

**ALLIANCE FOR CANCER
GENE THERAPY, INC.**

(a Connecticut not-for-profit organization)

FINANCIAL STATEMENTS

APRIL 30, 2024 and 2023

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, 2024 and 2023	3
Statements of Activities and Changes in Net Assets for the years ended April 30, 2024 and 2023	4
Statements of Functional Expenses for the years ended April 30, 2024 and 2023	5 - 6
Statements of Cash Flows for the years ended April 30, 2024 and 2023	7
Notes to Financial Statements	8 - 15

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, 2024 and 2023, 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, 2024 and 2023, 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 audits 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 audits. 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.



"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.

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 6, 2024



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

Statements of Financial Position
April 30, 2024 and 2023

	2024	2023
Assets:		
Cash and cash equivalents	\$ 1,728,966	\$ 2,535,015
Investments, at fair value	13,184,925	5,337,857
Contributions receivable	31,119	16,000
Other assets	97,860	40,511
	Total assets	Total assets
	\$ 15,042,870	\$ 7,929,383
Liabilities:		
Grants payable	\$ 887,465	\$ 1,650,923
Accounts payable and accrued expenses	31,650	23,143
	Total liabilities	Total liabilities
	919,115	1,674,066
Net assets:		
Without donor restrictions	12,042,970	4,020,483
With donor restrictions	2,080,785	2,234,834
	Total net assets	Total net assets
	14,123,755	6,255,317
	Total liabilities and net assets	Total liabilities and net assets
	\$ 15,042,870	\$ 7,929,383

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, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Contributions	\$ 689,246	\$ 851,788	\$ 1,541,034	\$ 519,221	\$ 1,682,965	\$ 2,202,186
Special events (net of direct benefits to donors of \$57,034 in 2024 and \$82,060 in 2023)	-	19,587	19,587	147,386	49,367	196,753
Contributed services	755,676	-	755,676	700,732	-	700,732
Interest and dividend income	242,889	-	242,889	134,870	-	134,870
Net realized and unrealized gains on investments	827,017	-	827,017	45,385	-	45,385
Royalty income	7,204,115	-	7,204,115	395,629	-	395,629
Other income	-	-	-	-	2,069	2,069
Net assets released from restrictions	<u>1,025,424</u>	<u>(1,025,424)</u>	<u>-</u>	<u>1,735,344</u>	<u>(1,735,344)</u>	<u>-</u>
Total support and revenue	<u>10,744,367</u>	<u>(154,049)</u>	<u>10,590,318</u>	<u>3,678,567</u>	<u>(943)</u>	<u>3,677,624</u>
Expenses:						
Program services:						
Research grants and awards	2,065,631	-	2,065,631	2,631,097	-	2,631,097
Support services:						
Management and general	422,956	-	422,956	393,683	-	393,683
Fundraising	<u>233,293</u>	<u>-</u>	<u>233,293</u>	<u>174,531</u>	<u>-</u>	<u>174,531</u>
Total expenses	<u>2,721,880</u>	<u>-</u>	<u>2,721,880</u>	<u>3,199,311</u>	<u>-</u>	<u>3,199,311</u>
Increase (decrease) in net assets	8,022,487	(154,049)	7,868,438	479,256	(943)	478,313
Net assets at beginning 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>
Net assets at end of year	<u>\$ 12,042,970</u>	<u>\$ 2,080,785</u>	<u>\$ 14,123,755</u>	<u>\$ 4,020,483</u>	<u>\$ 2,234,834</u>	<u>\$ 6,255,317</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, 2024

