

**ANGIOMA ALLIANCE
FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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Independent Auditor's Report

The Board of Directors
Angioma Alliance

We have audited the accompanying financial statements of Angioma Alliance (the Alliance), a nonprofit organization, which comprise the statement of net assets as of September 30, 2019 and 2018, and the related statements of activities and changes in net assets, of functional expenses and of 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 audits 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 Angioma Alliance as of September 30, 2019 and 2018, 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.



January 31, 2020

ANGIOMA ALLIANCE
STATEMENT OF NET ASSETS
As of September 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents (Note 2)	\$ 366,750	\$ 287,381
Contributions receivable	24,707	58,362
Prepaid expenses and deposits	2,000	-
Property and equipment, net (Note 3)	<u>35,792</u>	<u>9,100</u>
Total assets	<u>\$ 429,249</u>	<u>\$ 354,843</u>
Liabilities and net assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 13,589	\$ 10,219
Prepaid conference registration fees	<u>8,481</u>	<u>11,340</u>
Total liabilities	<u>22,070</u>	<u>21,559</u>
Net assets:		
Net assets without donor restrictions	407,179	320,784
Net assets with donor restrictions (Note 4)	<u>-</u>	<u>12,500</u>
Total net assets	<u>407,179</u>	<u>333,284</u>
Total liabilities and net assets	<u>\$ 429,249</u>	<u>\$ 354,843</u>

The notes to financial statements are an
integral part of this statement.

ANGIOMA ALLIANCE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the years ended September 30, 2019 and 2018

	2019	2018
Changes in net assets without donor restrictions:		
Revenue and support:		
Contributions	\$ 408,626	\$ 210,602
Grants and contracts	59,281	203,902
Special events	113,243	133,020
In-kind contributions (Note 5)	19,578	11,963
Conference registration fees	16,566	11,980
Interest and other income	5,415	6,076
Net assets released from restrictions	<u>117,003</u>	<u>107,702</u>
Total revenue and support	<u>739,712</u>	<u>685,245</u>
Expenses:		
Program services	<u>502,285</u>	<u>411,191</u>
Supporting services:		
General and administrative	31,314	27,366
Development	<u>119,718</u>	<u>146,223</u>
Total supporting services	<u>151,032</u>	<u>173,589</u>
Total expenses	<u>653,317</u>	<u>584,780</u>
Change net assets without donor restrictions	<u>86,395</u>	<u>100,465</u>
Changes in net assets with donor restrictions:		
Contributions (Note 4)	104,503	42,500
Net assets released from restrictions	<u>(117,003)</u>	<u>(107,702)</u>
Change in net assets with donor restrictions	<u>(12,500)</u>	<u>(65,202)</u>
Change in net assets	73,895	35,263
Net assets at beginning of year	<u>333,284</u>	<u>298,021</u>
Net assets at end of year	<u>\$ 407,179</u>	<u>\$ 333,284</u>

The notes to financial statements are an
integral part of this statement.

ANGIOMA ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
For the years ended September 30, 2019 and 2018

