	-	-	-	18,697	-	18,697	18,697
Media production/services	-	-	-	525	525	15,920	-	15,920	16,445
Telephone and communications	-	500	-	450	950	15,113	-	15,113	16,063
Insurance	-	-	-	-	-	15,177	-	15,177	15,177
Board expense	-	-	-	-	-	15,014	-	15,014	15,014
Merchandise	-	1,828	1,451	9,245	12,524	2,336	-	2,336	14,860
Dues and membership	-	2,485	-	700	3,185	11,486	-	11,486	14,671
Office supplies	-	1,709	701	335	2,745	11,300	-	11,300	14,045
Volunteer recognition	-	7,601	-	581	8,182	5,526	-	5,526	13,708
State registrations	-	-	-	-	-	9,536	898	10,434	10,434
Equipment rental and maintenance	-	-	-	1,648	1,648	1,500	-	1,500	3,148
TOTAL	\$ 2,126,874	\$ 793,311	\$ 796,099	\$ 617,709	\$ 4,333,993	\$ 1,292,794	\$ 364,886	\$ 1,657,680	\$ 5,991,673

See accompanying notes to financial statements.

BLADDER CANCER ADVOCACY NETWORK, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 210,024
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	18,697
Realized and unrealized gain on investments	(641,755)
Amortization of right-of-use asset	112,009
Discount on long-term receivables	21,050
Receipt of contributed securities	(36,087)
Proceeds from the sale of contributed securities	5,248
Decrease in:	
Contributions receivable	563,133
Prepaid expenses	27,578
(Decrease) increase in:	
Accounts payable and accrued liabilities	(70,937)
Grants payable	143,960
Operating lease liability	<u>(122,112)</u>
Net cash provided by operating activities	<u>230,808</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment	(3,936)
Purchase of investments	(1,368,212)
Proceeds from sale of investments	<u>2,971,487</u>
Net cash provided by investing activities	<u>1,599,339</u>
Net increase in cash and cash equivalents	1,830,147
Cash and cash equivalents at beginning of year	<u>1,871,513</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,701,660</u>

BLADDER CANCER ADVOCACY NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Bladder Cancer Advocacy Network, Inc. (BCAN) is a nonprofit 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.

BCAN 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 -

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 2023 granted four 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 2023. A new three-year Career Development Award totaling \$250,000, initiated in 2022 and continued in 2023 supports research that translates new concepts into clinical practice.

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. BCAN began offering two regional Bladder Cancer Summits for Patients and Families to build and strengthen communities across the country.

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 2023 Think Tank was held in Washington, D.C.

BLADDER CANCER ADVOCACY NETWORK, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Significant Program Services (continued) -

Other Programs

Included in Other Programs is 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 2023, BCAN had over 2,500 participants register to walk across the United States excluding the participants BCAN hosted virtually.

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. A 2023 Hill Day brought 30 patient advocates to Washington to advocate for research funding and telemedicine.

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.

- The Bladder Cancer Call Center began in 2023 in collaboration with the oncology social workers from CancerCare.
- BCAN's Female Focus online support group began meeting monthly in 2023.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.

BLADDER CANCER ADVOCACY NETWORK, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Basis of presentation (continued) -

- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

New accounting pronouncement adopted -

Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by BCAN that are subject to the guidance in FASB ASC 326 are trade accounts receivable. BCAN implemented the ASU on January 1, 2023, using a modified retrospective approach. The new standard did not have a material impact on the accompanying financial statements.

Cash and cash equivalents -

BCAN considers all highly liquid investments with maturities of three months or less, which are not part of the investment portfolio, to be cash and cash equivalents. Money market funds held by investment managers totaled \$1,756,029 as of December 31, 2023. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, BCAN maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return which is presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Change in Net Assets. Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. BCAN's policy is to liquidate all gifts of investments as soon as possible after the gift.

Contributions receivable -

Contributions receivable include unconditional promises to give that are expected to be collected in future years. Contributions receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on long-term contributions receivable is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in contributions.

BLADDER CANCER ADVOCACY NETWORK, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Property and equipment -

Property and equipment in excess of \$1,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to seven years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense totaled \$18,697 for the year ended December 31, 2023.

Income taxes -

BCAN is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. BCAN is not a private foundation.

Support and revenue -

BCAN receives contributions and grants from individuals, corporations and foundations. Contributions are recognized in the appropriate category of net assets in the period received. BCAN performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, BCAN had no refundable advances as of December 31, 2023.

In addition, BCAN may obtain funding source agreements related to conditional contributions, which will be received in future years. However, BCAN had no conditional contributions to be received in futures years as of December 31, 2023.

Revenue from contracts with customers -

BCAN's conference revenue is the most significant revenue stream that is treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. BCAN has elected to opt out of all disclosures not required for nonpublic entities. Transaction price is based on cost and/or sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue.

BLADDER CANCER ADVOCACY NETWORK, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Revenue from contracts with customers (continued) -

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

Contributed nonfinancial assets -

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted of contributed advertising. Contributed advertising is valued based on the number of ads used by BCAN multiplied by the standard market price for the ads.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing BCAN's programs and supporting services have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefited more than one functional area, such as personnel costs, were allocated based on estimated time and effort.

Risks and uncertainties -

BCAN invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Presentation of single year financial statements -

BCAN has elected to present single year financial statements due to changes in presentation of certain disclosures for the year ended December 31, 2023.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, BCAN 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.

