

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

Financial Statements

April 30, 2021 and 2020

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

Table of Contents

	Page(s)
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position as of April 30, 2021 and 2020	3
Statements of Activities for the years ended April 30, 2021 and 2020	4
Statements of Functional Expenses for the years ended April 30, 2021 and 2020	5 - 6
Statements of Cash Flows for the years ended April 30, 2021 and 2020	7
Notes to Financial Statements	8 - 16

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, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows 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 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 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.



"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC provide professional services. EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

Opinion

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the financial position of Alliance for Cancer Gene Therapy, Inc. as of April 30, 2021 and 2020, and the changes in its net assets and its cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

EisnerAmper LLP

EISNERAMPER LLP
Philadelphia, Pennsylvania
October 5, 2021



Alliance for Cancer Gene Therapy, Inc.
(A Connecticut Not-for-Profit Organization)
Statements of Financial Position
April 30, 2021 and 2020

	2021	2020
Assets:		
Cash and cash equivalents	\$ 576,360	\$ 745,164
Investments, at fair value	5,893,227	5,227,886
Contributions receivable	260,226	107,056
Other assets	121,621	117,785
	<u>6,851,434</u>	<u>6,197,891</u>
Total assets	<u>\$ 6,851,434</u>	<u>\$ 6,197,891</u>
Liabilities:		
Grants payable	\$ 1,757,323	\$ 1,442,064
Accrued expenses	45,195	101,842
Unearned income	-	104,449
	<u>1,802,518</u>	<u>1,648,355</u>
Total liabilities	<u>1,802,518</u>	<u>1,648,355</u>
Net assets:		
Without donor restrictions	3,697,110	2,130,094
With donor restrictions	1,351,806	2,419,442
	<u>5,048,916</u>	<u>4,549,536</u>
Total net assets	<u>5,048,916</u>	<u>4,549,536</u>
Total liabilities and net assets	<u>\$ 6,851,434</u>	<u>\$ 6,197,891</u>

See notes to financial statements.

Alliance for Cancer Gene Therapy, Inc.
(A Connecticut Not-for-Profit Organization)
Statements of Activities
Years Ended April 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Contributions	\$ 637,935	\$ 663,589	\$ 1,301,524	\$ 143,625	\$ 794,786	\$ 938,411
Special events (net of direct benefits to donors of \$76,010 in 2021 and \$-0- in 2020)	85,204	28,439	113,643	-	-	-
Contributed services	812,049	-	812,049	653,514	-	653,514
Interest and dividend income	93,859	-	93,859	127,939	-	127,939
Net realized and unrealized gains (losses) on investments	1,482,351	-	1,482,351	(295,621)	-	(295,621)
Royalty income	94,566	-	94,566	722,382	-	722,382
Other income	-	-	-	489,669	-	489,669
Net assets released from restrictions	1,759,664	(1,759,664)	-	508,334	(508,334)	-
Total support and revenue	4,965,628	(1,067,636)	3,897,992	2,349,842	286,452	2,636,294
Expenses:						
Program services:						
Research grants and awards	2,683,846	-	2,683,846	1,761,287	-	1,761,287
Support services:						
Management and general	409,076	-	409,076	479,333	-	479,333
Fundraising	305,690	-	305,690	321,160	-	321,160
Total expenses	3,398,612	-	3,398,612	2,561,780	-	2,561,780
Increase (decrease) in net assets	1,567,016	(1,067,636)	499,380	(211,938)	286,452	74,514
Net assets at beginning of year	2,130,094	2,419,442	4,549,536	2,342,032	2,132,990	4,475,022
Net assets at end of year	<u>\$ 3,697,110</u>	<u>\$ 1,351,806</u>	<u>\$ 5,048,916</u>	<u>\$ 2,130,094</u>	<u>\$ 2,419,442</u>	<u>\$ 4,549,536</u>

See notes to financial statements.