	<u>For the year ended September 30, 2019</u>				<u>For the year ended September 30, 2018</u>			
	Program Services	Management and General	Fund Development	Total Expenses	Program Services	Management and General	Fund Development	Total Expenses
Salaries and wages	\$ 198,816	\$ -	\$ 44,171	\$ 242,987	\$ 157,239	\$ -	\$ 57,307	\$ 214,546
Payroll taxes	16,738		3,427	20,165	12,463	-	4,580	17,043
Total compensation related costs	215,554	-	47,598	263,152	169,702	-	61,887	231,589
Consulting services	96,188	25,138	8,255	129,581	61,446	18,940	7,436	87,822
Conference and meetings	65,107	-	-	65,107	61,739	-	-	61,739
Fundraising fees	-	-	47,827	47,827	-	-	64,943	64,943
Patient registry	45,185	-	-	45,185	45,684	-	-	45,684
Travel	16,730	-	4,133	20,863	17,725	1,125	2,557	21,407
Website telephone and other costs	11,796	843	1,775	14,414	8,055	267	-	8,322
Professional fees	5,685	3,524	4,056	13,265	5,909	2,282	3,177	11,368
Awareness	13,141	-	-	13,141	9,589	-	1,178	10,767
Printing	9,695	17	1,242	10,954	11,152	65	-	11,217
Insurance	6,022	131	1,145	7,298	5,173	684	1,322	7,179
Depreciation	6,458	-	-	6,458	2,800	-	-	2,800
Supplies	2,635	218	639	3,492	3,618	535	717	4,870
Clinical testing	3,420	-	-	3,420	3,397	-	-	3,397
Postage and shipping	1,361	774	1,217	3,352	1,266	547	1,330	3,143
Licenses and permits	-	-	1,540	1,540	100	1,255	80	1,435
Rent	960	-	-	960	960	1,052	-	2,012
Advertising	232	535	-	767	218	-	74	292
Bank charges	99	59	291	449	499	139	1,522	2,160
Other expenses	2,017	75	-	2,092	2,159	475	-	2,634
Total expenses	<u>\$ 502,285</u>	<u>\$ 31,314</u>	<u>\$ 119,718</u>	<u>\$ 653,317</u>	<u>\$ 411,191</u>	<u>\$ 27,366</u>	<u>\$ 146,223</u>	<u>\$ 584,780</u>

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

ANGIOMA ALLIANCE
STATEMENT OF CASH FLOWS
For the years ended September 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 73,895	\$ 35,263
Adjustments to reconcile change in net assets to cash from operating activities:		
Depreciation	6,458	2,800
Change in contributions receivable	33,655	(58,362)
Change in prepaid expenses and deposits	(2,000)	4,000
Change in items held for auction	-	58,500
Change in accounts payable and accrued expenses	3,370	(3,520)
Change in prepaid conference registration fees	<u>(2,859)</u>	<u>3,490</u>
Net cash provided by operating activities	<u>112,519</u>	<u>42,171</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(33,150)</u>	<u>-</u>
Net cash used for investing activities	<u>(33,150)</u>	<u>-</u>
Net increase in cash	79,369	42,171
Cash and cash equivalents:		
Beginning of year	<u>287,381</u>	<u>245,210</u>
End of year	<u>\$ 366,750</u>	<u>\$ 287,381</u>

The notes to financial statements are
an integral part of this statement.

ANGIOMA ALLIANCE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Angioma Alliance (the Alliance) is incorporated under the laws of the Commonwealth of Virginia as a nonstock corporation organized exclusively for charitable purposes. The Alliance is a voluntary health organization created and directed by people affected by cavernous angiomas (also known as cerebral cavernous malformations). The mission of the Alliance is to improve the quality of life for those affected by cavernous angiomas through education, support, and the promotion of research. The Alliance is closely monitored by a scientific advisory board comprised of leading cerebrovascular neurosurgeons, neuro-geneticists, and neurologists.

Presentation

The Alliance's financial statements are presented in accordance with accounting principles generally accepted in the United States ("GAAP"). Under GAAP the Alliance reports information regarding its financial position and activities according to the existence or absence of donor-imposed restrictions.

Accordingly, the net assets of the Alliance are reported as follows:

Net assets without donor restrictions

Unrestricted net assets represent available resources over which the board has discretionary control to use in operating the Alliance in accordance with the limitations of its charter and bylaws.

Net assets with donor restrictions

Restricted net assets represent resources whose use has been restricted by donors to a specific operating or capital need, or time period. As these amounts are used for the restricted purpose, they are reported as net assets released from restrictions.

Contributions

Contributions are recognized as revenues when pledged, or when received if unrelated to a pledge, and are recorded as unrestricted or restricted support depending on the existence or nature of any donor restrictions.

Credit risk

The Alliance's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash and cash equivalents. At September 30, 2019 the Alliance did not have deposits with a financial institution in excess of federally insured limits.