	<u>Program Services</u>	<u>Support Services</u>		<u>Total Support Services</u>	<u>Total Expenses</u>
	<u>Research Grants and Awards</u>	<u>Management and General</u>	<u>Fundraising</u>		
Direct expenses:					
Research grants	\$ 1,025,424	\$ -	\$ -	\$ -	\$ 1,025,424
Professional fees	12,648	20,400	13,858	34,258	46,906
Salaries and benefits	596,289	-	-	-	596,289
Legal	100,350	3,197	-	3,197	103,547
Website development	26,640	12,389	19,945	32,334	58,974
Communication	18,824	-	16,544	16,544	35,368
Printing and reproduction	3,154	-	3,154	3,154	6,308
Corporate functions	82,462	-	7,710	7,710	90,172
Travel	17,929	-	3,229	3,229	21,158
Miscellaneous	7,671	12,517	18,904	31,421	39,092
	<u>1,891,391</u>	<u>48,503</u>	<u>83,344</u>	<u>131,847</u>	<u>2,023,238</u>
Total direct expenses					
Contributed services:					
Salaries and benefits	227,182	361,736	145,884	507,620	734,802
Rent	4,065	12,194	4,065	16,259	20,324
Stationery and supplies	23	441	-	441	464
Miscellaneous	4	82	-	82	86
	<u>231,274</u>	<u>374,453</u>	<u>149,949</u>	<u>524,402</u>	<u>755,676</u>
Total contributed services					
Total expenses	<u>\$ 2,122,665</u>	<u>\$ 422,956</u>	<u>\$ 233,293</u>	<u>\$ 656,249</u>	<u>\$ 2,778,914</u>
Less: direct benefits to donors					
Food	21,375	-	-	-	21,375
Building services	1,770	-	-	-	1,770
Audio/visual	12,850	-	-	-	12,850
Room rental	10,000	-	-	-	10,000
Administrative fees	11,039	-	-	-	11,039
	<u>57,034</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,034</u>
Total direct benefits to donors					
Total expenses	<u>\$ 2,065,631</u>	<u>\$ 422,956</u>	<u>\$ 233,293</u>	<u>\$ 656,249</u>	<u>\$ 2,721,880</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, 2023

	Program Services	Support Services		Total Support Services	Total Expenses
	Research Grants and Awards	Management and General	Fundraising		
Direct expenses:					
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
	<u>2,450,451</u>	<u>47,809</u>	<u>82,379</u>	<u>130,188</u>	<u>2,580,639</u>
Total direct expenses					
	2,450,451	47,809	82,379	130,188	2,580,639
Contributed services:					
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
	<u>215,684</u>	<u>345,874</u>	<u>139,174</u>	<u>485,048</u>	<u>700,732</u>
Total contributed services					
	215,684	345,874	139,174	485,048	700,732
Total expenses	<u>\$ 2,666,135</u>	<u>\$ 393,683</u>	<u>\$ 221,553</u>	<u>\$ 615,236</u>	<u>\$ 3,281,371</u>
Less: direct benefits to donors					
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
	<u>35,038</u>	<u>-</u>	<u>47,022</u>	<u>47,022</u>	<u>82,060</u>
Total direct benefits to donors					
	35,038	-	47,022	47,022	82,060
Total expenses	<u>\$ 2,631,097</u>	<u>\$ 393,683</u>	<u>\$ 174,531</u>	<u>\$ 568,214</u>	<u>\$ 3,199,311</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, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Increase in net assets	\$ 7,868,438	\$ 478,313
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Net realized and unrealized gains on investments	(827,017)	(45,385)
Increase in contributions receivable	(15,119)	(2,229)
(Increase) decrease in other assets	(57,349)	74,727
(Decrease) increase in grants payable	(763,458)	451,313
Increase (decrease) in accounts payable and accrued expenses	<u>8,507</u>	<u>(18,780)</u>
Net cash provided by operating activities	<u>6,214,002</u>	<u>937,959</u>
Cash flows from investing activities:		
Purchases of investments	(12,623,855)	(2,114,429)
Proceeds from sales and maturities of investments	<u>5,603,804</u>	<u>650,609</u>
Net cash used in investing activities	<u>(7,020,051)</u>	<u>(1,463,820)</u>
Net decrease in cash and cash equivalents	(806,049)	(525,861)
Cash and cash equivalents at beginning of year	<u>2,535,015</u>	<u>3,060,876</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,728,966</u></u>	<u><u>\$ 2,535,015</u></u>

See notes to financial statements.

