

ANGIOMA ALLIANCE
FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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Independent Auditor's Report

To the Board of Directors of
Angioma Alliance

Opinion

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, 2022 and 2021, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alliance as of September 30, 2022 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 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 the Alliance 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 these 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 the Alliance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued and, if such conditions or events are identified, disclose the details of the same and management's plan to mitigate their effects.

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 the Alliance'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 the Alliance'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.

A handwritten signature in black ink that reads "Coopers & Lybrand PLC". The signature is written in a cursive, flowing style.

February 15, 2023

ANGIOMA ALLIANCE
STATEMENT OF NET ASSETS
As of September 30, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	\$1,182,800	\$ 856,686
Contributions receivable	-	27,934
Prepaid expenses and deposits	22,978	11,000
Property and equipment, net (Note 3)	<u>9,603</u>	<u>16,233</u>
Total assets	<u>\$1,215,381</u>	<u>\$ 911,853</u>
Liabilities and net assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 31,917	\$ 14,737
Prepaid conference registration fees	<u>3,900</u>	<u>-</u>
Total liabilities	<u>35,817</u>	<u>14,737</u>
Net assets:		
Net assets without donor restrictions	1,166,488	842,725
Net assets with donor restrictions (Note 4)	<u>13,076</u>	<u>54,391</u>
Total net assets	<u>1,179,564</u>	<u>897,116</u>
Total liabilities and net assets	<u>\$1,215,381</u>	<u>\$ 911,853</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, 2022 and 2021

	2022	2021
Changes in net assets without donor restrictions:		
Revenue and support:		
Contributions	\$ 660,489	\$ 574,541
Grants and contracts	13,429	10,014
Federal grant – forgiveness of PPP loan	-	94,097
Special events	179,824	46,156
In-kind contributions (Note 5)	49,121	5,021
Interest and other income	9,720	11,765
Net assets released from restrictions	<u>306,937</u>	<u>62,589</u>
Total revenue and support	<u>1,219,520</u>	<u>804,183</u>
Expenses:		
Program services	<u>668,898</u>	<u>339,246</u>
Supporting services:		
General and administrative	31,636	30,394
Development	<u>195,223</u>	<u>87,991</u>
Total supporting services	<u>226,859</u>	<u>118,385</u>
Total expenses	<u>895,757</u>	<u>457,631</u>
Change net assets without donor restrictions	<u>323,763</u>	<u>346,552</u>
Changes in net assets with donor restrictions:		
Contributions (Note 4)	265,622	116,980
Net assets released from restrictions	<u>(306,937)</u>	<u>(62,589)</u>
Change in net assets with donor restrictions	<u>(41,315)</u>	<u>54,391</u>
Change in net assets	282,448	400,943
Net assets at beginning of year	<u>897,116</u>	<u>496,173</u>
Net assets at end of year	<u>\$1,179,564</u>	<u>\$ 897,116</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, 2022 and 2021

	For the year ended September 30, 2022			For the year ended September 30, 2021				
	Program Services	Management and General	Fund Development	Total Expenses	Program Services	Management and General	Fund Development	Total Expenses
Salaries and wages	\$ 470,128	\$ -	\$ 72,779	\$ 542,907	\$ 174,777	\$ -	\$ 29,352	\$ 204,129
Payroll taxes	38,628	-	6,054	44,682	15,873	-	2,399	18,272
Total compensation related costs	508,756	-	78,833	587,589	190,650	-	31,751	222,401
Consulting services	42,072	12,807	5,075	59,954	68,156	22,184	18,538	108,878
Conference and meetings	444	-	-	444	591	-	69	660
Employee benefits	15,884	-	1,709	17,593	-	-	-	-
Fundraising fees	-	-	95,595	95,595	-	-	23,887	23,887
Patient registry	26,446	-	-	26,446	27,150	-	-	27,150
Travel	8,225	-	2,928	11,153	1,997	-	1,058	3,055
Website telephone and other costs	20,833	2,177	3,217	26,227	7,673	302	1,071	9,046
Professional fees	7,087	8,174	3,149	18,410	7,277	4,383	3,049	14,709
Awareness	13,608	-	-	13,608	5,948	-	-	5,948
Printing	9,509	-	420	9,929	5,691	-	2,453	8,144
Insurance	710	6,854	200	7,764	3,582	1,718	537	5,837
Depreciation	6,630	-	-	6,630	6,863	-	-	6,863
Supplies	2,158	174	138	2,470	3,741	102	132	3,975
Clinical testing	2,685	-	-	2,685	-	-	-	-
Postage and shipping	586	742	1,490	2,818	1,108	328	1,189	2,625
Licenses and permits	20	10	2,429	2,459	-	35	1,695	1,730
Rent	2,080	424	-	2,504	2,573	-	-	2,573
Advertising	601	-	30	631	923	-	-	923
Bank charges	69	274	10	353	-	235	820	1,055
Other expenses	495	-	-	495	5,323	1,107	1,742	8,172
Total expenses	\$ 668,898	\$ 31,636	\$ 195,223	\$ 895,757	\$ 339,246	\$ 30,394	\$ 87,991	\$ 457,631

