

**ANGIOMA ALLIANCE  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

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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, 2021 and 2020, 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, 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.



January 31, 2022

**ANGIOMA ALLIANCE**  
**STATEMENT OF NET ASSETS**  
**As of September 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Cash and cash equivalents (Note 2)	\$ 856,686	\$ 511,911
Contributions receivable	27,934	15,738
Prepaid expenses and deposits	11,000	5,000
Property and equipment, net (Note 3)	<u>16,233</u>	<u>26,362</u>
<b>Total assets</b>	<b><u>\$ 911,853</u></b>	<b><u>\$ 559,011</u></b>
<b>Liabilities and net assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 14,737	\$ 10,465
Note payable – PPP loan (Note 4)	<u>-</u>	<u>52,373</u>
Total liabilities	<u>14,737</u>	<u>62,838</u>
Net assets:		
Net assets without donor restrictions	842,725	483,173
Net assets with donor restrictions (Note 5)	<u>54,391</u>	<u>13,000</u>
Total net assets	<u>897,116</u>	<u>496,173</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 911,853</u></b>	<b><u>\$ 559,011</u></b>

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, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Changes in net assets without donor restrictions:</b>		
Revenue and support:		
Contributions	\$ 574,541	\$ 405,581
Grants and contracts	10,014	44,841
Special events	46,156	15,395
In-kind contributions (Note 6)	5,021	11,001
Conference registration fees	-	15,334
Interest and other income	11,765	7,075
Federal grant – forgiveness of PPP loan (Note 4)	94,097	-
Net assets released from restrictions	<u>62,589</u>	<u>85,121</u>
Total revenue and support	<u>804,183</u>	<u>584,348</u>
Expenses:		
Program services	<u>339,246</u>	<u>401,393</u>
Supporting services:		
General and administrative	30,394	29,935
Development	<u>87,991</u>	<u>77,026</u>
Total supporting services	<u>118,385</u>	<u>106,961</u>
Total expenses	<u>457,631</u>	<u>508,354</u>
Changes in net assets without donor restrictions	<u>346,552</u>	<u>75,994</u>
<b>Changes in net assets with donor restrictions:</b>		
Contributions (Note 5)	116,980	98,121
Net assets released from restrictions	<u>(62,589)</u>	<u>(85,121)</u>
Changes in net assets with donor restrictions	<u>54,391</u>	<u>13,000</u>
Change in net assets	400,943	88,994
<b>Net assets at beginning of year</b>	<u>496,173</u>	<u>407,179</u>
<b>Net assets at end of year</b>	<u>\$ 897,116</u>	<u>\$ 496,173</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, 2021 and 2020

	<u>For the year ended September 30, 2021</u>				<u>For the year ended September 30, 2020</u>			
	Program Services	Management and General	Fund Development	Total Expenses	Program Services	Management and General	Fund Development	Total Expenses
Salaries and wages	\$ 174,777	\$ -	\$ 29,352	\$ 204,129	\$ 192,055	\$ -	\$ 32,966	\$ 225,021
Payroll taxes	15,873	-	2,399	18,272	15,562	-	2,753	18,315
Total compensation related costs	190,650	-	31,751	222,401	207,617	-	35,719	243,336
Consulting services	68,156	22,184	18,538	108,878	53,380	15,680	7,815	76,875
Conference and meetings	591	-	69	660	49,358	32	-	49,390
Fundraising fees	-	-	23,887	23,887	-	-	17,391	17,391
Patient registry	27,150	-	-	27,150	24,887	-	-	24,887
Travel	1,997	-	1,058	3,055	7,418	-	184	7,602
Website telephone and other costs	7,673	302	1,071	9,046	19,800	3,667	5,074	28,541
Professional fees	7,277	4,383	3,049	14,709	6,381	3,950	3,476	13,807
Awareness	5,948	-	-	5,948	1,020	-	-	1,020
Printing	5,691	-	2,453	8,144	8,206	-	-	8,206
Insurance	3,582	1,718	537	5,837	4,663	2,610	623	7,896
Depreciation	6,863	-	-	6,863	5,658	1,886	1,886	9,430
Supplies	3,741	102	132	3,975	1,500	42	340	1,882
Postage and shipping	1,108	328	1,189	2,625	670	647	1,439	2,756
Licenses and permits	-	35	1,695	1,730	-	440	1,788	2,228
Rent	2,573	-	-	2,573	1,584	-	-	1,584
Advertising	923	-	-	923	1,561	-	-	1,561
Bank charges	-	235	820	1,055	729	104	94	927
Other expenses	5,323	1,107	1,742	8,172	6,961	877	1,197	9,035
Total expenses	<u>\$ 339,246</u>	<u>\$ 30,394</u>	<u>\$ 87,991</u>	<u>\$ 457,631</u>	<u>\$ 401,393</u>	<u>\$ 29,935</u>	<u>\$ 77,026</u>	<u>\$ 508,354</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, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 400,943	\$ 88,994
Adjustments to reconcile change in net assets to cash from operating activities:		
Federal Grant - forgiveness of PPP loans	(94,097)	-
Depreciation	6,863	9,430
Gain on sale of equipment	(6,234)	-
Change in contributions receivable	(12,196)	8,969
Change in prepaid expenses and deposits	(6,000)	(3,000)
Change in accounts payable and accrued expenses	4,272	(3,124)
Change in prepaid conference registration fees	<u>-</u>	<u>(8,481)</u>
Net cash provided by operating activities	<u>293,551</u>	<u>92,788</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of property and equipment	<u>9,500</u>	<u>-</u>
Net cash provided by investing activities	<u>9,500</u>	<u>-</u>
<b>Cash flows from financing activities:</b>		
Proceeds from PPP notes payable	<u>41,724</u>	<u>52,373</u>
Net cash provided by investing activities	<u>41,724</u>	<u>52,373</u>
Net change in cash	344,775	145,161
<b>Cash and cash equivalents:</b>		
Beginning of year	<u>511,911</u>	<u>366,750</u>
End of year	<u>\$ 856,686</u>	<u>\$ 511,911</u>

