

CEREBRAL PALSY FOUNDATION, INC.

FINANCIAL STATEMENTS

September 30, 2024 and 2023

CEREBRAL PALSY FOUNDATION, INC.
New York, New York

FINANCIAL STATEMENTS
September 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Cerebral Palsy Foundation, Inc.
New York, New York

Opinion

We have audited the financial statements of Cerebral Palsy Foundation, Inc., which comprise the statements of financial position as of September 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 accompanying financial statements present fairly, in all material respects, the financial position of Cerebral Palsy Foundation, Inc., as of September 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 (GAAS). 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 Cerebral Palsy Foundation, 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.

Responsibilities 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 Cerebral Palsy Foundation's, Inc., ability to continue as a going concern for one year from the date the financial statements are available to be issued.

(Continued)

Auditor's 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 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 Cerebral Palsy Foundation's, Inc., 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 Cerebral Palsy Foundation's, Inc., 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.


Crowe LLP

New York, New York
April 7, 2025

CEREBRAL PALSY FOUNDATION, INC.
 STATEMENTS OF FINANCIAL POSITION
 September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 1,633,980	\$ 1,754,887
Investments	9,329	4,376
Contributions receivable	450,614	325,040
Beneficial interest in trusts held by third-parties	680,940	582,012
Fixed assets, net of accumulated depreciation and amortization	6,593	8,945
Other assets	11,077	-
	<u>2,792,533</u>	<u>2,675,260</u>
Total assets	<u>\$ 2,792,533</u>	<u>\$ 2,675,260</u>
 LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 98,325	\$ 160,111
Grants payable	150,000	75,000
Deferred revenue	10,000	7,760
	<u>258,325</u>	<u>242,871</u>
Net Assets		
Without donor restrictions	(14,367)	252,691
With donor restrictions	2,548,575	2,179,698
	<u>2,534,208</u>	<u>2,432,389</u>
Total net assets	<u>\$ 2,534,208</u>	<u>\$ 2,432,389</u>
Total liabilities and net assets	<u>\$ 2,792,533</u>	<u>\$ 2,675,260</u>

See accompanying notes to financial statements.

CEREBRAL PALSY FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
Years ended September 30, 2024 and 2023

	2024			2023		
	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Operating Activities						
Revenues and other support						
Contributions	\$ 790,232	\$ 3,401,484	\$ 4,191,716	\$ 599,787	\$ 3,164,999	\$ 3,764,786
Program service fees	489,336	-	489,336	208,807	-	208,807
Contributions in-kind	221,112	-	221,112	205,779	-	205,779
Special events revenue	21,300	-	21,300	27,600	-	27,600
Interest income and dividends	66,921	-	66,921	30,134	-	30,134
Realized and unrealized gain on investments	1,157	-	1,157	27,858	-	27,858
Net assets released from restrictions	<u>3,131,535</u>	<u>(3,131,535)</u>	<u>-</u>	<u>2,299,029</u>	<u>(2,299,029)</u>	<u>-</u>
Total revenues and other support	<u>4,721,593</u>	<u>269,949</u>	<u>4,991,542</u>	<u>3,398,994</u>	<u>865,970</u>	<u>4,264,964</u>
Expenses						
Program services						
Grants	2,763,136	-	2,763,136	2,237,407	-	2,237,407
Other program expenses	<u>1,924,215</u>	<u>-</u>	<u>1,924,215</u>	<u>1,649,370</u>	<u>-</u>	<u>1,649,370</u>
Total program services	4,687,351	-	4,687,351	3,886,777	-	3,886,777
Supporting services						
Management and general	163,274	-	163,274	137,329	-	137,329
Fundraising	<u>138,026</u>	<u>-</u>	<u>138,026</u>	<u>118,223</u>	<u>-</u>	<u>118,223</u>
Total supporting services	<u>301,300</u>	<u>-</u>	<u>301,300</u>	<u>255,552</u>	<u>-</u>	<u>255,552</u>
Total expenses	<u>4,988,651</u>	<u>-</u>	<u>4,988,651</u>	<u>4,142,329</u>	<u>-</u>	<u>4,142,329</u>
Changes in net assets from operations	(267,058)	269,949	2,891	(743,335)	865,970	122,635
Non-Operating Activities						
Change in fair value of beneficial interest in trusts held by third-parties	<u>-</u>	<u>98,928</u>	<u>98,928</u>	<u>-</u>	<u>41,111</u>	<u>41,111</u>
Changes in net assets	(267,058)	368,877	101,819	(743,335)	907,081	163,746
Net assets, beginning of year	<u>252,691</u>	<u>2,179,698</u>	<u>2,432,389</u>	<u>996,026</u>	<u>1,272,617</u>	<u>2,268,643</u>
Net assets, end of year	<u>\$ (14,367)</u>	<u>\$ 2,548,575</u>	<u>\$ 2,534,208</u>	<u>\$ 252,691</u>	<u>\$ 2,179,698</u>	<u>\$ 2,432,389</u>

