



*Financial Statements
For the Years Ended June 30, 2024 and 2023*

VHL ALLIANCE, INC.

Financial Statements

For the Years Ended June 30, 2024 and 2023

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Independent Auditors' Report

To the Board of Directors
VHL Alliance, Inc.
Boston, Massachusetts

Opinion

We have audited the accompanying financial statements of Von Hippel-Lindau Alliance, Inc. (a nonprofit organization)(VHL Alliance),(VHL), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of VHL Alliance, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of VHL Alliance, Inc. 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.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 VHL Alliance, Inc.'s ability to continue as a going concern within 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VHL Alliance, Inc.'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 VHL Alliance, Inc.'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.

KellyVitaleRaffol LLC

Needham, Massachusetts
September 12, 2024

VHL ALLIANCE, INC.

Statements of Financial Position

As of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<i>Assets</i>		
Cash and cash equivalents	\$ 518,226	\$ 523,602
Investments	1,785,180	1,339,216
Prepaid expenses	<u>12,762</u>	<u>9,123</u>
<i>Total assets</i>	<u>\$ 2,316,168</u>	<u>\$ 1,871,941</u>
<i>Liabilities and Net Assets</i>		
Liabilities:		
Accounts payable and accrued expenses	\$ 10,319	\$ 14,767
Grants payable	208,333	341,667
Deferred revenue	<u>3,965</u>	<u>1,546</u>
<i>Total liabilities</i>	<u>222,617</u>	<u>357,980</u>
Net Assets:		
Net assets without donor restrictions	1,743,551	1,513,961
Net assets with donor restrictions	<u>350,000</u>	<u>-</u>
<i>Total net assets</i>	<u>2,093,551</u>	<u>1,513,961</u>
<i>Total liabilities and net assets</i>	<u>\$ 2,316,168</u>	<u>\$ 1,871,941</u>

See accompanying notes to financial statements.

VHL Alliance, Inc.

Statements of Activities and Changes in Net Assets

For the Years Ended June 30, 2024 and 2023

	<i>2024</i>			<i>2023</i>		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<i>Revenue and Other Support:</i>						
Contributions, general	\$ 648,200	\$ 350,000	\$ 998,200	\$ 752,043	\$ -	\$ 752,043
Contributions, research	235,973	-	235,973	97,241	-	97,241
Contributed goods and services	7,152	-	7,152	1,938	-	1,938
Conference registrations	197,390	-	197,390	42,466	-	42,466
Net investment income	101,916	-	101,916	62,233	-	62,233
Other income	8,919	-	8,919	395	-	395
<i>Total revenue and support</i>	<u>1,199,550</u>	<u>350,000</u>	<u>1,549,550</u>	<u>956,316</u>	<u>-</u>	<u>956,316</u>
<i>Expenses:</i>						
Program expenses	655,436	-	655,436	932,724	-	932,724
Management and general	116,615	-	116,615	120,774	-	120,774
Fundraising	197,909	-	197,909	72,886	-	72,886
<i>Total expenses</i>	<u>969,960</u>	<u>-</u>	<u>969,960</u>	<u>1,126,384</u>	<u>-</u>	<u>1,126,384</u>
<i>Change in net assets</i>	229,590	350,000	579,590	(170,068)	-	(170,068)
<i>Net assets, beginning of year</i>	<u>1,513,961</u>	<u>-</u>	<u>1,513,961</u>	<u>1,684,029</u>	<u>-</u>	<u>1,684,029</u>
<i>Net assets, end of year</i>	<u>\$ 1,743,551</u>	<u>\$ 350,000</u>	<u>\$ 2,093,551</u>	<u>\$ 1,513,961</u>	<u>\$ -</u>	<u>\$ 1,513,961</u>

See accompanying notes to financial statements.

VHL Alliance, Inc.

Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<i>Cash Flows from Operating Activities:</i>		
Increase (decrease) in net assets	\$ 579,590	\$ (170,068)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donations of investments	(12,829)	(12,464)
Realized and unrealized gain on sale of investments	(4,643)	(4,445)
Changes in:		
Prepaid expenses	(3,639)	(873)
Accounts payable and accrued expenses	(4,448)	6,065
Grants payable	(133,334)	8,334
Deferred revenue	2,419	(174,255)
<i>Net cash provided by (used in) operating activities</i>	<u>423,116</u>	<u>(347,706)</u>
<i>Cash Flows from Investing Activities:</i>		
Proceeds from sale of investments	5,787,610	5,406,553
Purchase of investments	<u>(6,216,102)</u>	<u>(6,728,860)</u>
<i>Net cash used in investing activities</i>	<u>(428,492)</u>	<u>(1,322,307)</u>
<i>Net change in cash and cash equivalents</i>	(5,376)	(1,670,013)
<i>Cash and cash equivalents, beginning of year</i>	<u>523,602</u>	<u>2,193,615</u>
<i>Cash and cash equivalents, end of year</i>	<u>\$ 518,226</u>	<u>\$ 523,602</u>

See accompanying notes to financial statements.

VHL Alliance, Inc.

Statements of Functional Expenses

For the Years Ended June 30, 2024 and 2023

	2024						2023						
	Education	Research	Total Program	General and Administrative		Fundraising	Total	Education	Research	Total Program	General and Administrative		Fundraising
Grants awarded	\$ -	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ 150,000	\$ -	\$ 325,000	\$ 325,000	\$ -	\$ -	\$ 325,000	
Salaries	160,296	101,652	261,948	39,097	89,923	390,968	221,592	102,003	323,595	17,587	10,552	351,734	
Payroll taxes	12,485	7,917	20,402	3,045	7,004	30,451	17,284	9,374	26,658	293	2,344	29,295	
Accounting services	5,811	3,686	9,497	1,418	3,260	14,175	9,180	2,835	12,015	135	1,350	13,500	
Bank charges	12	15	27	13,249	494	13,770	52	27	79	-	8,277	8,356	
Computer services	6,586	4,177	10,763	1,607	3,695	16,065	16,190	5,159	21,349	-	2,421	23,770	
Contributed goods and services	7,152	-	7,152	-	-	7,152	311	1,447	1,758	34	146	1,938	
Dues and subscriptions	500	1,850	2,350	148	-	2,498	2,564	1,251	3,815	520	-	4,335	
Insurance	2,005	1,271	3,276	489	1,124	4,889	2,584	1,402	3,986	44	350	4,380	
Legal services	-	-	-	-	6,250	6,250	-	-	-	-	10,366	10,366	
Office and miscellaneous	3,273	1,279	4,552	912	1,585	7,049	4,589	2,465	7,054	67	808	7,929	
Outreach, webinars and support	19,414	174	19,588	-	876	20,464	26,069	-	26,069	-	-	26,069	
Outside services	92,280	22,139	114,419	22,155	22,585	159,159	105,238	28,399	133,637	97,323	8,704	239,664	
Patient registry	850	-	850	-	-	850	-	2,699	2,699	-	-	2,699	
Payroll service fees	1,460	926	2,386	356	819	3,561	2,377	1,288	3,665	41	322	4,028	
Postage	3,431	62	3,493	354	185	4,032	6,517	491	7,008	1,165	216	8,389	
Printing and publications	8,869	-	8,869	-	-	8,869	10,508	-	10,508	-	331	10,839	
Professional fees	-	-	-	1,098	1,088	2,186	-	-	-	-	-	-	
Public relations, general	-	-	-	31,378	51,262	82,640	3,025	631	3,656	4	18,527	22,187	
Rent	-	-	-	-	-	-	5,095	2,763	7,858	86	691	8,635	
State filing fees	-	-	-	307	2,809	3,116	-	-	-	273	3,319	3,592	
Supplies	508	1,825	2,333	883	713	3,929	1,796	974	2,770	2,969	244	5,983	
Telephone	486	309	795	119	273	1,187	1,233	281	1,514	179	131	1,824	
Travel	30,927	1,809	32,736	-	3,964	36,700	1,386	6,645	8,031	54	3,787	11,872	
	<u>\$ 356,345</u>	<u>\$ 299,091</u>	<u>\$ 655,436</u>	<u>\$ 116,615</u>	<u>\$ 197,909</u>	<u>\$ 969,960</u>	<u>\$ 437,590</u>	<u>\$ 495,134</u>	<u>\$ 932,724</u>	<u>\$ 120,774</u>	<u>\$ 72,886</u>	<u>\$ 1,126,384</u>	

See accompanying notes to financial statements.

