



Kelly Vitale Raffol LLC
CERTIFIED PUBLIC ACCOUNTANTS

VHL ALLIANCE, INC.



Financial Statements

For the Years Ended June 30, 2023 and 2022

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Certified Women Owned Business in the Commonwealth of Massachusetts
Member, American Institute of Certified Public Accountants*

VHL ALLIANCE, INC.

Financial Statements

For the Years Ended June 30, 2023 and 2022

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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), which comprise the statements of financial position as of June 30, 2023 and 2022, 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, 2023 and 2022, 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 28, 2023

VHL ALLIANCE, INC.

Statements of Financial Position

As of June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<i>Assets</i>		
Cash and cash equivalents	\$ 523,602	\$ 2,193,615
Investments	1,339,216	-
Prepaid expenses	<u>9,123</u>	<u>8,250</u>
<i>Total assets</i>	<u>\$ 1,871,941</u>	<u>\$ 2,201,865</u>
<i>Liabilities and Net Assets</i>		
Liabilities:		
Accounts payable and accrued expenses	\$ 14,767	\$ 8,702
Grants payable	341,667	333,333
Deferred revenue	<u>1,546</u>	<u>175,801</u>
<i>Total liabilities</i>	357,980	517,836
Net Assets:		
Net assets without donor restrictions	<u>1,513,961</u>	<u>1,684,029</u>
<i>Total net assets</i>	1,513,961	1,684,029
<i>Total liabilities and net assets</i>	<u>\$ 1,871,941</u>	<u>\$ 2,201,865</u>

VHL ALLIANCE, INC.

Statements of Activities and Changes in Net Assets

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<i>Revenue and Other Support:</i>		
Contributions, general	\$ 613,311	\$ 856,588
Contributions, research	235,973	97,241
Government grants	-	66,392
Contributed goods and services	1,938	197,725
Conference registrations	42,466	42,085
Net investment income	62,233	3,556
Other income	395	2,672
	<hr/>	<hr/>
<i>Total revenue and support</i>	956,316	1,266,259
<i>Expenses:</i>		
Program expenses	932,724	947,781
Management and general	120,774	43,419
Fundraising	72,886	181,522
	<hr/>	<hr/>
<i>Total expenses</i>	1,126,384	1,172,722
<i>Change in net assets</i>	(170,068)	93,537
<i>Net assets, beginning of year</i>	<hr/>	<hr/>
	1,684,029	1,590,492
<i>Net assets, end of year</i>	<hr/> <hr/>	<hr/> <hr/>
	\$ 1,513,961	\$ 1,684,029

See accompanying notes to financial statements.

VHL ALLIANCE, INC.

Statements of Cash Flows

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<i>Cash Flows from Operating Activities:</i>		
Increase (decrease) in net assets	\$ (170,068)	\$ 93,537
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donations of investments	(12,464)	(33,858)
Realized and unrealized (gain) loss on sale of investments	(4,445)	-
Forgiveness of indebtedness	-	(66,392)
Changes in:		
Prepaid expenses	(873)	(2,363)
Accounts payable and accrued expenses	6,065	(4,114)
Grants payable	8,334	(25,001)
Deferred revenue	(174,255)	65,597
	<u>(347,706)</u>	<u>27,406</u>
<i>Net cash provided by (used in) operating activities</i>		
<i>Cash Flows from Investing Activities:</i>		
Proceeds from sale of investments	5,406,553	33,858
Purchase of investments	(6,728,860)	-
	<u>(1,322,307)</u>	<u>33,858</u>
<i>Net cash provided by (used in) investing activities</i>		
<i>Net change in cash and cash equivalents</i>	(1,670,013)	61,264
<i>Cash and cash equivalents, beginning of year</i>	<u>2,193,615</u>	<u>2,132,351</u>
<i>Cash and cash equivalents, end of year</i>	<u>\$ 523,602</u>	<u>\$ 2,193,615</u>

See accompanying notes to financial statements.

VHL ALLIANCE, INC.