See accompanying notes to financial statements.

CEREBRAL PALSY FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years ended September 31, 2024 and 2023

	2024									
	Program Activities						Supporting Activities			
	Awareness and Advocacy	Cerebral Palsy Digital Resources	Education and Employment	Healthcare Initiatives	General	Total Program	Management and General	Fundraising	Total Supporting	Total
Personnel costs	\$ 85,226	\$ 134,302	\$ 125,330	\$ 388,724	\$ 83,309	\$ 816,891	\$ 23,494	\$ 33,361	\$ 56,855	\$ 873,746
Grants	-	150,000	20,000	2,593,136	-	2,763,136	-	-	-	2,763,136
Events and conferences	5,043	83	526	204,239	44	209,935	33	76,545	76,578	286,513
Information technology	1,545	10,666	1,473	36,721	1,181	51,586	898	10,310	11,208	62,794
Professional fees	91	38,983	2,065	232,515	129,101	402,755	126,898	58	126,956	529,711
Occupancy	449	710	320	7,850	452	9,781	341	288	629	10,410
Travel	512	1,489	1,902	138,317	440	142,660	209	4,676	4,885	147,545
Office expense	684	934	649	10,524	591	13,382	537	11,276	11,813	25,195
Advertising and promotion	120,245	1,097	257	127,017	247	248,863	186	699	885	249,748
Other expenses	1,268	2,005	955	22,857	1,277	28,362	10,678	813	11,491	39,853
	<u>\$ 215,063</u>	<u>\$ 340,269</u>	<u>\$ 153,477</u>	<u>\$ 3,761,900</u>	<u>\$ 216,642</u>	<u>\$ 4,687,351</u>	<u>\$ 163,274</u>	<u>\$ 138,026</u>	<u>\$ 301,300</u>	<u>\$ 4,988,651</u>
	2023									
	Program Activities						Supporting Activities			
	Awareness and Advocacy	Cerebral Palsy Digital Resources	Education and Employment	Healthcare Initiatives	General	Total Program	Management and General	Fundraising	Total Supporting	Total
Personnel costs	\$ 93,236	\$ 161,997	\$ 194,251	\$ 278,278	\$ 96,871	\$ 824,633	\$ 22,647	\$ 22,886	\$ 45,533	\$ 870,166
Grants	-	-	-	2,237,407	-	2,237,407	-	-	-	2,237,407
Events and conferences	6,211	352	3,644	144,190	10,474	164,871	71	83,311	83,382	248,253
Information technology	1,689	26,289	3,421	69,047	3,489	103,935	2,046	1,464	3,510	107,445
Professional fees	627	43,953	3,330	114,592	156,501	319,003	98,444	949	99,393	418,396
Occupancy	202	448	396	5,500	525	7,071	256	220	476	7,547
Travel	4,886	5,025	1,778	145,800	11,388	168,877	31	976	1,007	169,884
Office expense	486	695	685	8,647	1,213	11,726	1,060	7,905	8,965	20,691
Advertising and promotion	7,560	771	378	20,500	37	29,246	18	16	34	29,280
Other expenses	454	1,009	4,965	12,398	1,182	20,008	12,756	496	13,252	33,260
	<u>\$ 115,351</u>	<u>\$ 240,539</u>	<u>\$ 212,848</u>	<u>\$ 3,036,359</u>	<u>\$ 281,680</u>	<u>\$ 3,886,777</u>	<u>\$ 137,329</u>	<u>\$ 118,223</u>	<u>\$ 255,552</u>	<u>\$ 4,142,329</u>