Property and equipment

Property and equipment are stated at cost less an allowance for depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

In-kind contributions

Donated facilities, equipment or materials are recognized as support and as a corresponding asset or expense at the estimated fair value on the date donated. Such donations are not recognized if there is uncertainty about the existence of value or stipulations about ownership of assets. Donated services are recognized in the financial statements only if the services either create or enhance a nonfinancial asset or require specialized skills that would need to be purchased if they were not donated. Under these guidelines the Alliance does not account for the services provided by its members on a voluntary basis.

Income taxes

The Alliance has received a ruling from the Internal Revenue Service that it is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and that, based on its activities, it will not be considered a private foundation. Accordingly, no provision for income or excise taxes has been reflected in the accompanying financial statements.

The Organization's tax returns are generally subject to examination by authorities for a period of three years from the date they are filed and, consequently, the Organization's tax returns filed for the years ended September 30, 2018, 2017, and 2016 remain subject to examination.

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 the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from such estimates.

Functional allocation of expenses

The cost of providing the various program and supporting services has been summarized on a functional basis in the statements of activities. In presenting the Alliance's natural classification of expenses on a functional basis, direct expenses are aggregated by function and indirect expenses, have been allocated among the programs and services benefited.

Recent accounting pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update ASU 2016-14 – Presentation of Financial Statements for Nonprofit Entities (ASU 2016-14), which is intended to improve how a nonprofit entity classifies its net assets, as well as certain information it presents in its financial statements about its expenses, liquidity and available resources. ASU 2016-14 was effective for annual financial statements issued for fiscal years beginning after December 15, 2017 and the Alliance adopted it for presentation of the accompanying financial statements. The adoption of the new standard did not affect previously recorded unrestricted or total net assets, or the changes therein.

Subsequent events

In preparing these financial statements the Alliance has evaluated events and transactions through January 31, 2020, the date the financial statements were available to be issued.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at September 30, 2019 and 2018 are as follows:

	2019	2018
Checking – general account	\$ 113,940	\$ 97,054
Savings	250,317	184,222
PayPal	<u>2,493</u>	<u>6,105</u>
	<u>\$ 366,750</u>	<u>\$ 287,381</u>

NOTE 3 – PROPERTY AND EQUIPMENT, NET

Property and equipment at September 30, 2019 and 2018 consist of the following:

	2019	2018
Office equipment	\$ 11,113	\$ 11,113
Research equipment	10,088	10,088
Software	45,533	12,383
Automobile	14,000	14,000
Less: accumulated depreciation	<u>(44,942)</u>	<u>(38,484)</u>
	<u>\$ 35,792</u>	<u>\$ 9,100</u>

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

For the years ended September 30, 2019 and 2018 the Alliance received \$104,503 and \$42,500, respectively, in contributions subject to donor-imposed restrictions for patient registry. Amounts that were expended in accordance with donor restrictions were reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. At September 30, 2019 and 2018 the Alliance had \$0 and \$12,500, respectively, of net assets that were subject to donor restrictions with regard to their use.

NOTE 5 – IN-KIND CONTRIBUTIONS

During the years ended September 30, 2019 and 2018, the Alliance recognized the value of contributed services, facilities, and equipment as follows:

	2019	2018
Items for auction and fundraising events	\$ 15,981	\$ 8,478
Professional services	<u>3,597</u>	<u>3,485</u>
	<u>\$ 19,578</u>	<u>\$ 11,963</u>

NOTE 6 – RELATED PARTY TRANSACTIONS

The Alliance has entered into an agreement to provide consulting services with an entity whose executive officer is the former President and a board member of the Alliance. The contract currently runs through September 30, 2020. Payments made under the contract for the years ended September 30, 2019 and 2018 totaled \$88,176 and \$83,755, respectively, and are included in consulting fees in the accompanying statement of operating expenses. Payments due during the balance of the contract term total \$84,650.

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FUNDS

As a policy, the Alliance does not commit to expenditures if resources are not available to satisfy the commitment. In addition, the Alliance had approximately \$365,000 in available funds at September 30, 2019. When combined with anticipated donor support, management believes it will have sufficient resources to meet the forthcoming year's planned level of program and supporting expenses.