VHL Alliance, Inc.

Notes to Financial Statements

For the Years Ended June 30, 2024 and 2023

Note 1. Nature of Organization and Operations

Von Hippel-Lindau Alliance, Inc., (VHL Alliance),(VHL),(the Organization), a nonprofit corporation founded in 1993, is the primary resource or clearinghouse for information and support for von Hippel-Lindau disease (VHL) for the benefit of patients, caregivers, researchers, clinicians, and the general public.

Programs include handbooks translated into seven different languages, including one specifically designed for children, a hotline which operates 24 hours per day and seven days per week, competitive research grants, online communities, scientific and clinical conferences, and other services to provide information about VHL to the public.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. Revenues are recognized when the services are performed and expenses are recorded as incurred.

Basis of Presentation

As required by the FASB Accounting Standards Codification, the Organizations net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions: Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in the perpetuity. Donor-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.

Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were assumed in preparing the financial statements.

VHL Alliance, Inc.

Notes to Financial Statements

For the Years Ended June 30, 2024 and 2023

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or notification of a beneficial interest is 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.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

Exchange transactions: Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions. The core principle of Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers (Topic 606) is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Organization applies Topic 606 to exchange transactions in which it receives consideration for products or services offered. Under U.S. GAAP, these arrangements are exchange transactions between the Organization and the customers participating in the Organization's programs or using their services.

Performance Obligations

The Organization's revenue is derived primarily from contributions and conferences. The Organization generally recognizes its revenue from the conferences upon providing the service to its attendees. Conference registrations are received prior to the event and are recorded as deferred revenue until the event occurs. The Organization had \$3,965 and \$1,546 in performance obligations liabilities as of June 30, 2024, and 2023, respectively which is recorded as deferred revenue on the statement of financial position.

VHL Alliance, Inc.

Notes to Financial Statements

For the Years Ended June 30, 2024 and 2023

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition (Continued)

Disaggregated Revenue

The Organization derives its revenue from various activities and sources having different qualitative factors that may affect the amount, timing or uncertainty of revenue and cash flows. The following chart contains disaggregated revenue information that reflects these qualitative factors.

<u><i>For the year ended June 30,</i></u>	<u>2024</u>	<u>2023</u>
<i>Recognized at a point in time</i>		
Conference registrations	\$ 197,390	\$ 42,466
Net investment income	101,916	62,233
Other income	8,919	395
<i>Contributions recognized under ASC Topic 958</i>		
Contributions, general	998,200	752,043
Contributions, research	235,973	97,241
Contributed goods and services	7,152	1,938
<i>Total revenue</i>	<u><u>\$ 1,549,550</u></u>	<u><u>\$ 956,316</u></u>

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for federal income taxes. In addition the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalent, along with investments in money market funds.

Notes to Financial Statements

For the Years Ended June 30, 2024 and 2023

Note 2. Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Professional fees, salary, payroll taxes and benefits are allocated depending on time and effort. Depreciation is allocated across the useful life of the assets. Rent is allocated in accordance with square footage used by full-time equivalents.

The following functional expenses are directly allocated to the programs, projects and departments as they are utilized:

- Meeting expenses
- Program supplies
- Postage and delivery
- Printing

The following functional expenses are allocated depending on time and effort:

- Office supplies
- Payroll taxes and benefits
- Professional fees
- Rent
- Salary
- Telephone

Contributed Goods and Services

The Organization follows ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*, as amended. ASU 2018-08 was issued to make it easier for not-for-profit organizations to evaluate whether gifts, grants or contracts should be accounted for as contributions or as reciprocal (exchange) transactions accounted for under ASU 2014-09. Under the new guidance, all organizations are required to evaluate whether the resource provider (i.e., federal agency, foundation, corporation, etc.) is receiving commensurate value in a transfer of resources (i.e., assets or reduction/settlement of liabilities) and whether contributions are conditional or unconditional. If commensurate value is received by the resource provider, the transaction is to be accounted for as an exchange transaction by applying ASU 2014-09. If commensurate value is not received by the resource provider (i.e., the transaction is nonexchange), the recipient organization would determine the transaction to be a contribution and determine whether the contribution is unconditional or conditional.

