

**ANGIOMA ALLIANCE  
dba ALLIANCE TO CURE  
CAVERNOUS MALFORMATION  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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## **Independent Auditor's Report**

To the Board of Directors of  
Angioma Alliance  
dba Alliance to Cure Cavernous Malformation

### **Opinion**

We have audited the accompanying financial statements of Angioma Alliance dba Alliance to Cure Cavernous Malformation (the Alliance), a nonprofit organization, which comprise the statement of net assets as of September 30, 2023 and 2022, 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, 2023 and 2022 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.

### **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 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 "Carmichael Nelson PLC". The signature is written in a cursive, flowing style.

February 5, 2024

**ANGIOMA ALLIANCE**  
**dba ALLIANCE TO CURE CAVERNOUS MALFORMATION**

**STATEMENT OF NET ASSETS**

**As of September 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Cash and cash equivalents	\$1,126,670	\$1,182,800
Prepaid expenses and deposits	4,886	22,978
Property and equipment, net (Note 3)	<u>2,973</u>	<u>9,603</u>
<b>Total assets</b>	<u><b>\$1,134,529</b></u>	<u><b>\$1,215,381</b></u>
<b>Liabilities and net assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 32,212	\$ 31,917
Prepaid conference registration fees	<u>-</u>	<u>3,900</u>
Total liabilities	<u>32,212</u>	<u>35,817</u>
Net assets:		
Net assets without donor restrictions	1,072,818	1,166,488
Net assets with donor restrictions (Note 4)	<u>29,499</u>	<u>13,076</u>
Total net assets	<u>1,102,317</u>	<u>1,179,564</u>
<b>Total liabilities and net assets</b>	<u><b>\$1,134,529</b></u>	<u><b>\$1,215,381</b></u>

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

**ANGIOMA ALLIANCE**  
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**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**For the years ended September 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Changes in net assets without donor restrictions:</b>		
Revenue and support:		
Contributions	\$ 744,948	\$ 660,489
Grants and contracts	306,092	13,429
Conference registration fees	35,300	-
Special events	65,044	179,824
In-kind contributions (Note 5)	9,376	49,121
Interest and other income	10,624	9,720
Net assets released from restrictions	<u>137,126</u>	<u>306,937</u>
Total revenue and support	<u>1,308,510</u>	<u>1,219,520</u>
Expenses:		
Program services	<u>1,204,090</u>	<u>668,898</u>
Supporting services:		
General and administrative	28,928	31,636
Development	<u>169,162</u>	<u>195,223</u>
Total supporting services	<u>198,090</u>	<u>226,859</u>
Total expenses	<u>1,402,180</u>	<u>895,757</u>
Change in net assets without donor restrictions	<u>(93,670)</u>	<u>323,763</u>
<b>Changes in net assets with donor restrictions:</b>		
Contributions (Note 4)	153,549	265,622
Net assets released from restrictions	<u>(137,126)</u>	<u>(306,937)</u>
Change in net assets with donor restrictions	<u>16,423</u>	<u>(41,315)</u>
Change in net assets	<u>(77,247)</u>	<u>282,448</u>
<b>Net assets at beginning of year</b>	<u>1,179,564</u>	<u>897,116</u>
<b>Net assets at end of year</b>	<u><u>\$1,102,317</u></u>	<u><u>\$1,179,564</u></u>

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**ANGIOMA ALLIANCE**  
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**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the years ended September 30, 2023 and 2022**

	For the year ended September 30, 2023				For the year ended September 30, 2022			
	Program Services	Management and General	Fund Development	Total Expenses	Program Services	Management and General	Fund Development	Total Expenses
Salaries and wages	\$ 581,423	\$ -	\$ 108,326	\$ 689,749	\$ 470,128	\$ -	\$ 72,779	\$ 542,907
Payroll taxes	46,319	-	8,759	55,078	38,628	-	6,054	44,682
Total compensation related costs	627,742	-	117,085	744,827	508,756	-	78,833	587,589
Conference and meetings	178,671	-	-	178,671	444	-	-	444
Clinical testing/research	163,442	-	-	163,442	2,685	-	-	2,685
Consulting services	71,600	-	2,000	73,600	42,072	12,807	5,075	59,954
Patient registry	37,589	-	-	37,589	26,446	-	-	26,446
Travel	29,695	1,947	1,445	33,087	8,225	-	2,928	11,153
Fundraising fees	-	-	32,911	32,911	-	-	95,595	95,595
Website telephone and other costs	22,100	2,463	2,719	27,282	20,833	2,177	3,217	26,227
Professional fees	12,711	8,642	5,847	27,200	7,087	8,174	3,149	18,410
Employee benefits	23,527	-	2,840	26,367	15,884	-	1,709	17,593
Printing	16,219	-	1,564	17,783	9,509	-	420	9,929
Awareness	15,876	-	-	15,876	13,608	-	-	13,608
Insurance	1,316	5,022	439	6,777	710	6,854	200	7,764
Depreciation	-	6,630	-	6,630	6,630	-	-	6,630
Rent	222	2,392	-	2,614	2,080	424	-	2,504
Postage and shipping	770	494	733	1,997	586	742	1,490	2,818
Supplies	428	826	276	1,530	2,158	174	138	2,470
Advertising	871	22	275	1,168	601	-	30	631
Licenses and permits	140	65	810	1,015	20	10	2,429	2,459
Bank charges	-	305	-	305	69	274	10	353
Other expenses	1,171	120	218	1,509	495	-	-	495
Total expenses	<u>\$ 1,204,090</u>	<u>\$ 28,928</u>	<u>\$ 169,162</u>	<u>\$ 1,402,180</u>	<u>\$ 668,898</u>	<u>\$ 31,636</u>	<u>\$ 195,223</u>	<u>\$ 895,757</u>