Alliance for Cancer Gene Therapy, Inc.
(A Connecticut Not-for-Profit Organization)
Statement of Functional Expenses
Year Ended April 30, 2021

	Program Services		Support Services		Total	
	Research Grant and Awards	Management and General	Fundraising	Support Services	Support Services	Total Expenses
Direct expenses:						
Research grants	\$ 1,759,664	\$ -	\$ -	\$ -	\$ -	\$ 1,759,664
Professional fees	13,520	24,265	2,910	27,175	40,695	40,695
Salaries and benefits	241,697	-	-	-	241,697	241,697
Legal	51,228	34,746	-	34,746	85,974	85,974
Website development	74,500	7,539	60,785	68,324	142,824	142,824
Communication	162,767	-	52,970	52,970	215,737	215,737
Printing and reproduction	12,696	-	29,624	29,624	42,320	42,320
Travel	2,139	-	82	82	2,221	2,221
Miscellaneous	26,985	18,867	9,579	28,446	55,431	55,431
Total direct expenses	<u>2,345,196</u>	<u>85,417</u>	<u>155,950</u>	<u>241,367</u>	<u>2,586,563</u>	
Contributed services:						
Salaries and benefits	333,891	298,284	145,675	443,959	777,850	777,850
Professional fees	4,065	12,194	4,065	16,259	20,324	20,324
Rent	694	13,181	-	13,181	13,875	13,875
Total contributed services	<u>338,650</u>	<u>323,659</u>	<u>149,740</u>	<u>473,399</u>	<u>812,049</u>	
Total expenses	2,683,846	409,076	305,690	714,766	3,398,612	3,398,612
Direct benefits to donors	76,010	-	-	-	-	76,010
Total expenses and direct benefits to donors	<u>\$ 2,759,856</u>	<u>\$ 409,076</u>	<u>\$ 305,690</u>	<u>\$ 714,766</u>	<u>\$ 3,474,622</u>	

See notes to financial statements.

Alliance for Cancer Gene Therapy, Inc.
(A Connecticut Not-for-Profit Organization)
Statement of Functional Expenses
Year Ended April 30, 2020

	Support Services				Total
	Program Services	Management and General	Fundraising	Support Services	
	Research Grant and Awards				
Direct expenses:					
Research grants	\$ 998,003	-	-	-	\$ 998,003
Professional fees	87,163	22,188	26,579	48,767	135,930
Legal	73,899	-	-	-	73,899
Website development	168,770	103,439	-	103,439	272,209
Communication	64,424	12,436	59,342	71,778	136,202
Printing and reproduction	135,033	-	79,813	79,813	214,846
Corporate functions	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>
Contributed services:					
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 maintenance	-	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:					
Food and beverages	-	-	-	-	-
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.
(A Connecticut Not-for-Profit Organization)
Statements of Cash Flows
Years Ended April 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Increase in net assets	\$ 499,380	\$ 74,514
Adjustments to reconcile increase in net assets to net cash (used in) provided by operating activities:		
Net realized and unrealized (gains) losses on investments	(1,482,351)	295,621
(Increase) decrease in contributions receivable	(153,170)	68,947
Increase in other assets	(3,836)	(71,908)
Increase (decrease) in grants payable	315,259	(371,580)
(Decrease) increase in accrued expenses	(56,647)	38,075
(Decrease) increase in unearned income	(104,449)	104,449
	<u>(985,814)</u>	<u>138,118</u>
Net cash (used in) provided by operating activities		
Cash flows from investing activities:		
Purchase of investments	(219,553)	(1,279,230)
Proceeds from sales of investments	1,036,563	1,153,029
	<u>817,010</u>	<u>(126,201)</u>
Net cash provided by (used in) investing activities		
Net (decrease) increase in cash and cash equivalents	(168,804)	11,917
Cash and cash equivalents at beginning of year	745,164	733,247
	<u>745,164</u>	<u>733,247</u>
Cash and cash equivalents at end of year	<u>\$ 576,360</u>	<u>\$ 745,164</u>

See notes to financial statements.