See accompanying notes to financial statements.

CEREBRAL PALSY FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
Years ended September 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Changes in net assets	\$ 101,819	\$ 163,746
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation and amortization	2,352	2,071
Net realized and unrealized gain on investments	(1,157)	(27,858)
Change in fair value of beneficial interest in trusts held by third parties	(98,928)	(41,111)
Changes in operating assets and liabilities		
Contributions receivable	(125,574)	(274,167)
Other assets	(11,077)	-
Accounts payable and accrued expenses	(61,786)	101,636
Grants payable	75,000	75,000
Deferred revenue	2,240	(1,990)
Net cash used in operating activities	<u>(117,111)</u>	<u>(2,673)</u>
 Cash flows from investing activities		
Purchase of property and equipment	-	(6,734)
Sales of securities	2,210,000	255,048
Purchases of securities	<u>(2,213,796)</u>	<u>-</u>
Net cash (used in) provided by investing activities	<u>(3,796)</u>	<u>248,314</u>
 Net (decrease) increase in cash and cash equivalents	(120,907)	245,641
 Cash and cash equivalents, beginning of year	<u>1,754,887</u>	<u>1,509,246</u>
 Cash and cash equivalents, end of year	<u>\$ 1,633,980</u>	<u>\$ 1,754,887</u>
 Non cash operating activities		
Contributions in-kind	\$ 221,112	\$ 160,466

See accompanying notes to financial statements.

CEREBRAL PALSY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE 1 - ORGANIZATION

Established in 1955, the Cerebral Palsy Foundation, Inc. (the “Foundation”), formerly known as the United Cerebral Palsy Research and Educational Foundation, Inc., supports a broad program of research on the causes and prevention of cerebral palsy and other disabilities, and on improving the quality of life of persons with cerebral palsy and other disabilities. The Foundation also makes training awards to augment the pool of scientific and clinical personnel (i.e., investigators, physicians, and bioengineers) in areas relevant to cerebral palsy and other related brain disorders. In addition, the Foundation organizes and sponsors scientific workshops that bring together the world’s best minds to focus on cerebral palsy and related brain disorders research priorities.

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Foundation is also classified as a publicly supported charitable organization under Section 509(a)(1) of the IRC.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: 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 (GAAP). The Foundation reports its financial position and activities according to two classes of net assets as follows:

Net assets without donor restrictions – include expendable resources that are used to carry out the Foundation’s operations and are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by the Foundation or may be limited by contractual agreements with outside parties.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions that will be met either by the actions of the Foundation or through the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt. Expirations of restrictions on net assets with donor restrictions are reported as net assets released from restrictions.

Contributions that are restricted by donors for use as endowments are invested in perpetuity. The income generated by endowments is used for operating purposes or when expenditures satisfy donors’ restrictions, and such amounts are appropriated for expenditure by the Foundation’s Board of Directors in accordance with the provisions of the New York State Prudent Management of Institutional Funds Act (“NYPMIFA”) (see also Note 7).

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the certain amounts and disclosures. Actual results could differ from those estimates.

