

**ALLIANCE FOR CANCER GENE THERAPY, INC.**  
(A Connecticut Not-for-Profit Organization)

Financial Statements

April 30, 2020 and 2019

**ALLIANCE FOR CANCER GENE THERAPY, INC.**  
(A Connecticut Not-for-Profit Organization)

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Alliance for Cancer Gene Therapy, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of Alliance for Cancer Gene Therapy, Inc. ("ACGT") which comprise the statements of financial position as of April 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flow for each of 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditors' 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 Alliance for Cancer Gene Therapy, Inc. as of April 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



EISNERAMPER LLP  
Philadelphia, Pennsylvania  
September 16, 2020



**Alliance for Cancer Gene Therapy, Inc.**  
**Statements of Financial Position**  
**April 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 745,164	\$ 733,247
Investments, at fair value	5,227,886	5,397,306
Contributions receivable	107,056	176,003
Other assets	<u>117,785</u>	<u>45,877</u>
<b>Total assets</b>	<b><u>\$ 6,197,891</u></b>	<b><u>\$ 6,352,433</u></b>
<b>Liabilities:</b>		
Grants payable	\$ 1,442,064	\$ 1,813,644
Accrued expenses	101,842	63,767
Unearned income	<u>104,449</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>1,648,355</u></b>	<b><u>1,877,411</u></b>
<b>Net assets:</b>		
Without donor restrictions	2,130,094	2,342,032
With donor restrictions	<u>2,419,442</u>	<u>2,132,990</u>
<b>Total net assets</b>	<b><u>4,549,536</u></b>	<b><u>4,475,022</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 6,197,891</u></b>	<b><u>\$ 6,352,433</u></b>

See notes to financial statements.

**Alliance for Cancer Gene Therapy, Inc.**  
**Statements of Activities**  
**Years Ended April 30, 2020 and 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>						
Contributions	\$ 143,625	\$ 794,786	\$ 938,411	\$ 132,103	\$ 705,491	\$ 837,594
Special events (net of direct benefits to donors of \$- and \$77,212, respectively)	-	-	-	221,650	100,067	321,717
Contributed services	653,514	-	653,514	538,010	-	538,010
Interest and dividend income	127,939	-	127,939	116,958	-	116,958
Net realized and unrealized (losses) gains on investments	(295,621)	-	(295,621)	188,391	-	188,391
Royalty income	722,382	-	722,382	45,507	-	45,507
Other income	489,669	-	489,669	-	-	-
Net assets released from restrictions	508,334	(508,334)	-	1,484,171	(1,484,171)	-
<b>Total support and revenue</b>	<b>2,349,842</b>	<b>286,452</b>	<b>2,636,294</b>	<b>2,726,790</b>	<b>(678,613)</b>	<b>2,048,177</b>
<b>Expenses:</b>						
Program services:						
Research grants and awards	1,761,287	-	1,761,287	1,913,613	-	1,913,613
Support services:						
Management and general	479,333	-	479,333	322,449	-	322,449
Fundraising	321,160	-	321,160	160,378	-	160,378
<b>Total expenses</b>	<b>2,561,780</b>	<b>-</b>	<b>2,561,780</b>	<b>2,396,440</b>	<b>-</b>	<b>2,396,440</b>
Increase (decrease) in net assets	(211,938)	286,452	74,514	330,350	(678,613)	(348,263)
Net assets at beginning of year	2,342,032	2,132,990	4,475,022	2,011,682	2,811,603	4,823,285
Net assets at end of year	<u>\$ 2,130,094</u>	<u>\$ 2,419,442</u>	<u>\$ 4,549,536</u>	<u>\$ 2,342,032</u>	<u>\$ 2,132,990</u>	<u>\$ 4,475,022</u>

See notes to financial statements.