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, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 282,448	\$ 400,943
Adjustments to reconcile change in net assets to cash from operating activities:		
Federal Grant – forgiveness of PPP loans	-	(94,097)
Depreciation	6,630	6,863
Gain on sale of equipment	-	(6,234)
Change in contributions receivable	27,934	(12,196)
Change in prepaid expenses and deposits	(11,978)	(6,000)
Change in accounts payable and accrued expenses	17,180	4,272
Change in prepaid conference registration fees	<u>3,900</u>	<u>-</u>
Net cash provided by operating activities	<u>326,114</u>	<u>293,551</u>
Cash flows from investing activities:		
Proceeds from sale of property and equipment	<u>-</u>	<u>9,500</u>
Net cash provided by investing activities	<u>-</u>	<u>9,500</u>
Cash flows from financing activities:		
Proceeds from PPP note payable	<u>-</u>	<u>41,724</u>
Net cash provided by investing activities	<u>-</u>	<u>41,724</u>
Net change in cash	326,114	344,775
Cash and cash equivalents:		
Beginning of year	<u>856,686</u>	<u>511,911</u>
End of year	<u>\$1,182,800</u>	<u>\$ 856,686</u>

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

ANGIOMA ALLIANCE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

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, 2022 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 Alliance'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, 2021, 2020, and 2019 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 Alliance allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program or supporting service are allocated directly. Other expenses that are common to several functions are allocated by various statistical bases.

Subsequent events

In preparing these financial statements the Alliance has evaluated events and transactions through February 15, 2023, the date the financial statements were available to be issued.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at September 30, 2022 and 2021 are as follows:

	2022	2021
Checking – general account	\$ 940,639	\$ 311,175
Savings	240,030	544,134
PayPal	<u>2,131</u>	<u>1,377</u>
	<u>\$1,182,800</u>	<u>\$ 856,686</u>

NOTE 3 – PROPERTY AND EQUIPMENT, NET

Property and equipment as of September 30, 2022 and 2021 consist of the following:

	2022	2021
Office equipment	\$ 11,113	\$ 11,113
Research equipment	10,088	10,088
Software	45,533	45,533
Less: accumulated depreciation	<u>(57,131)</u>	<u>(50,501)</u>
	<u>\$ 9,603</u>	<u>\$ 16,233</u>

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

For the years ended September 30, 2022 and 2021 the Alliance received \$265,622 and \$116,980, 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. As of September 30, 2022 and 2021 the Alliance had \$13,076 and \$54,391, respectively, in net assets that were subject to donor restrictions with regard to their use.

In October 2021 the Alliance was awarded a grant of \$600,000 for specified research that is subject to donor-imposed restrictions. Through September 30, 2022 the Alliance had been awarded \$200,000 of the total grant, which is included in changes in net assets with donor restrictions in the accompanying financial statement. Under the terms of the grant agreement the remaining \$400,000 is to be awarded contingent upon the successful submission of research activity reports. Subsequent to year-end the Alliance successfully submitted its first interim report and was awarded an additional grant of \$200,000. The final interim report is due October 1, 2023.

NOTE 5 – IN-KIND CONTRIBUTIONS

During the years ended September 30, 2022 and 2021, the Alliance recognized the value of contributed services, facilities, and equipment as follows:

	2022	2021
Items for auction and fundraising events	\$ 44,815	\$ 850
Professional services	<u>4,306</u>	<u>4,171</u>
	<u>\$ 49,121</u>	<u>\$ 5,021</u>

NOTE 6 – RELATED PARTY TRANSACTIONS

The Alliance had an agreement for consulting services with an entity whose executive officer is the former President and a board member of the Alliance. The contract ran through September 30, 2022 and has not been renewed. Payments made under the contract for the years ended September 30, 2022 and 2021 totaled \$59,954 and \$93,623, respectively, and are included in consulting services in the accompanying statement of operating expenses.

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 available funds as of September 30, 2022 and 2021, respectively, as follows:

Cash and cash equivalents	\$1,182,800	\$ 856,686
Contributions receivable	-	27,934
Accounts payable and accrued expenses	<u>(118,917)</u>	<u>(14,737)</u>
Net financial assets	1,063,883	869,883
Less: net assets with donor restrictions	<u>(13,076)</u>	<u>(54,391)</u>
Financial assets available for general expenditures	<u>\$1,050,807</u>	<u>\$ 815,492</u>

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.

NOTE 8 – COMMITMENTS

During the year ended September 30, 2022, the Alliance entered into a contract for research services to be performed for the period September 15, 2022 through December 31, 2023. The contract called for a single payment of \$87,000, representing the Alliance’s entire obligation under the agreement, which was made subsequent to year-end.