Cash and cash equivalents: The Foundation considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risks: Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist principally of cash, cash equivalents and contributions. The Foundation has exposure to credit risk to the extent that its cash and cash equivalents exceed amounts covered by the Federal Deposit Insurance Corporation limitation (\$250,000 for each of the years ended September 30, 2024 and 2023). The Foundation maintains its cash and cash equivalents on deposit with one high credit quality financial institution that, at times, may exceed these federally insured limits. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

Investments in Securities: Investments in securities are reported at fair values. The fair value of such investments is generally based on quoted market prices. In the absence of quoted market prices, the fair value is determined based on information provided by the external manager. There were no investments held as of September 30, 2024 and 2023, for which the fair value could not be determined based on quoted market prices.

Fixed Assets: Fixed assets consist of furniture and equipment that are stated at cost, less accumulated depreciation. The Foundation capitalizes fixed assets acquired greater than \$1,000 with useful lives greater than one year. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of assets (5 years).

Investments: Investments in equity and debt securities are reported at fair value determined on the basis of quoted market values with gains and losses (if any) presented in the statement of activities. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are determined based on average cost method and are recorded in the statement of activities in the period in which the securities are sold. Dividends and interest are recognized as earned.

Beneficial Interest in Trusts Held by Third Parties: The Foundation is the beneficiary of the income of two perpetual trusts that it does not administer. A trustee, who is independent of the Foundation, administers the investments of each trust and distributions are made to the Foundation in accordance with the respective trust agreement. Under the terms of these trusts, the Foundation has an irrevocable right to receive all or a portion of the income earned on the trust assets in perpetuity. The Foundation does not control the assets held by the outside trusts. The Foundation measures its beneficial interest in trusts held by third parties based upon its beneficial interest in the fair value of the underlying investments held by the trust. These trusts are invested in cash and cash equivalents, fixed income funds, mutual funds, convertible securities and equities, which are exchange traded. The fair value of the Foundation's beneficial interest is adjusted for changes in fair value of the underlying investments or the changes to the Foundation's beneficial interest. Unrealized gains on the Foundation's beneficial interest in trusts held by third parties for the years ended September 30, 2024 and 2023 totaled \$98,928 and \$41,111, respectively, and are classified as net assets with donor restrictions on the accompanying statements of activities. Income earned on these trusts is paid quarterly and is classified as without donor restricted contribution on the statement of activities. The Foundation received income distributions of \$26,593 and \$27,736 for the years ended September 30, 2024 and 2023, respectively.

Functional Allocation of Expenses: The costs of providing the Foundation's programs and supporting services have been summarized on a functional basis on the accompanying statements of activities. Accordingly, certain costs have been allocated between program and supporting services based principally on specific identification and employee time allocations.

(Continued)

CEREBRAL PALSY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Events: The Foundation reports special event revenues and expenses for the annual gala held during the year. Special event revenues also consists of ticket sales and sponsorships and are included in special events revenue on the statement of activities. Revenue and expenses incurred are recognized upon occurrence of the event. At September 30, 2024 and 2023, \$249,440 and \$237,222, respectively, were raised as part of the event and included within contributions on the accompanying statements of activities.

Contributions: Contributions, including unconditional promises to give, are reported as revenues in the period received or pledged. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets, other than cash, including goods and services, are recorded at their estimated fair value at the date of contribution. Contribution revenue is recorded as increases in net assets without donor restrictions unless their use is limited by time or donor-imposed restrictions.

Contributions to be received after one year are discounted using an appropriate rate, which articulates with the collection period of the respective pledge. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any.

Contributions receivable of \$450,614 and \$325,040 are comprised of ten and two donors at September 30, 2024 and 2023, respectively. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

At September 30, 2024 and 2023, the Foundation's contribution receivables are due within one year. An allowance is recorded for estimated uncollectible contributions based on management's review of individual accounts. As of September 30, 2024 and 2023, no reserve was deemed necessary.

