

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

FINANCIAL STATEMENTS

APRIL 30, 2023 and 2022

**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 Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Alliance for Cancer Gene Therapy, Inc. ("ACGT"), which comprise the statements of financial position as of April 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Alliance for Cancer Gene Therapy, Inc. as of April 30, 2023 and 2022, 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.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ACGT 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***

ACGT's 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 ACGT's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 ACGT'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 ACGT'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.

*EisnerAmper LLP*

EISNERAMPER LLP  
Philadelphia, Pennsylvania  
September 18, 2023



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

**Statements of Financial Position**  
**April 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 2,535,015	\$ 3,060,876
Investments, at fair value	5,337,857	3,828,652
Contributions receivable	16,000	13,771
Other assets	40,511	115,238
	<b>Total assets</b>	<b>Total assets</b>
	\$ 7,929,383	\$ 7,018,537
<b>Liabilities:</b>		
Grants payable	\$ 1,650,923	\$ 1,199,610
Accounts payable and accrued expenses	23,143	41,923
	<b>Total liabilities</b>	<b>Total liabilities</b>
	1,674,066	1,241,533
<b>Net assets:</b>		
Without donor restrictions	4,020,483	3,541,227
With donor restrictions	2,234,834	2,235,777
	<b>Total net assets</b>	<b>Total net assets</b>
	6,255,317	5,777,004
	<b>Total liabilities and net assets</b>	<b>Total liabilities and net assets</b>
	\$ 7,929,383	\$ 7,018,537

See notes to financial statements.

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

**Statements of Activities and Changes in Net Assets**  
**Years Ended April 30, 2023 and 2022**

	<u>2023</u>			<u>2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and revenue:</b>						
Contributions	\$ 519,221	\$ 1,682,965	\$ 2,202,186	\$ 405,202	\$ 2,049,177	\$ 2,454,379
Special events (net of direct benefits to donors of \$82,060 in 2023 and \$0 in 2022)	147,386	49,367	196,753	-	-	-
Contributed services	700,732	-	700,732	748,568	-	748,568
Interest and dividend income	134,870	-	134,870	73,459	-	73,459
Net realized and unrealized (losses) gains on investments	45,385	-	45,385	(229,342)	-	(229,342)
Royalty income	395,629	-	395,629	161,669	-	161,669
Other income	-	2,069	2,069	-	72,144	72,144
Net assets released from restrictions	<u>1,735,344</u>	<u>(1,735,344)</u>	<u>-</u>	<u>1,237,350</u>	<u>(1,237,350)</u>	<u>-</u>
Total support and revenue	<u>3,678,567</u>	<u>(943)</u>	<u>3,677,624</u>	<u>2,396,906</u>	<u>883,971</u>	<u>3,280,877</u>
<b>Expenses:</b>						
Program services:						
Research grants and awards	2,631,097	-	2,631,097	1,959,083	-	1,959,083
Support services:						
Management and general	393,683	-	393,683	351,300	-	351,300
Fundraising	<u>174,531</u>	<u>-</u>	<u>174,531</u>	<u>242,406</u>	<u>-</u>	<u>242,406</u>
Total expenses	<u>3,199,311</u>	<u>-</u>	<u>3,199,311</u>	<u>2,552,789</u>	<u>-</u>	<u>2,552,789</u>
Increase (decrease) in net assets	479,256	(943)	478,313	(155,883)	883,971	728,088
Net assets at beginning of year	<u>3,541,227</u>	<u>2,235,777</u>	<u>5,777,004</u>	<u>3,697,110</u>	<u>1,351,806</u>	<u>5,048,916</u>
Net assets at end of year	<u>\$ 4,020,483</u>	<u>\$ 2,234,834</u>	<u>\$ 6,255,317</u>	<u>\$ 3,541,227</u>	<u>\$ 2,235,777</u>	<u>\$ 5,777,004</u>

See notes to financial statements.

