

**Interstitial Cystitis Association of America, Inc.**

Financial Statements  
and Independent Auditor's Report

September 30, 2021 and 2020

**Interstitial Cystitis Association of America, Inc.**

Financial Statements  
September 30, 2021 and 2020

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## **INDEPENDENT AUDITOR’S REPORT**

To the Board of Directors of  
Interstitial Cystitis Association of America, Inc.

We have audited the accompanying financial statements of Interstitial Cystitis Association of America, Inc. (“the ICA”), which comprise the statements of financial position as of September 30, 2021 and 2020; the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements.

### ***Management’s Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor’s Responsibility***

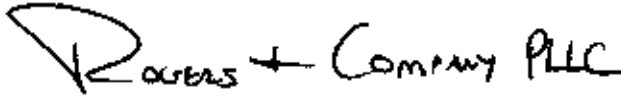
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the ICA as of September 30, 2021 and 2020, 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.

Handwritten signature in black ink that reads "Rogers + Company PLLC". The "R" is large and stylized, with a loop at the top. The rest of the text is written in a cursive, handwritten style.

Vienna, Virginia  
August 18, 2022

**Interstitial Cystitis Association of America, Inc.**

Statements of Financial Position  
September 30, 2021 and 2020

	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 324,085	\$ 258,678
Accounts receivable	25,886	51,414
Prepaid expenses	998	945
Inventory	1,631	1,541
	<u>352,600</u>	<u>312,578</u>
Total assets	\$ 352,600	\$ 312,578
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 55,416	\$ 44,818
Deferred revenue	-	8,210
	<u>55,416</u>	<u>53,028</u>
Total liabilities	55,416	53,028
<b>Net Assets</b>		
Without donor restrictions	291,971	259,550
With donor restrictions	5,213	-
	<u>297,184</u>	<u>259,550</u>
Total net assets	297,184	259,550
Total liabilities and net assets	\$ 352,600	\$ 312,578

*See accompanying notes.*

**Interstitial Cystitis Association of America, Inc.**

Statement of Activities  
For the Year Ended September 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Contributions	\$ 448,596	\$ 5,213	\$ 453,809
Grants	265,000	-	265,000
Corporate partnerships	20,000	-	20,000
Publications	3,785	-	3,785
Media campaign	5,834	-	5,834
Interest income	3	-	3
<b>Total revenue and support</b>	<u>743,218</u>	<u>5,213</u>	<u>748,431</u>
<b>Expenses</b>			
Program services:			
CDC/Cedars-Sinai sub-grant	191,587	-	191,587
Research	18,959	-	18,959
Advocacy	136,420	-	136,420
Education	241,730	-	241,730
<b>Total program services</b>	<u>588,696</u>	<u>-</u>	<u>588,696</u>
Supporting services:			
General and administrative	31,442	-	31,442
Fundraising	90,659	-	90,659
<b>Total supporting services</b>	<u>122,101</u>	<u>-</u>	<u>122,101</u>
<b>Total expenses</b>	<u>710,797</u>	<u>-</u>	<u>710,797</u>
<b>Change in Net Assets</b>	32,421	5,213	37,634
<b>Net Assets, beginning of year</b>	<u>259,550</u>	<u>-</u>	<u>259,550</u>
<b>Net Assets, end of year</b>	<u>\$ 291,971</u>	<u>\$ 5,213</u>	<u>\$ 297,184</u>

*See accompanying notes.*

**Interstitial Cystitis Association of America, Inc.**

Statement of Activities  
For the Year Ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Contributions	\$ 503,534	\$ -	\$ 503,534
Grants	236,500	-	236,500
Corporate partnerships	19,167	-	19,167
Publications	2,825	-	2,825
Media campaign	19,200	-	19,200
Interest income	2,689	-	2,689
	<hr/>	<hr/>	<hr/>
Total revenue and support	783,915	-	783,915
	<hr/>	<hr/>	<hr/>
<b>Expenses</b>			
Program services:			
CDC/Cedars-Sinai sub-grant	121,353	-	121,353
Research	18,569	-	18,569
Advocacy	134,743	-	134,743
Education	257,565	-	257,565
	<hr/>	<hr/>	<hr/>
Total program services	532,230	-	532,230
	<hr/>	<hr/>	<hr/>
Supporting services:			
General and administrative	80,982	-	80,982
Fundraising	103,445	-	103,445
	<hr/>	<hr/>	<hr/>
Total supporting services	184,427	-	184,427
	<hr/>	<hr/>	<hr/>
Total expenses	716,657	-	716,657
	<hr/>	<hr/>	<hr/>
<b>Change in Net Assets</b>	67,258	-	67,258
	<hr/>	<hr/>	<hr/>
<b>Net Assets, beginning of year</b>	192,292	-	192,292
	<hr/>	<hr/>	<hr/>
<b>Net Assets, end of year</b>	<u>\$ 259,550</u>	<u>\$ -</u>	<u>\$ 259,550</u>

See accompanying notes.