Program Service Fees: Revenues derived from program service fees are related to various trainings held by the Foundation, as well as revenue from recruitment projects. The sole performance obligation is to hold the training and recruitment effort. Revenue is recognized at the point in time in which the training occurs or in accordance with the specifics stated in the award recruitment contracts.

In-Kind Contributions: The Foundation receives various forms of in-kind contributions including various services and other nonfinancial assets. In-kind contributions are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. See further details within Note 6.

Advertising: Advertising costs are expensed as incurred. Amounts charged to expense were \$249,748 and \$29,280 for the years ended September 30, 2024 and 2023, respectively.

Grants: The Foundation records appropriations for grants as an expense and liability, after unconditional approval by the Foundation's Board of Directors and the respective grantee is notified, on an annual basis, based upon recommendation of the Foundation's subcommittees and the availability of funds. Grants payable that are expected to be paid in future years absent of significant future conditions are recorded as a liability. As of September 30, 2024 and 2023, grants payable were \$150,000 and \$75,000, respectively.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes: The Foundation follows guidance that establishes criterion that an individual tax position must meet for some or all of the benefits of that position to be recognized in an entity's financial statements. This standard requires the Foundation to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; determine its filing and tax obligations in jurisdictions for which it has nexus; and, to review other matters that may be considered tax positions. As of September 30, 2024 and 2023, management does not believe the Foundation has any material uncertain tax positions.

Fair Value of Financial Instruments: At September 30, 2024 and 2023, the carrying value of cash and cash equivalents, prepaid expenses and other assets and accounts payable and accrued expenses represent a reasonable estimate of their fair value due to their short-term nature or relative market liquidity. The carrying amounts of the Foundation's investments approximate fair value. The carrying value of contributions receivable is estimated based on the present value of expected future cash flows, and thus approximates fair value. The fair value of beneficial interests in trusts held by third parties is approximated by the Foundation's share of the fair value of the assets held by the trust as of the reporting date.

Operating Indicator: The accompanying statements of activities distinguish between operating and non-operating activities. The change in fair value of beneficial interest in trusts held by third parties and nonrecurring items are recorded below the operating indicator on the accompanying statements of activities.

Reclassifications: Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on changes in net assets.

Subsequent Events: The Foundation evaluated its September 30, 2024 financial statements for subsequent events through April 7, 2025, the date the financial statements were available to be issued. The Foundation is not aware of any material subsequent events, which would require recognition or disclosure in the accompanying financial statements.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Foundation follows guidance, which defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

This guidance establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. Observable inputs reflect assumptions market participants would use in pricing the respective asset or liability developed from sources independent of the reporting entity; and unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the respective asset or liability developed based on the best information available in the circumstances.

(Continued)

CEREBRAL PALSY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

The fair value hierarchy is categorized into three levels based on inputs as follows:

Level 1 - Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date.

The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3 - Securities that have little to no pricing observability as of the measurement date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

The Foundation has segregated financial assets that are measured at fair value into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at September 30, 2024 and 2023:

	2024			
	Level 1	Level 2	Level 3	Total
Mutual funds / exchange traded funds	\$ 9,329	\$ -	\$ -	\$ 9,329
Split-interest agreements				
Beneficial interest in trusts held by third-parties	-	-	680,940	680,940
Total fair value measurements	\$ 9,329	\$ -	\$ 680,940	\$ 690,269
	2023			
	Level 1	Level 2	Level 3	Total
Mutual funds / exchange traded funds	\$ 4,376	\$ -	\$ -	\$ 4,376
Split-interest agreements				
Beneficial interest in trusts held by third-parties	-	-	582,012	582,012
Total fair value measurements	\$ 4,376	\$ -	\$ 582,012	\$ 586,388

(Continued)