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

**ANGIOMA ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**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, 2021 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 Alliance's tax returns filed for the years ended September 30, 2020, 2019, and 2018 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 January 31, 2022, the date the financial statements were available to be issued.

## **NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as of September 30, 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Checking – general account	\$ 124,150	\$ 182,826
Savings	731,159	327,507
PayPal	<u>1,377</u>	<u>1,578</u>
	<u>\$ 856,686</u>	<u>\$ 511,911</u>

### NOTE 3 – PROPERTY AND EQUIPMENT, NET

Property and equipment as of September 30, 2021 and 2020 consist of the following:

	2021	2020
Office equipment	\$ 11,113	\$ 11,113
Research equipment	10,088	10,088
Software	45,533	45,533
Automobile	-	14,000
Less: accumulated depreciation	<u>(50,501)</u>	<u>(54,372)</u>
	<u>\$ 16,233</u>	<u>\$ 26,362</u>

### NOTE 4 FEDERAL PAYCHECK PROTECTION PROGRAM

During the years ended September 30, 2021 and 2020, in connection with the COVID-19 pandemic, the Alliance entered into promissory notes (loans) with a financial institution. The loans were through the Small Business Administration Federal Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The PPP loans were in the amounts of \$41,724 and \$52,373 respectively, with an interest rate of 1%. During the year ended September 30, 2021, the Foundation received notice that its PPP loans, including accrued interest, were forgiven and, accordingly, the Alliance recorded a \$94,097 gain from forgiveness of debt.

### NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

For the years ended September 30, 2021 and 2020 the Alliance received \$116,980 and \$98,121, 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, 2021 and 2020 the Alliance had \$54,391 and \$13,000, respectively, in net assets that were subject to donor restrictions with regard to their use.

### NOTE 6 – IN-KIND CONTRIBUTIONS

During the years ended September 30, 2021 and 2020, the Alliance recognized the value of contributed services, facilities, and equipment as follows:

	2021	2020
Items for auction and fundraising events	\$ 850	\$ 6,844
Professional services	<u>4,171</u>	<u>4,157</u>
	<u>\$ 5,021</u>	<u>\$ 11,001</u>

## NOTE 7 – RELATED PARTY TRANSACTIONS

The Alliance has entered into an agreement for 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, 2022. Payments made under the contract for the years ended September 30, 2021 and 2020 totaled \$93,623 and \$72,650, respectively, and are included in consulting services in the accompanying statement of operating expenses.

## NOTE 8 – 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 \$815,492 in available funds at September 30, 2021 as follows:

Cash and cash equivalents	\$ 856,686
Contributions receivable	27,934
Accounts payable and accrued expenses	<u>(14,737)</u>
Net financial assets	869,883
Less: net assets with donor restrictions	<u>(54,391)</u>
Financial assets available for general expenditures	<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.