**Interstitial Cystitis Association of America, Inc.**

Statement of Functional Expenses  
For the Year Ended September 30, 2021

	Program Services					Supporting Services			Total
	CDC/ Cedars-Sinai Sub-Grant	Research	Advocacy	Education	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Advertising	\$ 36,001	\$ -	\$ -	\$ -	\$ 36,001	\$ -	\$ -	\$ -	\$ 36,001
Government affairs	-	-	53,001	-	53,001	-	-	-	53,001
Graphic artist	-	-	-	8,000	8,000	-	-	-	8,000
Storage	-	-	-	-	-	3,571	-	3,571	3,571
Insurance	-	-	-	-	-	2,343	-	2,343	2,343
Internet outreach	-	-	-	14,703	14,703	-	16,174	16,174	30,877
Postage and delivery	-	-	-	2,950	2,950	1,140	9,164	10,304	13,254
State registration fees and taxes	-	-	-	-	-	-	7,489	7,489	7,489
Telecommunications	-	-	-	-	-	2,636	-	2,636	2,636
Printing and reproduction	12,463	-	-	5,422	17,885	717	7,142	7,859	25,744
Management fees	30,334	18,959	83,417	200,960	333,670	7,583	37,917	45,500	379,170
Meeting/conference	-	-	-	-	-	-	399	399	399
Office supplies and expenses	-	-	-	-	-	1,104	-	1,104	1,104
Travel and entertainment	-	-	2	-	2	-	-	-	2
Contract services	89,000	-	-	3,637	92,637	-	-	-	92,637
Professional fees	23,789	-	-	3,261	27,050	12,055	-	12,055	39,105
Bank fees	-	-	-	-	-	-	12,374	12,374	12,374
Miscellaneous	-	-	-	-	-	293	-	293	293
<b>Subtotal</b>	<b>191,587</b>	<b>18,959</b>	<b>136,420</b>	<b>238,933</b>	<b>585,899</b>	<b>31,442</b>	<b>90,659</b>	<b>122,101</b>	<b>708,000</b>
Costs of goods sold—resource materials	-	-	-	2,797	2,797	-	-	-	2,797
<b>Total Expenses</b>	<b>\$ 191,587</b>	<b>\$ 18,959</b>	<b>\$ 136,420</b>	<b>\$ 241,730</b>	<b>\$ 588,696</b>	<b>\$ 31,442</b>	<b>\$ 90,659</b>	<b>\$ 122,101</b>	<b>\$ 710,797</b>

See accompanying notes.