VHL Alliance, Inc.

Notes to Financial Statements

For the Years Ended June 30, 2024 and 2023

Note 2. Summary of Significant Accounting Policies (Continued)

Deferred Revenue

Deferred revenue results from funds received in advance of programs occurring subsequent to year end. Such amounts received, but not yet earned, are reported as deferred revenue until the following year when they are used to meet expenses associated with the related programs.

Advertising and Public Relations

The Organization expenses advertising and public relations costs, consisting primarily of program literature, as incurred.

Leases

The Organization follows ASC 842 in its recognition of leases. As a lessee of an operating or financing lease, the Organization recognizes a lease liability and a right-of-use asset for these leases on the balance sheet. The Organization has elected to use a risk-free rate as the discount rate for its operating leases. The Organization has also elected the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with an initial term of 12 months or less, that do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise, are not recorded on the balance sheet. The Organization has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stated payments. The non-lease components include payments for maintenance and utilities and are expensed as incurred. For the year ended December 31, 2023, the Organization had no leases that were recognized under ASC 842

Note 3. Availability of Financial Assets

The following reflects the Organization's financial assets at June 30, reduced by amounts that are not available for general use because of donor-imposed restrictions within one year of the statement of financial position dates:

	<u>2024</u>	<u>2023</u>
Cash	\$ 518,226	\$ 523,602
Investments	1,785,180	1,339,216
<i>Total financial assets</i>	<u>2,303,406</u>	<u>1,862,818</u>
Less those unavailable for general expenditure within one year:		
Donor-imposed restrictions for purpose and time	<u>350,000</u>	<u>-</u>
<i>Total financial assets available to meet cash needs for general expenditures within one year</i>	<u>\$ 1,953,406</u>	<u>\$ 1,862,818</u>

The Organization has certain donor-restricted assets limited to use that are available for general expenditure within one year in the normal course of operation. Accordingly, these assets have been included above.

VHL Alliance, Inc.

Notes to Financial Statements

For the Years Ended June 30, 2024 and 2023

Note 4. Related-Party Transactions

During the year ended June 30, 2023, the Organization paid an organization owned by a former board members company \$75,000 to assist in administration and as an interim executive director.

During the year ended June 30, 2019, the Organization awarded a research grant of \$150,000 whereby a board member was the principal investigator. The remaining amount due is \$0 and \$50,000 at June 30, 2024 and 2023, respectively.

During the year ended June 30, 2021, the Organization awarded a research grant of \$150,000 whereby a research committee member was the principal investigator. There is a grant payable remaining on this grant of \$0 and \$16,667 at June 30, 2024 and 2023, respectively.

Note 5. Revenue Concentration

For the years ended June 30, 2024, and 2023, such contributions amounted to \$669,555 and \$415,000, respectively, of total contributions and grants reported, comprising of two major donors each fiscal year.

Note 6. Contributed Goods and Services

For the years ended June 30, 2024 and 2023, the Organization received donated services for technical support in the continued expansion and use of a computerized registry as well as computer operations and website modifications; speaker fees, travel, program materials, auction items, and food related to the annual conference; travel costs related to programs, and marketing research. The Organization used the market value of other similar charges as well as professional service providers billing rates. All goods and services were utilized in the programs except for the auction items which were monetized. The contributed services are recorded as contributed goods and services on the statements of activities and donated services and materials in statements of functional expenses for each of the years ended June 30, 2024 and 2023.

<i>In-Kind Contribution</i>	<i>2024</i>	<i>2023</i>
Conference - speaker fees, travel, program materials, auction items, and food	\$ 3,546	\$ 331
Program travel	3,606	-
Technical Support - computer operations and website maintenance	-	1,607
	<u>\$ 7,152</u>	<u>\$ 1,938</u>

VHL Alliance, Inc.