CEREBRAL PALSY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

The following is a reconciliation of Level 3 assets for the years ended September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 582,012	\$ 540,901
Unrealized gains	<u>98,928</u>	<u>41,111</u>
Balance, end of year	<u>\$ 680,940</u>	<u>\$ 582,012</u>

The fair value of beneficial interest in perpetual trusts is determined using the market approach. The corpus of these trusts will be held in perpetuity and only an annual distribution of investment returns is available to the Foundation. The fair value of the beneficial interest in the perpetual trusts is determined based on the beneficial interest in the fair value of the underlying investments held by the third-party trusts which management believes approximates the fair value of the expected future cash flows to be received by the Foundation. (Level 3 inputs)

NOTE 4 - INVESTMENTS

Investments at fair value consisted of the following at September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Mutual funds / exchange traded funds	\$ 9,329	\$ 4,376

Interest and dividends and realized and unrealized gains and losses on investments are comprised of the following for the years ended September 30:

	<u>2024</u>	<u>2023</u>
Interest and dividends on investments	\$ 66,921	\$ 30,134
Net realized gain on investments	-	27,483
Net unrealized gain on investments	<u>1,157</u>	<u>375</u>
Total realized and unrealized gain on investments	<u>1,157</u>	<u>27,858</u>
Total investment income	<u>\$ 68,078</u>	<u>\$ 57,992</u>

(Continued)

CEREBRAL PALSY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE 5 - FIXED ASSETS, NET

Fixed assets, net, at September 30, 2024 and 2023, consist of the following:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 32,876	\$ 32,876
Less accumulated depreciation and amortization	<u>(26,283)</u>	<u>(23,931)</u>
	-	
Balance, end of year	<u>\$ 6,593</u>	<u>\$ 8,945</u>

Depreciation and amortization expense totaled \$2,352 and \$2,071 for the years ended September 30, 2024 and 2023, respectively.

NOTE 6 – IN-KIND CONTRIBUTIONS

In-kind contributions for the years ending September 30, 2024 and 2023, was comprised of the following:

	<u>2024</u>	<u>2023</u>
Legal services	\$ 6,102	\$ 3,747
Scientific advisory council	129,010	155,810
Other	<u>86,000</u>	<u>909</u>
	<u>\$ 221,112</u>	<u>\$ 160,466</u>

The Foundation's financial statements include the following in-kind contributions revenue and support:

Professional Services

The Foundation received donated legal and scientific guidance professional services that would typically be purchased if not provided as an in-kind contribution. These services, which require specialized skills, are recognized as in-kind contributions at fair value when the pledge is made and are expensed when the services are rendered. The estimated fair value of these professional services is provided by the service provider, who estimated the fair value based on the date, time, and market in which each service is rendered.

Other in-kind contributions

Other in-kind contributions consist of volunteer hours to lead the Foundation's branded training sessions. It also includes professional services from various members of the Board that were consulted on statutory and matters specific to a program of the Foundation.

The Foundation utilized in-kind contributions in performing various research on the causes and prevention of cerebral palsy and other disabilities, as well as supporting general and administrative functions. All in-kind contributions were used in a manner consistent with donor restrictions, if applicable, and organizational objectives.

(Continued)

CEREBRAL PALSY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE 7 - NET ASSETS WITH DONOR RESTRICTION

At September 30, 2024 and 2023, with donor restriction net assets are restricted for the following special programs:

	<u>2024</u>	<u>2023</u>
Harvard Medical and other research funds	\$ 241,288	\$ 241,288
Ireland project	1,383,085	1,039,827
United Cerebral Palsy (UCP)	8,063	-
UNICEF	-	137,171
Hackensack Meridien Health	55,799	-
Beneficial interest in trusts held by third-parties	680,940	582,012
	<u>2,369,175</u>	<u>2,000,298</u>
Restricted for endowment in perpetuity:		
Endowment invested in cash equivalents	179,400	179,400
	<u>\$ 2,548,575</u>	<u>\$ 2,179,698</u>