Statements of Functional Expenses

For the Years Ended June 30, 2023 and 2022

	2023						2022					
	<i>General and</i>						<i>General and</i>					
	<i>Education</i>	<i>Research</i>	<i>Total Program</i>	<i>Administrative</i>	<i>Fundraising</i>	<i>Total</i>	<i>Education</i>	<i>Research</i>	<i>Total Program</i>	<i>Administrative</i>	<i>Fundraising</i>	<i>Total</i>
Grants awarded	\$ -	\$ 325,000	\$ 325,000	\$ -	\$ -	\$ 325,000	\$ -	\$ 292,761	\$ 292,761	\$ -	\$ -	\$ 292,761
Salaries	221,592	102,003	323,595	17,587	10,552	351,734	149,607	112,205	261,812	18,701	93,505	374,018
Payroll taxes	17,284	9,374	26,658	293	2,344	29,295	11,055	8,247	19,302	1,909	7,198	28,409
Accounting services	9,180	2,835	12,015	135	1,350	13,500	5,780	1,785	7,565	85	850	8,500
Bank charges	52	27	79	-	8,277	8,356	41	21	62	-	6,525	6,587
Computer services	16,190	5,159	21,349	-	2,421	23,770	8,370	2,668	11,038	-	1,252	12,290
Contributed goods and services	311	1,447	1,758	34	146	1,938	31,725	147,654	179,379	3,402	14,944	197,725
Dues and subscriptions	2,564	1,251	3,815	520	-	4,335	2,608	1,272	3,880	530	-	4,410
Insurance	2,584	1,402	3,986	44	350	4,380	13,827	7,501	21,328	234	1,875	23,437
Legal services	-	-	-	-	10,366	10,366	-	-	-	-	30,753	30,753
Office and miscellaneous	4,589	2,465	7,054	67	808	7,929	35,489	19,066	54,555	512	6,251	61,318
Outreach, webinars and support	26,069	-	26,069	-	-	26,069	7,030	-	7,030	-	-	7,030
Outside services	105,238	28,399	133,637	97,323	8,704	239,664	14,885	4,017	18,902	13,767	1,231	33,900
Patient registry	-	2,699	2,699	-	-	2,699	-	-	-	-	-	-
Payroll service fees	2,377	1,288	3,665	41	322	4,028	1,692	917	2,609	29	229	2,867
Postage	6,517	491	7,008	1,165	216	8,389	5,461	412	5,873	976	181	7,030
Printing and publications	10,508	-	10,508	-	331	10,839	20,199	-	20,199	-	636	20,835
Public relations, general	3,025	631	3,656	4	18,527	22,187	352	73	425	-	2,150	2,575
Rent	5,095	2,763	7,858	86	691	8,635	12,123	6,575	18,698	206	1,643	20,547
State filing fees	-	-	-	273	3,319	3,592	-	-	-	316	3,849	4,165
Supplies	1,796	974	2,770	2,969	244	5,983	1,355	735	2,090	2,240	184	4,514
Telephone	1,233	281	1,514	179	131	1,824	2,733	624	3,357	398	290	4,045
Travel	1,386	6,645	8,031	54	3,787	11,872	2,920	13,996	16,916	114	7,976	25,006
	<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>	<u>\$ 327,252</u>	<u>\$ 620,529</u>	<u>\$ 947,781</u>	<u>\$ 43,419</u>	<u>\$ 181,522</u>	<u>\$ 1,172,722</u>

See accompanying notes to financial statements.

VHL ALLIANCE, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

Note 1. Nature of Organization and Operations

VHL Alliance, Inc. (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, 2023 and 2022

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 \$1,546 and \$175,801 in performance obligations liabilities as of June 30, 2023, and 2022, respectively.

VHL ALLIANCE, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

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.

<i>For the year ended June 30,</i>	<u>2023</u>	<u>2022</u>
<i>Recognized at a point in time</i>		
Conference registrations	\$ 42,466	\$ 42,085
Net investment income	62,233	3,556
Other income	395	2,672
<i>Contributions recognized under ASC Topic 958</i>		
Contributions, general	613,311	856,588
Contributions, research	235,973	97,241
Government grants	-	66,392
Contributed goods and services	<u>1,938</u>	<u>197,725</u>
<i>Total revenue</i>	<u>\$ 956,316</u>	<u>\$ 1,266,259</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.

VHL ALLIANCE, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

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

Generally accepted accounting principles require that donated services be recognized as contributions if the services either (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. Volunteers contribute significant amounts of time to our Organization; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods and services for symposium and other conference speakers, travel, technical support, support costs and auction items are recorded at fair value at the date of donation.

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.

VHL ALLIANCE, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

Note 2. Summary of Significant Accounting Policies (Continued)

Advertising and Public Relations

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

Adopted Accounting Policy

The Organization has reviewed the implementation of ASU No. 2016-02 *Leases (Topic 842)* for the year end June 30, 2023, which requires the Organization to capitalize any operating leases which are greater than 12-months as an asset and liability on the statement of financial position and amortize the lease over the term of the lease on a straight-line basis. Finance leases have both an interest factor and depreciation of the lease asset. Non-lease components of monthly payment are a consideration, and the standard allows a practical expedient to lessees to no account for non-lease components separately. It was determined that ASU No. 2016-02 does not apply for the year ended June 30, 2023. The Organization will continue to evaluate all contracts and leases on a year-to-year basis to determine if implementation is needed.