BLADDER CANCER ADVOCACY NETWORK, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market BCAN has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended December 31, 2023. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Exchange Traded Funds* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Certificates of Deposit* - Generally valued at original cost plus accrued interest, which approximates fair value.
- *U.S. Government Securities* - Valued at the closing price reported in the active market in which the individual securities are traded.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2023.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	Total December 31, 2023
Investments:				
Money market funds	\$ 74,968	\$ -	\$ -	\$ 74,968
Exchange traded funds	2,298,703	-	-	2,298,703
Certificates of deposit	-	976,988	-	976,988
U.S. Government securities	<u>6,660,919</u>	<u>-</u>	<u>-</u>	<u>6,660,919</u>
TOTAL INVESTMENTS	<u>\$ 9,034,590</u>	<u>\$ 976,988</u>	<u>\$ -</u>	<u>\$ 10,011,578</u>

Net investment return consisted of the following for the year ended December 31, 2023:

Interest and dividends	\$ 251,314
Realized and unrealized gain	<u>641,755</u>
NET INVESTMENT INCOME	<u>\$ 893,069</u>

BLADDER CANCER ADVOCACY NETWORK, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

3. CONTRIBUTIONS RECEIVABLE

BCAN has received written promises to give from various donors totaling \$328,902 as of December 31, 2023. Contributions receivable that are due in more than one year have been recorded at the net present value of their estimated future cash flows using discount rate 4.21%.

Contributions receivable are expected to be collected as follows as of December 31, 2023

Less than one year	\$ 78,902
One to five years	<u>250,000</u>
Total	328,902
Less: Provision to discount balance to present value	<u>(21,050)</u>
CONTRIBUTIONS RECEIVABLE, NET	<u>\$ 307,852</u>

4. BOARD DESIGNATED NET ASSETS

BCAN's net assets without donor restrictions include certain amounts that have been designated by the Board of Directors. Board designated net assets included the following as of December 31, 2023:

General Reserves	<u>\$ 1,300,000</u>
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5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of December 31, 2023:

Subject to expenditure for specified purpose:	
Research - TCTA	\$ 2,199,428
Special Projects	366,850
Research - Outsourced	68,825
Research - Bladder Cancer Genomic Collaboration	<u>56,121</u>
Subtotal	2,691,224
Subject to passage of time	<u>893,500</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 3,584,724</u>

The following net assets with donor restrictions were released from donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the year ended December 31, 2023:

Purpose restrictions accomplished:	
Research	\$ 244,696
Research - TCTA	806,072
Special Projects	83,150
Research - Bladder Cancer Genomic Collaboration	11,178
Expiration of time restrictions	<u>34,000</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 1,179,096</u>

BLADDER CANCER ADVOCACY NETWORK, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

6. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following as of December 31, 2023:

Cash and cash equivalents	\$ 3,701,660
Investments	10,011,578
Contributions receivable	<u>78,902</u>
Subtotal financial assets available within one year	13,792,140
Less: Donor restricted funds	(2,724,224)
Less: Board designated funds	<u>(1,300,000)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 9,767,916</u>

BCAN has a policy to structure its financial assets to be available and liquid as its obligations become due. In addition, BCAN has funds established by the Board of Directors that may be drawn upon in the event of financial distress or an immediate liquidity need (See Note 4).

7. CONTRIBUTED NONFINANCIAL ASSETS

BCAN was the beneficiary of certain contributed nonfinancial assets which allowed BCAN to provide greater resources towards its various programs. No donor-imposed restrictions were associated with the contributed nonfinancial assets, which are recorded at their estimated fair market value as of the date of the gift. In addition, none of the donated goods were monetized through sale.

The contributed nonfinancial assets consisted of the following for the year ended December 31, 2023:

Donated Advertising	<u>\$ 109,946</u>
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The contributed nonfinancial assets have been recorded in support and in the following functional expense category for the year ended December 31, 2023:

Management and General	<u>\$ 109,946</u>
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The contributed nonfinancial assets have been included in Marketing and promotion in the accompanying Statement of Functional Expenses.

8. LEASE COMMITMENTS

BCAN follows FASB ASC 842 for leases. BCAN has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes.

BCAN has an operating lease for office space in Bethesda, Maryland that expires in September 2027. The office lease includes 2.75% escalation of base rentals which is being amortized on a basis to achieve straight-line rent expense over the life of the lease. BCAN has elected to use a risk-free rate of 1.75% as the lease discount rate.

BLADDER CANCER ADVOCACY NETWORK, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

8. LEASE COMMITMENTS (Continued)

The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of December 31, 2023:

Year Ending December 31,

2024	\$ 135,660
2025	139,380
2026	143,208
2027	<u>110,349</u>
Subtotal	528,597
Less: Imputed interest	(16,861)
Less: Current portion	<u>(127,925)</u>
LONG-TERM PORTION	\$ <u>383,811</u>

Lease expense related to the operating lease totaled \$121,971 and total cash paid was \$132,036 for the year ended December 31, 2023. Lease expense has been included in occupancy expense in the accompanying Statement of Functional Expenses.

9. RETIREMENT PLAN

BCAN has a retirement plan covering all eligible employees as defined in the plan document. BCAN contributes 3% of each employee's annual compensation. BCAN's contributions to the Plan totaled \$37,229 for the year ended December 31, 2023 and have been included in employee benefits in the accompanying Statement of Functional Expenses.

10. COMMITMENTS

BCAN is committed under agreements for conference space through the fiscal year ending 2024. The total commitments under the agreements are not determinable as it depends upon attendance and other unknown factors. There are cancellation penalties that would be due if the agreements were cancelled prior to the event date. The amount of the cancellation penalties increase through the date of the event.

11. SUBSEQUENT EVENTS

In preparing these financial statements, BCAN has evaluated events and transactions for potential recognition or disclosure through June 12, 2024, the date the financial statements were issued.