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

Notes to Financial Statements
April 30, 2024 and 2023

(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, revenue, 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 those 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 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, 2024 and 2023, 100% of restricted contributions and net special events revenue, 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 \$83,344 and \$82,379 for the years ended April 30, 2024 and 2023, respectively. In addition, fundraising expenses included in contributed services amounted to \$149,949 and \$139,174 for the years ended April 30, 2024 and 2023, respectively.

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

Notes to Financial Statements
April 30, 2024 and 2023

(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, 2024 and 2023. The contributions receivable balance as of April 30, 2024 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. A discount rate of 3.80% was used at April 30, 2024 and 2023.

(g) Revenue Recognition

Contributions

Contributions, including unconditional promises to give, are recognized as revenue 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.
(A Connecticut Not-for-Profit Organization)

Notes to Financial Statements
April 30, 2024 and 2023

(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 revenue 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, 2024 and 2023, 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.

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

Notes to Financial Statements
April 30, 2024 and 2023

(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 \$734,802 and \$679,978 for the years ended April 30, 2024 and 2023, respectively.

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, 2024 and 2023, 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, 2024 and 2023.

(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 revenue 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, 2024 and 2023

(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, 2024 and 2023:

	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 1,728,966	\$ 2,535,015
Investments	13,184,925	5,337,857
Contributions receivable	31,119	16,000
Accrued investment income	67,196	46
Total financial assets	15,012,206	7,888,918
Less amounts not available to be used within one year:		
Net assets with donor restrictions subject to expenditures for specified purposes	2,080,785	2,234,834
Financial assets available to meet cash needs for general expenditures within one year	\$ 12,931,421	\$ 5,654,084

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.

(4) Concentration of Support

For the year ended April 30, 2024, three charitable foundations and one corporation accounted for 53% of total contributions. For the year ended April 30, 2023, one individual, one corporation, and one charitable foundation accounted for 74% of total contributions.

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

Notes to Financial Statements
April 30, 2024 and 2023

(5) Investments

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

	2024	2023
Exchange-traded funds:		
Domestic equity	\$ 5,656,336	\$ 2,662,025
International equity	1,092,076	372,180
Fixed income	-	258,761
Commodities	1,221,642	541,094
U.S. treasury bills and notes	5,206,195	1,494,170
U.S. government-sponsored enterprise mortgage-backed securities	8,676	9,627
	\$ 13,184,925	\$ 5,337,857

(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.

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.

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

Notes to Financial Statements
April 30, 2024 and 2023

(6) Fair Value Measurements (Continued)

Investments in Fixed Maturities and Equity Securities

Level 1 investments include exchange-traded funds and U.S. treasury bills and 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, 2024 and 2023:

	Level 1	Level 2	Level 3	Total
2024 Investments:				
Exchange-traded funds:				
Domestic equity	\$ 5,656,336	\$ -	\$ -	\$ 5,656,336
International equity	1,092,076	-	-	1,092,076
Commodities	1,221,642	-	-	1,221,642
U.S. treasury bills and notes	5,206,195	-	-	5,206,195
U.S. government-sponsored enterprise mortgage-backed securities	-	8,676	-	8,676
	<u>\$ 13,176,249</u>	<u>\$ 8,676</u>	<u>\$ -</u>	<u>\$ 13,184,925</u>
	Level 1	Level 2	Level 3	Total
2023 Investments:				
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>

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, 2024 and 2023, 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, 2024 and 2023

(7) Grants Payable

Grants payable as of April 30 consist of:

	2024	2023
Gross grants payable	\$ 893,948	\$ 1,682,830
Less unamortized discount to present value	(6,483)	(31,907)
	\$ 887,465	\$ 1,650,923

Grants payable are scheduled to be paid as follows:

	2024	2023
Less than one year	\$ 767,875	\$ 1,100,740
One to five years	126,073	582,090
	\$ 893,948	\$ 1,682,830

(8) Subsequent Events

ACGT has evaluated subsequent events through September 6, 2024, which is the date the financial statements were available to be issued.