**Alliance for Cancer Gene Therapy, Inc.**  
**Statement of Functional Expenses**  
**Year Ended April 30, 2020**

	<u>Program Services</u>	<u>Support Services</u>			
	<u>Research Grant and Awards</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Support Services</u>	<u>Total Expenses</u>
<b>Direct expenses:</b>					
Research grants	\$ 998,003	\$ -	\$ -	\$ -	\$ 998,003
Professional fees	87,163	22,188	26,579	48,767	135,930
Salaries and benefits	73,899	-	-	-	73,899
Legal	168,770	103,439	-	103,439	272,209
Website development	64,424	12,436	59,342	71,778	136,202
Communication	135,033	-	79,813	79,813	214,846
Printing and reproduction	3,104	-	12,416	12,416	15,520
Travel	22,370	10,035	-	10,035	32,405
Miscellaneous	4,882	10,925	13,445	24,370	29,252
Total direct expenses	<u>1,557,648</u>	<u>159,023</u>	<u>191,595</u>	<u>350,618</u>	<u>1,908,266</u>
<b>Contributed services:</b>					
Salaries and benefits	196,118	235,830	125,500	361,330	557,448
Professional fees	3,454	65,631	-	65,631	69,085
Rent	4,065	12,194	4,065	16,259	20,324
Software and maintainance	-	6,622	-	6,622	6,622
Miscellaneous	2	33	-	33	35
Total contributed services	<u>203,639</u>	<u>320,310</u>	<u>129,565</u>	<u>449,875</u>	<u>653,514</u>
Total expenses	<u>1,761,287</u>	<u>479,333</u>	<u>321,160</u>	<u>800,493</u>	<u>2,561,780</u>
Direct benefits to donors	-	-	-	-	-
Total expenses and direct benefits to donors	<u>\$ 1,761,287</u>	<u>\$ 479,333</u>	<u>\$ 321,160</u>	<u>\$ 800,493</u>	<u>\$ 2,561,780</u>

See notes to financial statements.

**Alliance for Cancer Gene Therapy, Inc.**  
**Statement of Functional Expenses**  
**Year Ended April 30, 2019**

	<u>Program Services</u>	<u>Support Services</u>			
	<u>Research Grant and Awards</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Support Services</u>	<u>Total Expenses</u>
<b>Direct expenses:</b>					
Research grants	\$ 1,484,171	\$ -	\$ -	\$ -	\$ 1,484,171
Professional fees	52,495	36,732	-	36,732	89,227
Legal	41,685	-	-	-	41,685
Website development	33,000	2,000	37,843	39,843	72,843
Communication	56,396	2,782	4,673	7,455	63,851
Printing and reproduction	1,556	9,626	4,933	14,559	16,115
Corporate functions	38,170	8,991	2,577	11,568	49,738
Travel	4,972	10,911	1,224	12,135	17,107
Miscellaneous	4,596	12,707	6,390	19,097	23,693
Total direct expenses	<u>1,717,041</u>	<u>83,749</u>	<u>57,640</u>	<u>141,389</u>	<u>1,858,430</u>
<b>Contributed services:</b>					
Salaries and benefits	192,507	187,651	98,673	286,324	478,831
Professional fees	-	38,855	-	38,855	38,855
Rent	4,065	12,194	4,065	16,259	20,324
Total contributed services	<u>196,572</u>	<u>238,700</u>	<u>102,738</u>	<u>341,438</u>	<u>538,010</u>
Total expenses	<u>1,913,613</u>	<u>322,449</u>	<u>160,378</u>	<u>482,827</u>	<u>2,396,440</u>
<b>Direct benefits to donors:</b>					
Food and beverages	-	-	77,212	77,212	77,212
Total expenses and direct benefits to donors	<u>\$ 1,913,613</u>	<u>\$ 322,449</u>	<u>\$ 237,590</u>	<u>\$ 560,039</u>	<u>\$ 2,473,652</u>

See notes to financial statements.

**Alliance for Cancer Gene Therapy, Inc.**  
**Statements of Cash Flows**  
**Years Ended April 30, 2020 and 2019**

	2020	2019
<b>Cash flows from operating activities:</b>		
Increase (decrease) in net assets	\$ 74,514	\$ (348,263)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized losses (gains) on investments	295,621	(188,391)
Decrease in contributions receivable	68,947	17,788
Increase in other assets	(71,908)	(18,361)
(Decrease) increase in grants payable	(371,580)	113,198
Increase in accrued expenses	38,075	11,192
Increase in unearned income	104,449	-
Net cash provided by (used in) operating activities	<u>138,118</u>	<u>(412,837)</u>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(1,279,230)	(81,230)
Proceeds from sales of investments	<u>1,153,029</u>	<u>92,333</u>
Net cash (used in) provided by investing activities	<u>(126,201)</u>	<u>11,103</u>
Net increase (decrease) in cash and cash equivalents	11,917	(401,734)
Cash and cash equivalents at beginning of year	<u>733,247</u>	<u>1,134,981</u>
Cash and cash equivalents at end of year	<u>\$ 745,164</u>	<u>\$ 733,247</u>

See notes to financial statements.