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

Notes to Financial Statements
April 30, 2021 and 2020

(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-imposed 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-imposed or grantor-imposed restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed or grantor-imposed restrictions. Some donor-imposed 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-imposed or grantor-imposed restrictions are perpetual in nature, where the donor or grantor stipulates that resources can be maintained in perpetuity. Donor-imposed 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 restricted has been 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 restrictions when the assets are placed into service.

ACGT has committed that as of April 30, 2021 and 2020, 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 restrictions. 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-imposed or grantor-imposed restrictions or by law.

Direct fundraising expenses amounted to \$155,950 and \$191,595 for the years ended April 30, 2021 and 2020, respectively. In addition, fundraising expenses included in contributed services amounted to \$149,740 and \$129,565 for the years ended April 30, 2021 and 2020, 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.
(A Connecticut Not-for-Profit Organization)

Notes to Financial Statements
April 30, 2021 and 2020

(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, 2021 or 2020. The contributions receivable balance as of April 30, 2021 is expected to be received within one year of the statement of financial position date.

(f) Grants

Conditional grants and promises to give are not recorded as expenses until the condition on which they depend have been met. A grant is deemed to be conditional if it includes one or more measurable barriers and a right of return or forfeiture.

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. As of April 30, 2021, there were no grants awaiting board approval. Grants that are payable beyond one year are reported at the present value of the future cash flows. Discount rates of 0.20% and 1.80% were used for grants issued during the years ended April 30, 2021 and 2020, respectively.

(g) Revenue Recognition

Contributions

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.

Royalties and Special Events

In May 2014, Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*, which provided a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. GAAP. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity received or expects to receive. ASC 606 is effective for annual reporting periods beginning after December 31, 2019. ACGT adopted ASC 606 with a date of initial application of May 1, 2020.

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

Notes to Financial Statements
April 30, 2021 and 2020

(2) Summary of Significant Accounting Policies (continued)

(g) Revenue Recognition (continued)

Royalties and Special Events (continued)

ACGT adopted ASC 606 using the modified retrospective method, recognizing the cumulative effect of initially applying the new guidance as an adjustment to the opening net asset balance as of May 1, 2020.

As part of the adoption of ASC 606, ACGT elected to use the following transition practical expedients: (1) all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price have been reflected in the aggregate; and (2) ASC 606 was applied only to contracts that were not completed at the initial date of adoption. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients. There were no significant changes that resulted from adoption and, therefore, there were no adjustment to the net assets balance on the date of adoption. ACGT does not expect the adoption of the new revenue standard to have a material impact on its statements of activities on an ongoing basis.

ACGT earns revenue from contracts with customers through royalties and special events.

For periods commencing on May 1, 2020, fee-for-service revenue related to royalties and special events is recognized when or as the performance obligations in each contract are satisfied for the amount of consideration ACGT expects to be entitled to receive for the related service.

Royalties are recognized based 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 the net revenue received by the research institution.

Special events revenue is recorded equal to the cost of direct benefits to donors, and the contribution revenue for the difference, which is included in special events revenue on the statement of activities. The amounts are collected at the time of ticket purchase and are included in deferred revenue until recognized.

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 purchases. As of April 30, 2021 and 2020, there were conditional contributions associated with special events of \$-0- and \$104,449, respectively, that were included in unearned income. Amounts were recognized when the 2021 event occurred.

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

Notes to Financial Statements
April 30, 2021 and 2020

(2) Summary of Significant Accounting Policies (continued)

(h) *Functional Allocation of Expenses*

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, 2021 and 2020, 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 either of the years ended April 30, 2021 or 2020.

(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.