**ALLIANCE FOR CANCER GENE THERAPY, INC.**  
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**Statement of Functional Expenses**  
**Year Ended April 30, 2023**

	<b>Program Services</b>	<b>Support Services</b>		<b>Total</b>	<b>Total</b>
	<b>Research Grants and Awards</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Support Services</b>	<b>Expenses</b>
<b>Direct expenses:</b>					
Research grants	\$ 1,735,344	\$ -	\$ -	\$ -	\$ 1,735,344
Professional fees	20,051	18,550	7,387	25,937	45,988
Salaries and benefits	416,683	-	-	-	416,683
Legal	31,236	10,412	-	10,412	41,648
Website development	35,548	6,368	32,342	38,710	74,258
Communication	18,637	-	8,391	8,391	27,028
Printing and reproduction	5,459	-	12,736	12,736	18,195
Corporate functions	157,915	-	-	-	157,915
Travel	23,837	-	9,737	9,737	33,574
Miscellaneous	5,741	12,479	11,786	24,265	30,006
	2,450,451	47,809	82,379	130,188	2,580,639
Total direct expenses					
<b>Contributed services:</b>					
Salaries and benefits	211,598	333,271	135,109	468,380	679,978
Rent	4,064	12,195	4,065	16,260	20,324
Stationery and Supplies	4	71	-	71	75
Miscellaneous	18	337	-	337	355
	215,684	345,874	139,174	485,048	700,732
Total contributed services					
Total expenses	\$ 2,666,135	\$ 393,683	\$ 221,553	\$ 615,236	\$ 3,281,371
<b>Less: direct benefits to donors</b>					
Food	14,250	-	21,000	21,000	35,250
Building services	1,520	-	190	190	1,710
Audio/visual	11,375	-	10,725	10,725	22,100
Room rental	1,575	-	3,000	3,000	4,575
Administrative fees	6,318	-	7,682	7,682	14,000
Floral arrangements	-	-	4,425	4,425	4,425
	35,038	-	47,022	47,022	82,060
Total direct benefits to donors					
Total expenses	\$ 2,631,097	\$ 393,683	\$ 174,531	\$ 568,214	\$ 3,199,311

See notes to financial statements.

**ALLIANCE FOR CANCER GENE THERAPY, INC.**  
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**Statement of Functional Expenses**  
**Year Ended April 30, 2022**

	<b>Program Services</b>	<b>Support Services</b>			<b>Total Expenses</b>
	<b>Research Grants and Awards</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Support Services</b>	
<b>Direct expenses:</b>					
Research grants	\$ 1,237,350	\$ -	\$ -	\$ -	\$ 1,237,350
Professional fees	17,691	18,500	20,653	39,153	56,844
Salaries and benefits	286,740	-	-	-	286,740
Legal	29,570	9,857	-	9,857	39,427
Website development	36,528	6,608	34,174	40,782	77,310
Communication	8,128	-	7,129	7,129	15,257
Printing and reproduction	9,889	-	23,073	23,073	32,962
Corporate functions	2,979	-	300	300	3,279
Travel	20,238	-	3,891	3,891	24,129
Miscellaneous	9,495	10,871	10,557	21,428	30,923
	<u>1,658,608</u>	<u>45,836</u>	<u>99,777</u>	<u>145,613</u>	<u>1,804,221</u>
<b>Total direct expenses</b>					
<b>Contributed services:</b>					
Salaries and benefits	296,411	293,269	138,564	431,833	728,244
Rent	4,064	12,195	4,065	16,260	20,324
	<u>300,475</u>	<u>305,464</u>	<u>142,629</u>	<u>448,093</u>	<u>748,568</u>
<b>Total contributed services</b>					
<b>Total expenses</b>	<u><u>\$ 1,959,083</u></u>	<u><u>\$ 351,300</u></u>	<u><u>\$ 242,406</u></u>	<u><u>\$ 593,706</u></u>	<u><u>\$ 2,552,789</u></u>

See notes to financial statements.