**Interstitial Cystitis Association of America, Inc.**

Statement of Functional Expenses  
For the Year Ended September 30, 2020

	Program Services					Supporting Services				Total
	CDC/ Cedars-Sinai Sub-Grant	Research	Advocacy	Education	Total Program Services	General and Administrative	Fundraising	Total Supporting Services		
Advertising	\$ 22,353	\$ -	\$ -	\$ -	\$ 22,353	\$ -	\$ -	\$ -	\$ 22,353	
Government affairs	-	-	53,001	-	53,001	-	-	-	53,001	
Graphic artist	-	-	-	8,000	8,000	-	660	660	8,660	
Storage	-	-	-	-	-	2,965	-	2,965	2,965	
Insurance	-	-	-	-	-	2,035	-	2,035	2,035	
Internet outreach	-	-	-	18,579	18,579	100	24,529	24,629	43,208	
Postage and delivery	-	-	-	2,816	2,816	1,411	7,187	8,598	11,414	
State registration fees and taxes	-	-	-	-	-	-	9,081	9,081	9,081	
Telecommunications	-	-	-	-	-	2,639	-	2,639	2,639	
Printing and reproduction	-	-	-	21,505	21,505	163	6,333	6,496	28,001	
Management fees	-	18,569	81,703	196,829	297,101	56,197	37,138	93,335	390,436	
Meeting/conference	-	-	-	-	-	-	1,958	1,958	1,958	
Office supplies and expenses	-	-	-	-	-	1,471	-	1,471	1,471	
Travel and entertainment	-	-	39	-	39	2,486	-	2,486	2,525	
Contract services	99,000	-	-	-	99,000	-	-	-	99,000	
Professional fees	-	-	-	9,327	9,327	11,283	-	11,283	20,610	
Bank fees	-	-	-	-	-	-	16,559	16,559	16,559	
Miscellaneous	-	-	-	-	-	232	-	232	232	
<b>Subtotal</b>	<b>121,353</b>	<b>18,569</b>	<b>134,743</b>	<b>257,056</b>	<b>531,721</b>	<b>80,982</b>	<b>103,445</b>	<b>184,427</b>	<b>716,148</b>	
Costs of goods sold—resource materials	-	-	-	509	509	-	-	-	509	
<b>Total Expenses</b>	<b>\$ 121,353</b>	<b>\$ 18,569</b>	<b>\$ 134,743</b>	<b>\$ 257,565</b>	<b>\$ 532,230</b>	<b>\$ 80,982</b>	<b>\$ 103,445</b>	<b>\$ 184,427</b>	<b>\$ 716,657</b>	

See accompanying notes.

**Interstitial Cystitis Association of America, Inc.**

Statements of Cash Flows  
For the Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 37,634	\$ 67,258
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	25,528	(51,414)
Prepaid expenses	(53)	24,530
Inventory	(90)	599
Increase (decrease) in:		
Accounts payable and accrued expenses	10,598	11,885
Deferred revenue	(8,210)	8,210
	<u>65,407</u>	<u>61,068</u>
Net cash provided by operating activities	<u>65,407</u>	<u>61,068</u>
<b>Net Increase in Cash and Cash Equivalents</b>	65,407	61,068
<b>Cash and Cash Equivalents, beginning of year</b>	<u>258,678</u>	<u>197,610</u>
<b>Cash and Cash Equivalents, end of year</b>	<u><u>\$ 324,085</u></u>	<u><u>\$ 258,678</u></u>

*See accompanying notes.*

## Interstitial Cystitis Association of America, Inc.

Notes to Financial Statements  
September 30, 2021 and 2020

### 1. Nature of Operations

The Interstitial Cystitis Association of America, Inc. (“the ICA”) is a nonprofit health association dedicated to improving the quality of healthcare and lives of people living with interstitial cystitis (IC). The ICA provides advocacy, research funding, and education to ensure early diagnosis and optimal care with dignity for people affected by IC.

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting and Presentation

The ICA’s financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions, as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions 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 a 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.

#### Cash Equivalents

The ICA considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase.

#### Accounts Receivable

Accounts receivable are due in less than one year and are recorded at net realizable value. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to the aging of receivables. There is no provision for doubtful accounts at September 30, 2021 and 2020, as management deems all receivables to be fully collectible.

## Interstitial Cystitis Association of America, Inc.

Notes to Financial Statements  
September 30, 2021 and 2020

### 2. Summary of Significant Accounting Policies (continued)

#### Inventory

Inventory is comprised of brochures and is stated at the lower of cost or market value. Cost is determined on a first-in, first-out basis.

#### Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The ICA reports contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Net assets with donor restrictions are reported as net assets without donor restrictions if the restrictions are met in the same period as received.

The ICA's grants are cost reimbursable in nature and are recognized as revenue as the related expenditures are incurred.

The ICA holds special events in the form of walk-a-thons throughout the year as fundraising events. The gross revenues and expenses, including direct benefits to donors, from these events are presented in the accompanying statements of activities. Revenues are recognized when the contributions are received or pledged. Contributions from these events totaled \$52,704 and \$100,537 for the years ended September 30, 2021 and 2020, respectively, and are included in contributions in the accompanying statements of activities.

The ICA solicits organizations to become part of the corporate partnership program. Amounts received are considered exchange transactions and are recognized when earned.

Revenue from all other sources is recognized when earned.

## Interstitial Cystitis Association of America, Inc.

Notes to Financial Statements  
September 30, 2021 and 2020

### 2. Summary of Significant Accounting Policies (continued)

#### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs, such as management fees, have been allocated among the programs and supporting services, primarily based on employee effort.

#### 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.

#### Advertising Costs

Advertising costs are expensed as incurred.