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

Notes to Financial Statements
April 30, 2021 and 2020

(2) Summary of Significant Accounting Policies (continued)

(l) Upcoming pronouncement

In September 2020, FASB issued Accounting Standards Update (“ASU”) 2020-07 (Topic 958), *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. Under the new standard's requirements, gifts-in-kind are to be presented as a separate line item, instead of remaining grouped among contributions of cash or other financial assets, on the statement of activities and changes in net assets. The ASU requires the new standard to be applied retrospectively, with amendments taking effect for annual reporting periods beginning after December 15, 2021. The ASU does allow for early adoption. Management is currently evaluating the effect that this new guidance will have on its financial statements and related disclosures.

(3) Liquidity and Availability

Financial assets available for general expenditure (without donor or other restrictions limiting their use, within one year of the statements of financial position date) comprise the following as of April 30, 2021 and 2020, respectively:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 576,360	\$ 745,164
Investments	5,893,227	5,227,886
Contributions receivable	260,226	107,056
Accrued investment income	3,155	7,608
Total financial assets	6,732,968	6,087,714
Less amounts not available to be used within one year:		
Net assets with donor restrictions subject to expenditures for specified purposes	1,351,806	2,419,442
Financial assets available to meet cash needs for general expenditures within one year	\$ 5,381,162	\$ 3,668,272

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.
(A Connecticut Not-for-Profit Organization)

Notes to Financial Statements
April 30, 2021 and 2020

(4) Concentration of Support

For the year ended April 30, 2021, one charitable foundation, one individual and one corporation accounted for 49% of total contributions. For the year ended April 30, 2020, two charitable foundations accounted for 50% of total contributions.

(5) Investments

The fair value of investments is as follows as of April 30:

	2021	2020
Exchange-traded funds:		
Domestic equity	\$2,988,482	\$2,177,935
International equity	1,270,541	1,117,414
Fixed income	559,087	533,305
Commodities	273,338	75,748
U.S. treasury notes	779,294	1,299,367
U.S. government-sponsored enterprise mortgage-backed securities	22,485	24,117
	\$5,893,227	\$5,227,886

(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.

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

Notes to Financial Statements
April 30, 2021 and 2020

(6) Fair Value Measurements (continued)

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.

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 as of April 30, 2021 and 2020, respectively:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2021 Investments:				
Exchange-traded funds:				
Domestic Equity	\$ 2,988,482	\$ -	\$ -	\$ 2,988,482
International Equity	1,270,541	-	-	1,270,541
Fixed Income	559,087	-	-	559,087
Commodities	273,338	-	-	273,338
U.S treasury notes	-	779,294	-	779,294
U.S. government-sponsored enterprise mortgage-backed securities	-	22,485	-	22,485
Total	<u>\$ 5,091,448</u>	<u>\$ 801,779</u>	<u>\$ -</u>	<u>\$ 5,893,227</u>

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

Notes to Financial Statements
April 30, 2021 and 2020

(6) Fair Value Measurements (continued)

Investments in Fixed Maturities and Equity Securities (continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2020 Investments:				
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
Total	<u>\$ 3,904,402</u>	<u>\$ 1,323,484</u>	<u>\$ -</u>	<u>\$ 5,227,886</u>

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, 2021 and 2020, there were no transfers into or out of Levels 1, 2 or 3.

(7) Grants Payable

Grants payable as of April 30 consist of:	<u>2021</u>	<u>2020</u>
Gross grants payable	\$ 1,763,098	\$ 1,461,052
Less unamortized discount to present value	(5,775)	(18,988)
	<u>\$ 1,757,323</u>	<u>\$ 1,442,064</u>

Grants payable are scheduled to be paid as follows:

Less than one year	\$ 1,137,035	\$ 861,722
One to five years	626,063	599,330
	<u>\$ 1,763,098</u>	<u>\$ 1,461,052</u>

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 as of April 30, 2019. ACGT recorded other income of \$489,669 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.

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

Notes to Financial Statements
April 30, 2021 and 2020

(8) Contingencies and Other Uncertainties

It is not currently possible to ascertain the overall impact of the coronavirus (“COVID-19”) outbreak, if any, on ACGT’s 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 October 5, 2021, which is the date the financial statements were available to be issued.