**ALLIANCE FOR CANCER GENE THERAPY, INC.**  
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**Statements of Cash Flows**  
**Years Ended April 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$ 478,313	\$ 728,088
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Net realized and unrealized (gains) losses on investments	(45,385)	229,342
(Increase) decrease in contributions receivable	(2,229)	246,455
Decrease in other assets	74,727	6,383
Increase (decrease) in grants payable	451,313	(557,713)
Decrease in accounts payable and accrued expenses	(18,780)	(3,272)
	<u>937,959</u>	<u>649,283</u>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(2,114,429)	(543,517)
Proceeds from sales and maturities of investments	650,609	2,378,750
	<u>(1,463,820)</u>	<u>1,835,233</u>
Net cash (used in) provided by investing activities		
Net (decrease) increase in cash and cash equivalents	(525,861)	2,484,516
Cash and cash equivalents at beginning of year	3,060,876	576,360
	<u>3,060,876</u>	<u>576,360</u>
Cash and cash equivalents at end of year	<u>\$ 2,535,015</u>	<u>\$ 3,060,876</u>

See notes to financial statements.

**ALLIANCE FOR CANCER GENE THERAPY, INC.**  
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**Notes to Financial Statements**  
**April 30, 2023 and 2022**

**(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 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 those 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 restrictions and released from restrictions when the assets are placed into service.

ACGT has committed that, as of April 30, 2023 and 2022, 100% of restricted contributions and net 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 or grantor-imposed restrictions or by law.

Direct fundraising expenses amounted to \$82,379 and \$99,777 for the years ended April 30, 2023 and 2022, respectively. In addition, fundraising expenses included in contributed services amounted to \$139,174 and \$142,629 for the years ended April 30, 2023 and 2022, respectively.

**ALLIANCE FOR CANCER GENE THERAPY, INC.**  
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**Notes to Financial Statements**  
**April 30, 2023 and 2022**

**(2) Summary of Significant Accounting Policies (Continued)**

**(c) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash on deposit, and money market accounts. ACGT considers short-term highly liquid investments with original maturities of three months or less to be cash equivalents.

ACGT maintains its cash and cash equivalent balances in financial institutions with insurance provided by the Federal Deposit Insurance Corporation. At times, these accounts may exceed the insurable limits. Management does not believe there is a significant credit risk with these institutions.

**(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 and changes in net assets. Gains and losses on sales of investments are determined based on specific identification.

**(e) Contributions Receivable**

ACGT periodically evaluates the collectability of contributions receivable and records an allowance for uncollectible amounts, as necessary. Management has determined that an allowance is not necessary as of April 30, 2023 and 2022. The contributions receivable balance as of April 30, 2023 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 and contracts are executed, 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 3.80% and 2.70% were used as of April 30, 2023 and 2022, respectively.

**(g) Revenue Recognition**

*Contributions*

Contributions, including unconditional promises to give, are recognized as revenues in the period 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.

**ALLIANCE FOR CANCER GENE THERAPY, INC.**  
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**Notes to Financial Statements**  
**April 30, 2023 and 2022**

**(2) Summary of Significant Accounting Policies (Continued)**

**(g) Revenue Recognition (Continued)**

*Royalties and Special Events*

ACGT follows the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*, which provides 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 ASC 606 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.

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

Royalties are recognized based on 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 at the time the promised goods transfer to the customer.

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 statements of activities and changes in net assets. 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, 2023 and 2022, there were no conditional contributions associated with special events that were included in unearned income.

**(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, communications, 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**

Contributed services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically be purchased if not provided by donation. Contributed services are recorded at the fair value of the services received if they meet the above criteria.

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**Notes to Financial Statements**  
**April 30, 2023 and 2022**

**(2) Summary of Significant Accounting Policies (Continued)**

**(i) Contributed Services (Continued)**

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 salaries includes the cost of the time spent by personnel in providing services to ACGT and amounted to \$679,978 and \$728,244 for the years ended April 30, 2023 and 2022, respectively. Contributed rent includes the cost of the personnel's use of office space while providing services to ACGT and amounted to \$20,324 for each of the years ended April 30, 2023 and 2022.

Contributed services are reflected as revenue in the accompanying statements of activities and changes in net assets. The related offsetting expense is recorded in the same amount on the statements of activities and changes in net assets. In addition to those included above, ACGT receives donated services from unpaid volunteers who assist to advance ACGT's programs and objectives. These services do not meet the criteria for recognition as contributed services and are therefore not included in the accompanying financial statements.

**(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, 2023 and 2022, 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 or penalties recorded for the years ended April 30, 2023 and 2022.