#### Recently Issued Accounting Pronouncement

In July 2020, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The update is intended to increase transparency of contributed nonfinancial assets for nonprofit entities through enhancements in presentation and disclosure requirements. Nonprofit entities will be required to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash and other financial contributions. Nonprofit entities will also be required to disclose various information related to contributed nonfinancial assets. ASU 2020-07 is effective for fiscal years beginning after June 15, 2021. The ICA is currently in the process of evaluating the impact of the new accounting guidance on its September 30, 2022 financial statements.

#### Subsequent Events

In preparing these financial statements, the ICA has evaluated events and transactions for potential recognition, adjustment, or disclosure through August 18, 2022, the date the financial statements were available to be issued.

## Interstitial Cystitis Association of America, Inc.

Notes to Financial Statements  
September 30, 2021 and 2020

### 3. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at September 30:

	2021	2020
Cash and cash equivalents	\$ 324,085	\$ 258,678
Accounts receivable	25,886	51,414
Less: net assets with donor restrictions	(5,213)	-
Total available for general expenditures	<u>\$ 344,758</u>	<u>\$ 310,092</u>

### 4. Concentration of Credit Risk

Financial instruments that potentially subject the ICA to significant concentrations of credit risk consist of cash and cash equivalents. The ICA maintains various cash deposit and transaction accounts with financial institutions that, from time to time, could exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC). The ICA has not experienced any credit losses on its cash and cash equivalents to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

### 5. Paycheck Protection Program Loan

The ICA applied for a loan under the Paycheck Protection Program (PPP) pursuant to Division A, Title 1 of the CARES Act, which was enacted on March 27, 2020. The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll through the COVID-19 pandemic, for which the ICA qualified. After the loans are granted, the Small Business Administration (SBA) will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses (which primarily consist of payroll costs, costs used to continue group healthcare benefits, rent, and utilities). The Paycheck Protection Program Flexibility Act of 2020 was enacted on June 5, 2020, and amends the PPP to give borrowers more freedom in how and when loan funds are spent while retaining the possibility of full forgiveness.

## **Interstitial Cystitis Association of America, Inc.**

Notes to Financial Statements  
September 30, 2021 and 2020

### **5. Paycheck Protection Program Loan (continued)**

The loan was granted to the ICA on February 4, 2021, in the amount of \$36,357. During the covered period, the ICA incurred qualifying expenditures and applied for forgiveness of the full amount of this loan. This loan was fully forgiven by the SBA on September 22, 2021 and the related amount is recognized as revenue and included in contributions in the accompanying statement of activities for the year ended September 30, 2021.

### **6. Net Assets With Donor Restrictions**

At September 30, 2021 and 2020, net assets with donor restrictions of \$5,213 and \$-0-, respectively, were restricted for the passage of time.

### **7. Commitments and Contingencies**

#### Government Grants

Funds received from federal agencies (including pass-throughs) are subject to an audit under the provisions of the grant agreements. The ultimate determination of amounts received under these grants is based upon the allowance of costs reported to and accepted by the oversight agencies. Until such grants are closed out, a potential contingency exists to refund any amounts received in excess of allowable costs. Management is of the opinion that no material liability exists.

#### Management Services

The ICA utilizes the services of a management services company, MCI USA (MCI) under the terms of a written agreement. The agreement, as amended, provides for a core management fee of \$30,948 per month and could be subject to annual fee escalations. The fee will increase pursuant to the annual escalation rate specified in the contract. In addition, MCI is entitled to reimbursement for any direct costs incurred on behalf of the ICA not covered under the scope of the management agreement.

Core management fees totaled \$371,376 and \$371,466 for the years ended September 30, 2021 and 2020, respectively. As part of the aforementioned agreement, the ICA paid an incentive fee of \$7,794 and \$18,970 to MCI for the years ended September 30, 2021 and 2020, respectively, which is included in management fees in the accompanying statements of functional expenses.

## **Interstitial Cystitis Association of America, Inc.**

Notes to Financial Statements  
September 30, 2021 and 2020

### **8. Income Taxes**

The ICA is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and is exempt from income taxes except for taxes on unrelated business activities. No tax expense is recorded in the accompanying financial statements for the years ended September 30, 2021 and 2020, as there were no unrelated business activities.

Management has evaluated the ICA's tax positions and has concluded that the ICA has taken no uncertain tax positions that qualify for either recognition or disclosure in the accompanying financial statements.