During the years ended September 30, 2024 and 2023, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes and/or by occurrence of other events specified by the donors as follows:

	<u>2024</u>	<u>2023</u>
Ireland project	\$ 2,156,742	\$ 1,821,201
Early Detection Initiative	-	250,000
Dyskinesia Disease Education Program	-	50,000
UNICEF	231,655	112,829
United Cerebral Palsy (UCP)	46,938	-
UT Southwestern Medical Center	10,000	-
Emory University	80,000	-
Hackensack Meridien Health	124,141	-
Momentum	482,059	-
Other	-	64,999
	<u>\$ 3,131,535</u>	<u>\$ 2,299,029</u>
Total net assets released from restrictions	<u>\$ 3,131,535</u>	<u>\$ 2,299,029</u>

(Continued)

CEREBRAL PALSY FOUNDATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2024 and 2023

NOTE 8 - ENDOWMENT FUNDS

The Foundation adopted New York State’s version of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) or (“NYPMIFA”) during the year ended September 30, 2010 and classifies as with donor restricted net assets: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and, (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument.

In making a determination to appropriate or accumulate, the Foundation considers the following factors:

- (1) the duration and preservation of the endowment fund; (2) the purposes of the Foundation and its endowment fund; (3) general economic conditions; (4) the possible effect of inflation or deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the Foundation; (7) the investment policy of the Foundation; and, (8) where appropriate, alternatives to spending from donor-restricted endowment funds and the possible effects on the Foundation.

The Foundation has adopted investment management and spending policies for its endowment fund that attempt to provide financial stability for the endowment in perpetuity. The Foundation’s ability to tolerate risk and volatility is consistent with that of a conservative portfolio, with investments made in certificates of deposit with well-respected creditworthy financial institutions. Asset allocations are developed in accordance with this long-term, conservative strategy.

The Foundation excludes its beneficial interest in trusts held by third parties from its endowment.

The following details endowment net asset composition by type of fund as of September 30, 2024 and 2023:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 179,400	\$ 179,400
Total fair value measurements	\$ -	\$ 179,400	\$ 179,400
	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 179,400	\$ 179,400
Total fair value measurements	\$ -	\$ 179,400	\$ 179,400

(Continued)

CEREBRAL PALSY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE 8 - ENDOWMENT FUNDS (Continued)

The following details the changes in endowment net assets for the years ended September 30, 2024 and 2023:

	<u>2024</u>		<u>2023</u>	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Endowment net assets,				
beginning of year	\$ -	\$ 179,400	\$ -	\$ 179,400
Investment return				
Interest income	-	7,432	2,490	-
Total investment return	-	7,432	-	-
Amounts appropriated for expenditure	-	(7,432)	(2,490)	-
Total fair value measurements	<u>\$ -</u>	<u>\$ 179,400</u>	<u>\$ -</u>	<u>\$ 179,400</u>

NOTE 9 - RETIREMENT PLAN

The Foundation sponsors a 401(k) plan for its employees, whereby the Foundation deposits to each eligible employee's 401(k) account an amount equal to the employee's 401(k) contribution up to a maximum of 5 percent of the employee's annual salary. Full-time employees who have at least six months of service with the Foundation are eligible for the 5 percent Safe Harbor Contribution. Total pension expense under this plan for the years ended September 30, 2024 and 2023 totaled \$38,110 and \$33,109, respectively, and are included in program and supporting services expenses on the statements of activities.

NOTE 10 - LIQUIDITY AND AVAILABILITY

The Foundation's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,633,980	\$ 1,754,887
Contribution receivables	450,614	325,040
Less: restricted endowment funds	<u>(179,400)</u>	<u>(179,400)</u>
	<u>\$ 1,905,194</u>	<u>\$ 1,900,527</u>

As part of the Foundation's liquidity management, the Foundation maintains cash to be available as its general expenditures, liabilities, and other obligations become due.