**(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.

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**Notes to Financial Statements**  
**April 30, 2023 and 2022**

**(2) Summary of Significant Accounting Policies (Continued)**

**(l) New Accounting Pronouncement**

In September 2020, the FASB issued Accounting Standards Update (“ASU”) 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires not-for-profit organizations 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 June 15, 2021. The ASU does allow for early adoption. Management has adopted ASU 2020-07 as of and for the year ended April 30, 2023. The amendment has been applied retrospectively to all periods presented, which had no effect on the financial statements. The adoption of ASU 2020-07 resulted in additional disclosures related to in-kind contributions.

**(3) Liquidity and Availability**

Financial assets available for general expenditures (without donor or other restrictions limiting their use, within one year of the statements of financial position dates) comprise the following as of April 30, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Financial assets:		
Cash and cash equivalents	\$ 2,535,015	\$ 3,060,876
Investments	5,337,857	3,828,652
Contributions receivable	16,000	13,771
Accrued investment income	46	60
Total financial assets	7,888,918	6,903,359
Less amounts not available to be used within one year:		
Net assets with donor restrictions subject to expenditures for specified purposes	2,234,834	2,235,777
Financial assets available to meet cash needs for general expenditures within one year	\$ 5,654,084	\$ 4,667,582

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.

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**Notes to Financial Statements**  
**April 30, 2023 and 2022**

**(4) Concentration of Support**

For the year ended April 30, 2023, one individual, one corporation, and one charitable foundation accounted for 74% of total contributions. For the year ended April 30, 2022, one individual, one corporation, and one charitable foundation accounted for 69% of total contributions.

**(5) Investments**

The fair values of investments are as follows as of April 30:

	<b>2023</b>	<b>2022</b>
Exchange-traded funds:		
Domestic equity	\$ 2,662,025	\$ 2,597,606
International equity	372,180	659,860
Fixed income	258,761	266,132
Commodities	541,094	291,901
U.S. treasury notes	1,494,170	-
U.S. government-sponsored enterprise mortgage-backed securities	9,627	13,153
	<b>\$ 5,337,857</b>	<b>\$ 3,828,652</b>

**(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.**  
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**Notes to Financial Statements**  
**April 30, 2023 and 2022**

**(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*

Level 1 investments include exchange-traded funds and U.S. treasury notes with quoted market prices, and Level 2 investments include 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, 2023 and 2022:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>2023 Investments:</b>				
Exchange-traded funds:				
Domestic equity	\$ 2,662,025	\$ -	\$ -	\$ 2,662,025
International equity	372,180	-	-	372,180
Fixed income	258,761	-	-	258,761
Commodities	541,094	-	-	541,094
U.S. treasury notes	1,494,170	-	-	1,494,170
U.S. government-sponsored enterprise mortgage-backed securities	-	9,627	-	9,627
	<u>\$ 5,328,230</u>	<u>\$ 9,627</u>	<u>\$ -</u>	<u>\$ 5,337,857</u>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>2022 Investments:</b>				
Exchange-traded funds:				
Domestic equity	\$ 2,597,606	\$ -	\$ -	\$ 2,597,606
International equity	659,860	-	-	659,860
Fixed income	266,132	-	-	266,132
Commodities	291,901	-	-	291,901
U.S. government-sponsored enterprise mortgage-backed securities	-	13,153	-	13,153
	<u>\$ 3,815,499</u>	<u>\$ 13,153</u>	<u>\$ -</u>	<u>\$ 3,828,652</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, 2023 and 2022, there were no transfers into or out of Levels 1, 2, or 3.



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

**Notes to Financial Statements**  
**April 30, 2023 and 2022**

**(7) Grants Payable**

Grants payable as of April 30 consist of:

	<b>2023</b>	<b>2022</b>
Gross grants payable	\$ 1,682,830	\$ 1,218,035
Less unamortized discount to present value	(31,907)	(18,425)
	<b>\$ 1,650,923</b>	<b>\$ 1,199,610</b>

Grants payable are scheduled to be paid as follows:

Less than one year	\$ 1,100,740	\$ 743,646
One to five years	582,090	474,389
	<b>\$ 1,682,830</b>	<b>\$ 1,218,035</b>

**(8) Subsequent Events**

ACGT has evaluated subsequent events through September 18, 2023, which is the date the financial statements were available to be issued.