# ALLIANCE FOR CANCER GENE THERAPY, INC.

## Notes to Financial Statements

April 30, 2020 and 2019

### (1) Organization

Alliance for Cancer Gene Therapy, Inc. ("ACGT"), a not-for-profit organization, was established in 2001 to raise and provide funding for scientific research to aid in accelerating the development of cell and gene based therapies to treat cancers.

### (2) Summary of Significant Accounting Policies

#### (a) Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### (b) Financial Statement Presentation

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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

*Net Assets With Donor Restrictions* – Net assets subject to donor or grantor-imposed restrictions. Some donor or grantor-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 or grantor. Other donor or grantor-imposed restrictions are perpetual in nature, where the donor or grantor stipulates that resources can be maintained in perpetuity. Donor or grantor-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 fulfilled, or both. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are included in net assets with donor restriction and released from restriction when the assets are placed into service.

ACGT has committed that as of April 30, 2020 and 2019, 100% of restricted contributions and special events revenues, unless otherwise noted by the donor, will be used to fund research grants and awards, and have been recorded as net assets with donor restriction. Income from investments, including realized and unrealized gains and losses, dividends, and interest are reported as increases (or decreases) in net assets without donor restrictions unless their use is restricted by explicit donor or grantor-imposed restrictions or by law.

Direct fund-raising expenses amounted to \$191,595 and \$57,640 for the years ended April 30, 2020 and 2019, respectively. In addition, fund-raising expenses included in contributed services amounted to \$129,565 and \$102,738 for the years ended April 30, 2020 and 2019, respectively.

#### (c) Cash and Cash Equivalents

Cash equivalents represent short-term investments with original maturities of three months or less.

## ALLIANCE FOR CANCER GENE THERAPY, INC.

### Notes to Financial Statements

April 30, 2020 and 2019

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

##### (d) *Investments*

The Finance/Investment Committee of ACGT's Board of Directors approves and monitors all investments. All investments are reported at fair value in the statements of financial position. Fair values of individual securities are determined by quoted market prices, where available, or by independent pricing services. Unrealized gains and losses on investments are included in the statements of activities. Gains and losses on sales of investments are determined on the basis of specific identification.

##### (e) *Contributions Receivable*

ACGT periodically evaluates the collectability of contributions receivable and records an allowance for uncollectable amounts, as necessary. Management has determined that an allowance is not necessary as of April 30, 2020 and 2019. The contributions receivable balance as of April 30, 2020 is expected to be received within one year of the statement of financial position date.

##### (f) *Grants*

ACGT records grants payable when the grants are approved by its Board of Directors, which is when ACGT considers the grant awards to be unconditionally promised. Grants that are payable beyond one year are reported at the present value of the future cash flows. Discount rates of 1.80% and 2.80% were used for grants issued during the years ended April 30, 2020 and 2019, respectively.

##### (g) *Revenue Recognition*

Contributions, including unconditional promises to give, are recognized as revenues in the period they are received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

ACGT records special events revenue equal to the cost of direct benefit to donor, and contribution revenue for the difference, which is included in special events in the statement of activity. The recognition of revenue is conditional on the event taking place, as this is the point in time when the performance obligation of hosting the event occurs, and attendees can no longer request a refund for their ticket purchased. As of April 30, 2020 and 2019, there were conditional contributions associated with special events of \$104,449 and \$-0-, respectively that were included in unearned income. Amounts will be recognized when such event occurs.

ACGT has a revenue sharing agreement with a research institution relating to the development of certain products whose research has been funded through grant awards by ACGT. Revenue generated under the agreement is recognized based on a percentage of product sales and is recorded as royalty income on the statements of activities.

## ALLIANCE FOR CANCER GENE THERAPY, INC.

### Notes to Financial Statements

April 30, 2020 and 2019

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

##### (h) *Functional Allocation of Expense*

The costs of the organization's program and supporting services have been summarized on a functional basis in the statements of functional expenses. The expenses that are allocated include contributed salaries and benefits, professional fees, website development, communication, printing and reproduction, legal, travel, rent and other miscellaneous expenses. Compensation and benefits are allocated based on each employee's position and job duties. The remaining expenses are reviewed and coded to a specific function, as determined by management.