Notes to Financial Statements

For the Years Ended June 30, 2024 and 2023

Note 7. Grants Awarded

<i>Purpose</i>	<i>Grant Year</i>	<i>2024 2023</i>		<i>2024 2023</i>	
		<i>Amount Funded</i>		<i>Grant Payable</i>	
Synthetic essentiality of TRAIL/TNFSF10 in VHL-deficient renal cell carcinoma	2024	\$ 50,000	\$ -	\$ 100,000	\$ -
Assessing a possible association of synonymous germline VHL variants with VHL-related neoplasm prevalence and metabolic alterations.	2023	-	25,000	-	-
Neurofibromin stabilization as a treatment strategy for VHL disease	2023	50,000	50,000	50,000	100,000
Investigating tissue-specific VHL Haploinsufficiency and Tumorigenesis with patient-derived iPSC	2023	50,000	50,000	50,000	100,000
A new organoid model to study VHL-related pheochromocytomas	2022	50,000	50,000	-	50,000
VHL mutations induce aberrant arterial expansion via TGFbeta-GADD45b misregulation	2022	-	50,000	-	-
Investigation of treatment targets and tumor heterogeneity in VHL related renal cancer	2022	-	25,000	-	-
Immune modulation in VHL disease by targeting DNA damage response network	2021	16,667	33,333	-	16,667
Identification and molecular characterization of FGFR4 p.G388R variant signaling in cerebellar hemangioblastomas	2021	-	16,667	8,333	8,333
Microglia function in pathogenesis of retinal hemangioblastomas associated with VHL	2020	-	16,667	-	-
New Insights on VHL: disease characterization of novel VHL cryptic exons and modeling VHL-related disease with human induced Pluripotent Stem Cells differentiated into neural crest cells	2020	-	-	-	16,667
Targeting Hemangioblastoma Heterogeneity	2019	-	-	-	50,000
		<u>\$216,667</u>	<u>\$316,667</u>	<u>\$208,333</u>	<u>\$341,667</u>

VHL Alliance, Inc.

Notes to Financial Statements

For the Years Ended June 30, 2024 and 2023

Note 8. Fair Value Measurement of Investments

Financial Accounting Standards Board Statement ASC 820, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB Statement ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value of investments appearing on the statement of financial position has the following valuation approaches as defined by FASB ASC 820 hierarchy and presented in the following table as of June 30:

	<u>2024</u>	<u>2023</u>
Quoted prices in active market for identical assets (Level 1):		
US Treasury Bills	<u>\$ 1,785,180</u>	<u>\$ 1,339,216</u>

VHL Alliance, Inc.

Notes to Financial Statements

For the Years Ended June 30, 2024 and 2023

Note 9. Concentrations of Credit Risk

The Organization maintains its cash, cash equivalent and investment balances at banks and brokerages. The Federal Deposit Insurance Corporation (FDIC) insures balances in non-interest bearing and other deposit accounts as an aggregate balance at each financial institution up to \$250,000. Certain investments held by brokerages are subject to certain insurance coverage through Securities Investor Protection Corporation (SIPC) up to \$500,000. At June 30, 2024 and 2023, there was \$150,018 and \$5,547, respectively, in uninsured cash, cash equivalents and investments.

Note 10. Lease Obligations

The Organization had a five-year lease, which ended November 30, 2022. Base rental charges were \$1,327 per month for the first year of the lease, with a built-in 5% increase per year. For the year end June 30, 2024, and 2023, rent expense was \$0 and \$8,635, respectively. The Organization has elected to forgo the lease extension and terminate the use of the office space as of November 2022.

Note 11. Net Assets with Donor Restrictions

During the year, the Organization received a \$500,000 donation from a foundation of which \$350,000 is time restricted. As of June 30, 2024, net assets with donor restrictions was \$350,000, and \$0, respectively.

Note 12. Subsequent Events

The Organization evaluated events that occurred after June 30, 2024, the date of the statement of financial position, but before the date the financial statements were available to be issued, September 12, 2024, for potential recognition or disclosure in the financial statements. There were no material subsequent events noted that would require disclosure.