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>2023</u>	<u>2022</u>
Cash	\$ 523,602	\$ 2,193,615
Investments	<u>1,339,216</u>	<u>-</u>
<i>Total financial assets available to meet cash needs for general expenditures within one year</i>	<u>\$ 1,862,818</u>	<u>\$ 2,193,615</u>

The Organization receives major support from contributions with donor restrictions which require resources to be used in a particular manner or in a future period. The Organization must maintain sufficient resources to meet these responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

VHL ALLIANCE, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

Note 4. Related-Party Transactions

During the year ended June 30, 2023, the Organization paid 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 \$50,000 and \$50,000 at June 30, 2023 and 2022, 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 \$16,667 and \$50,000 at June 30, 2023 and 2022, respectively.

Note 5. Revenue Concentration

For the years ended June 30, 2023, and 2022, such contributions amounted to \$415,000 and \$484,823, respectively, of total contributions and grants reported, comprising five major donors each fiscal year.

Note 6. Contributed Goods and Services

For the years ended June 30, 2023 and 2022, 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, 2023 and 2022.

<i>In-Kind Contribution</i>	<i>2023</i>	<i>2022</i>
Conference - speaker fees, travel, program materials, auction items, and food	\$ 4,130	\$ 5,374
Program travel	-	744
Technical Support - computer operations and website maintenance	1,607	1,607
Marketing research	-	190,000
	<u>\$ 5,737</u>	<u>\$ 197,725</u>

VHL ALLIANCE, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

Note 7. Grants Awarded

Purpose	2023		2022	
	Amount Funded		Grant Payable	
Assessing a possible association of synonymous germline VHL variants with VHL-related neoplasm prevalence and metabolic alterations.	\$ 25,000	\$ -	\$ -	\$ -
Neurofibromin stabilization as a treatment strategy for VHL disease	50,000	-	100,000	-
Investigating tissue-specific VHL Haploinsufficiency and Tumorigenesis with patient-derived iPSC	50,000	-	100,000	-
A new organoid model to study VHL-related pheochromocytomas	50,000	50,000	50,000	100,000
VHL mutations induce aberrant arterial expansion via TGFbeta-GADD45b misregulation	50,000	50,000	-	50,000
Investigation of treatment targets and tumor heterogeneity in VHL related renal cancer	25,000	25,000	-	25,000
Immune modulation in VHL disease by targeting DNA damage response network	33,333	50,000	16,667	50,000
Assessing the immune microenvironment of VHL-related neoplasms using transcriptome-based advanced deconvolution algorithms analysis of tumor transcriptome	-	25,000	-	-
Identification and molecular characterization of FGFR4 p.G388R variant signaling in cerebellar hemangioblastomas	16,667	25,000	8,333	25,000
Microglia function in pathogenesis of retinal hemangioblastomas associated with VHL	16,667	50,000	-	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	-	50,000	16,667	16,667
Targeting Hemangioblastoma Heterogeneity	-	-	50,000	50,000
	<u>\$ 316,667</u>	<u>\$ 325,000</u>	<u>\$ 341,667</u>	<u>\$ 333,334</u>

VHL ALLIANCE, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

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 Plan 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>2023</u>	<u>2022</u>
Quoted prices in active market for identical assets (Level 1):		
US Treasury Bills	<u>\$ 1,339,216</u>	<u>\$ -</u>

Note 9. Paycheck Protection Program (PPP) Loan Forgiveness

The Organization was granted a second funding PPP loan from a bank on April 2, 2021 for \$66,392 pursuant to the PPP, which was entirely forgiven during fiscal year 2022. Therefore, the loan is reported as revenue.

VHL ALLIANCE, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

Note 10. 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, 2023 and 2022, there was \$5,547 and \$196,908, respectively, in uninsured cash, cash equivalents and investments.

Note 11. Lease Obligations

The Organization maintains a five-year lease for its current premises with an expiration date of 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 each of the next four years. The agreement also contains an option to extend the lease for an additional five years with six months' notice. In addition to the minimum annual rent, the Organization is responsible for 3.67% of any increase in the real estate taxes levied against the land and building over the taxes assessed for the base year, defined as fiscal year 2018. The Organization is also responsible for 3.67% of any increase in the operating expenses of the building over those incurred during calendar year 2017. Total rent expense under this lease was \$8,635 and \$20,547 for the years ended June 30, 2023 and 2022, respectively. The Organization has elected to forgo the lease extension and terminate the use of the office space as of November 2022.

Note 12. Subsequent Events

The Organization evaluated events that occurred after June 30, 2023, the date of the statement of financial position, but before the date the financial statements were available to be issued, September 28, 2023, for potential recognition or disclosure in the financial statements. There were no material subsequent events noted that would require disclosure.