##### (i) *Contributed Services*

ACGT received contributed services from an entity controlled by ACGT's Honorary Chairman of the Board and Co-Founder, consisting primarily of salaries and rent. Contributed services are measured at the cost recognized by such entity based on time spent by such entity's personnel in providing those services.

##### (j) *Income Taxes*

ACGT is incorporated in the state of Connecticut. In 2001, ACGT received an exemption from federal income taxes from the Internal Revenue Service under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). U.S. GAAP requires management to evaluate tax positions taken, and recognize a tax liability, if ACGT has taken an uncertain tax position that more likely than not would not be sustained upon examination by a government authority. Management has analyzed the tax positions taken by ACGT and has concluded that as of April 30, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. ACGT recognizes accrued interest and penalties associated with uncertain tax positions, if any. There were no income tax related interest and penalties recorded for the years ended April 30, 2020 and 2019.

##### (k) *Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Actual results could differ from those estimates.

##### (l) *New Accounting Pronouncement*

In June 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 985)*. ASU 2018-08 clarifies and improves guidance concerning, 1) evaluating whether a transaction should be accounted for as an exchange transaction or as a contribution, and 2) determining whether a contribution received is conditional. ASU 2018-08 was effective for annual periods beginning after December 15, 2018 for entities that are resource recipients and for annual periods beginning after December 15, 2019 for entities that are resource providers, with early adoption permitted. ACGT adopted ASU 2018-08 effective May 1, 2019. The adoption of ASU 2018-08 had no effect on net assets or the methods used by ACGT to recognize contributions.

## ALLIANCE FOR CANCER GENE THERAPY, INC.

### Notes to Financial Statements

April 30, 2020 and 2019

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

##### (m) *Upcoming accounting pronouncements*

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. ASU 2014-09 requires an entity to recognize revenue depicting the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. For nonpublic business entities, ASU 2020-05 deferred the date of implementation to fiscal years beginning after December 15, 2019 (which is the year beginning May 1, 2020 for ACGT). The standard permits the use of either the retrospective or cumulative effect transition method. ACGT is currently assessing the impact of the adoption of the new guidance on its financial statements and related disclosures.

##### (n) *Reclassification*

Certain reclassifications have been made to the prior years' financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or net assets.

#### (3) Liquidity and Availability

Financial assets available for general expenditure (without donor or other restrictions limiting their use, within one year of the balance sheet date) comprise the following as of April 30, 2020 and 2019, respectively:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 745,164	\$ 733,247
Investments	5,227,886	5,397,306
Contributions receivable	107,056	176,003
Accrued investment income	7,608	214
Total financial assets	6,087,714	6,306,770
Less amounts not available to be used within one year:		
Net assets with donor restrictions subject to expenditures for specified purposes	2,130,094	2,132,990
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,957,620	\$ 4,173,780

As part of ACGT's liquidity management plan, ACGT structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, ACGT invests cash in excess of daily requirements in investments.

## ALLIANCE FOR CANCER GENE THERAPY, INC.

### Notes to Financial Statements April 30, 2020 and 2019

#### (4) Concentration of Support

For the year ended April 30, 2020, two charitable foundations accounted for 50% of total contributions. For the year ended April 30, 2019, one charitable foundation and one individual accounted for 48% of total contributions.

#### (5) Investments

The fair value of investments are as follows at April 30:

	2020	2019
Exchange-traded funds:		
Domestic equity	\$2,177,935	\$3,308,880
International equity	1,117,414	1,440,163
Fixed income	533,305	542,843
Commodities	75,748	57,812
U.S. treasury notes	1,299,367	-
U.S. government-sponsored enterprise mortgage-backed securities	24,117	47,608
	\$5,227,886	\$5,397,306

#### (6) Fair Value Measurements

For all financial and nonfinancial assets and liabilities accounted for at fair value on a recurring basis, ACGT utilizes valuation techniques based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect ACGT's market expectations. These two types of inputs create the following fair value hierarchy:

Level 1 – Quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 – Instruments where significant value drivers are unobservable.