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

**ANGIOMA ALLIANCE**  
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**STATEMENT OF CASH FLOWS**

**For the years ended September 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (77,247)	\$ 282,448
Adjustments to reconcile change in net assets to cash from operating activities:		
Depreciation	6,630	6,630
Change in contributions receivable	-	27,934
Change in prepaid expenses and deposits	18,092	(11,978)
Change in accounts payable and accrued expenses	295	17,180
Change in prepaid conference registration fees	<u>(3,900)</u>	<u>3,900</u>
Net cash provided by (used for) operating activities	<u>(56,130)</u>	<u>326,114</u>
Net change in cash	(56,130)	326,114
<b>Cash and cash equivalents:</b>		
Beginning of year	<u>1,182,800</u>	<u>856,686</u>
End of year	<u>\$1,126,670</u>	<u>\$1,182,800</u>

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



**ANGIOMA ALLIANCE**  
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**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 AND 2022**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Angioma Alliance dba Alliance to Cure Cavernous Malformation (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.

**Cash and cash equivalents**

The Alliance considers all highly liquid investments with an original maturity date at the time of purchase of three months or less as cash equivalents.

**Credit risk**

The Alliance's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash and cash equivalents.

**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

**Contributions of non-financial assets**

The Alliance receives contributions of nonfinancial assets and services which generally include donated items for special events and various professional services. 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.

## Contributions

Contributions are recognized as support 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.

## 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.

## 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. Management believes they have appropriate support for any tax positions taken and as such do not have uncertain tax positions that are material to the financial statements.

The Alliance's tax returns will be subject to examination by authorities for a period of three years from the date they are filed.

## Use of estimates

The preparation of financial statements in conformity with GAAP 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.

## Reclassifications

Certain prior year balances have been reclassified to conform to the current year presentation. Such reclassifications did not affect the previously recorded net assets or change in net assets.

## Subsequent events

In preparing these financial statements the Alliance has evaluated events and transactions through February 5, 2024, the date the financial statements were available to be issued.

## NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at September 30, 2023 and 2022 consist of the following:

	2023	2022
Checking – general account	\$ 622,832	\$ 940,639
Savings	501,579	240,030
PayPal	<u>2,259</u>	<u>2,131</u>
	<u>\$1,126,670</u>	<u>\$1,182,800</u>
Cash without donor restrictions	\$1,097,171	\$1,169,724
Cash with donor restrictions	<u>29,499</u>	<u>13,076</u>
	<u>\$1,126,670</u>	<u>\$1,182,800</u>

### NOTE 3 – PROPERTY AND EQUIPMENT, NET

Property and equipment at September 30, 2023 and 2022 consist of the following:

	2023	2022
Software	\$ 45,533	\$ 45,533
Less: accumulated depreciation	<u>(42,560)</u>	<u>(35,930)</u>
	<u>\$ 2,973</u>	<u>\$ 9,603</u>

### NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

For the years ended September 30, 2023 and 2022 the Alliance received \$153,549 and \$265,622, respectively, in contributions subject to donor-imposed restrictions. Amounts that were expended in accordance with donor restrictions were reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. As of September 30, 2023 and 2022 the Alliance had \$29,499 and \$13,076, respectively, in net assets that were subject to donor restrictions with regard to their use.

#### Balances and purpose

At September 30, 2023 and 2022, restricted funds consist of the following:

	2023	2022
New Mexico Community Alliance	\$ 9,499	\$ 13,076
Family Camp 2024	<u>20,000</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 29,499</u>	<u>\$ 13,076</u>

### NOTE 5 – IN-KIND CONTRIBUTIONS

During the years ended September 30, 2023 and 2022, the Alliance recognized the value of contributed services, facilities, and equipment as follows:

	2023	2022
Items for auction and fundraising events	\$ 4,991	\$ 44,815
Professional services	<u>4,385</u>	<u>4,306</u>
	<u>\$ 9,376</u>	<u>\$ 49,121</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 year ended September 30, 2022 totaled \$59,954 and are included in consulting services in the accompanying statement of functional 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, 2023 and 2022, respectively, as follows:

	2023	2022
Cash and cash equivalents	\$1,126,670	\$1,182,800
Accounts payable and accrued expenses	<u>(32,212)</u>	<u>(31,917)</u>
Net financial assets	1,094,458	1,150,883
Less: net assets with donor restrictions	<u>(29,499)</u>	<u>(13,076)</u>
Financial assets available for general expenditures	<u>\$1,064,959</u>	<u>\$1,137,807</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 – EMPLOYEE BENEFIT PLAN

During the years ended September 30, 2023 and 2022, the Alliance made matching employer contributions to a retirement plan of \$17,929 and \$13,442, respectively. The Alliance participated in a SIMPLE IRA until adopting a new retirement savings plan effective January 1, 2023. Employees that are at least the age of 21 are eligible to participate in the plan upon hire and the Alliance contributes three percent of the participants' salary.

## NOTE 9 – COMMITMENTS

In the normal course of business, the Alliance has contracts with various service providers which can be terminated by either party given proper notice.

## NOTE 10 – CONCENTRATIONS

Financial instruments that potentially subject the Alliance to concentrations of risk consist principally of cash and cash equivalents. At various times during the years presented, the Alliance may have had on deposit with a single financial institution more than \$250,000, which is the limit currently insured by the Federal Deposit Insurance Corporation (FDIC). To mitigate this risk, the Alliance's cash and cash equivalents are placed with highly regarded financial institutions.