When available, ACGT uses quoted market prices to determine fair value and classifies such items in Level 1. In some cases, ACGT uses quoted market prices for similar instruments in active markets and/or model-derived valuations where inputs are observable in active markets and classifies such items in Level 2. When there are limited or inactive trading markets, ACGT uses industry-standard pricing methodologies, including discounted cash flow models, whose inputs are based on management assumptions and available current market information. These items are classified in Level 3. The following section describes the valuation methodologies ACGT uses to measure different financial instruments at fair value.

## ALLIANCE FOR CANCER GENE THERAPY, INC.

### Notes to Financial Statements April 30, 2020 and 2019

#### (6) Fair Value Measurements (continued)

The financial instruments within the fair value hierarchy are based on the lowest level of any input that is significant to the fair value measurement. The valuation levels are not necessarily an indicator of the risk of the liquidity associated with the underlying assets and liabilities.

#### *Investments in Fixed Maturities and Equity Securities*

Investments included in Level 1 are exchange-traded funds with quoted market prices, and Level 2 include U.S. treasury notes and U.S. government-sponsored enterprise mortgage-backed securities that are priced with observable market inputs.

The following tables present ACGT's financial assets measured at fair value on a recurring basis at April 30, 2020 and 2019, respectively:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>2020 Investments:</b>				
Exchange-traded funds:				
Domestic Equity	\$ 2,177,935	\$ -	\$ -	\$ 2,177,935
International Equity	1,117,414	-	-	1,117,414
Fixed Income	533,305	-	-	533,305
Commodities	75,748	-	-	75,748
U.S. treasury notes	-	1,299,367	-	1,299,367
U.S. government-sponsored enterprise mortgage-backed securities	-	24,117	-	24,117
<b>Total</b>	<b>\$ 3,904,402</b>	<b>\$ 1,323,484</b>	<b>\$ -</b>	<b>\$ 5,227,886</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>2019 Investments:</b>				
Exchange-traded funds:				
Domestic Equity	\$ 3,308,880	\$ -	\$ -	\$ 3,308,880
International Equity	1,440,163	-	-	1,440,163
Fixed Income	542,843	-	-	542,843
Commodities	57,812	-	-	57,812
U.S. government-sponsored enterprise mortgage-backed securities	-	47,608	-	47,608
<b>Total</b>	<b>\$ 5,349,698</b>	<b>\$ 47,608</b>	<b>\$ -</b>	<b>\$ 5,397,306</b>

## ALLIANCE FOR CANCER GENE THERAPY, INC.

### Notes to Financial Statements April 30, 2020 and 2019

#### (6) Fair Value Measurements (continued)

The availability of observable market data is monitored to assess the appropriate classifications of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such circumstances, the transfer is reported at the beginning of the reporting period. For the years ended April 30, 2020 and 2019, there were no transfers into or out of Levels 1, 2 or 3.

#### (7) Grants Payable

Grants payable at April 30 consist of:

	2020	2019
Gross grants payable	\$ 1,461,052	\$ 1,840,967
Less unamortized discount to present value	(18,988)	(27,323)
	\$ 1,442,064	\$ 1,813,644

Grants payable are scheduled to be paid as follows:

Less than one year	\$ 861,722	\$ 1,155,765
One to five years	599,330	685,202
	\$ 1,461,052	\$ 1,840,967

During the year ended April 30, 2020, ACGT was unable to reach an agreement on the final terms of a previously awarded grant. On February 27, 2020, ACGT's Board of Directors approved the cancellation of the grant. The grant award had been previously approved by ACGT's Board of Directors and was included in grants payable on the statement of financial position at April 30, 2019. ACGT recorded other income of \$489,688 during the year ended April 30, 2020 as a result of the cancellation of the grant. Since the initial expense amounts were incurred using net assets with donor restrictions, current year research grant expenses were first offset with this other income before releasing additional net assets with donor restrictions.

#### (8) Contingencies and Other Uncertainties

It is not currently possible to ascertain the overall impact of the COVID-19 outbreak, if any, on its business. The extent to which COVID-19 could have a material impact on ACGT's business, financial condition and results of operations will depend on future developments as to the geographic presence of COVID-19 and government and healthcare responses to such spread, which are presently highly uncertain.

#### (9) Subsequent Events

ACGT has evaluated subsequent events through September 16, 2020, which is the date the financial statements were available to be issued.