

**CEREBRAL PALSY FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

September 30, 2023 and 2022

CEREBRAL PALSY FOUNDATION, INC.  
New York, New York

FINANCIAL STATEMENTS  
September 30, 2023 and 2022

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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, 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 accompanying financial statements present fairly, in all material respects, the financial position of Cerebral Palsy Foundation, Inc., as of September 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 (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.

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## ***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  
May 1, 2024

CEREBRAL PALSY FOUNDATION, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,754,887	\$ 1,509,246
Investments	4,376	231,566
Contributions receivable	325,040	50,873
Beneficial interest in trusts held by third-parties	582,012	540,901
Fixed assets, net of accumulated depreciation and amortization	<u>8,945</u>	<u>4,282</u>
 Total assets	 <u>\$ 2,675,260</u>	 <u>\$ 2,336,868</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	\$ 160,111	\$ 58,475
Grants payable	75,000	-
Deferred revenue	<u>7,760</u>	<u>9,750</u>
	242,871	68,225
Net Assets		
Without donor restrictions	252,691	996,026
With donor restrictions	<u>2,179,698</u>	<u>1,272,617</u>
Total net assets	<u>2,432,389</u>	<u>2,268,643</u>
 Total liabilities and net assets	 <u>\$ 2,675,260</u>	 <u>\$ 2,336,868</u>

See accompanying notes to financial statements.

CEREBRAL PALSY FOUNDATION, INC.  
STATEMENTS OF ACTIVITIES  
Years ended September 30, 2023 and 2022

	2023			2022		
	<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>
<b>Operating Activities</b>						
Revenues and other support						
Contributions	\$ 645,100	\$ 3,164,999	\$ 3,810,099	\$ 861,389	\$ 953,904	\$ 1,815,293
Program service fees	208,807	-	208,807	230,538	-	230,538
Contributions in-kind	160,466	-	160,466	210,211	-	210,211
Special events revenue	27,600	-	27,600	-	-	-
Interest income and dividends	30,134	-	30,134	5,085	-	5,085
Realized and unrealized gain (loss) on investments	27,858	-	27,858	(25,216)	-	(25,216)
Net assets released from restrictions	<u>2,299,029</u>	<u>(2,299,029)</u>	<u>-</u>	<u>642,876</u>	<u>(642,876)</u>	<u>-</u>
Total revenues and other support	<u>3,398,994</u>	<u>865,970</u>	<u>4,264,964</u>	<u>1,924,883</u>	<u>311,028</u>	<u>2,235,911</u>
Expenses						
Program services						
Grants	2,237,407	-	2,237,407	731,761	-	731,761
Other program expenses	<u>1,649,370</u>	<u>-</u>	<u>1,649,370</u>	<u>1,351,152</u>	<u>-</u>	<u>1,351,152</u>
Total program services	3,886,777	-	3,886,777	2,082,913	-	2,082,913
Supporting services						
Management and general	137,329	-	137,329	121,182	-	121,182
Fundraising	<u>118,223</u>	<u>-</u>	<u>118,223</u>	<u>21,735</u>	<u>-</u>	<u>21,735</u>
Total supporting services	<u>255,552</u>	<u>-</u>	<u>255,552</u>	<u>142,917</u>	<u>-</u>	<u>142,917</u>
Total expenses	<u>4,142,329</u>	<u>-</u>	<u>4,142,329</u>	<u>2,225,830</u>	<u>-</u>	<u>2,225,830</u>
Changes in net assets from operations	(743,335)	865,970	122,635	(300,947)	311,028	10,081
<b>Non-Operating Activities</b>						
Change in fair value of beneficial interest in trusts held by third-parties	<u>-</u>	<u>41,111</u>	<u>41,111</u>	<u>-</u>	<u>(170,104)</u>	<u>(170,104)</u>
Changes in net assets	(743,335)	907,081	163,746	(300,947)	140,924	(160,023)
Net assets, beginning of year	<u>996,026</u>	<u>1,272,617</u>	<u>2,268,643</u>	<u>1,296,973</u>	<u>1,131,693</u>	<u>2,428,666</u>
Net assets, end 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>

See accompanying notes to financial statements.

CEREBRAL PALSY FOUNDATION, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
Years ended September 31, 2023 and 2022

	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>
	2022									
	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	\$ 89,912	\$ 126,431	\$ 273,885	\$ 200,272	\$ 138,241	\$ 828,741	\$ 25,599	\$ 10,039	\$ 35,638	\$ 864,379
Grants	-	-	-	731,761	-	731,761	-	-	-	731,761
Events and conferences	5,313	442	785	92,814	554	99,908	284	3,715	3,999	103,907
Information technology	1,907	13,042	4,226	142,593	2,025	163,793	1,041	187	1,228	165,021
Professional fees	10,051	48,551	16,794	4,938	91,950	172,284	80,514	10	80,524	252,808
Occupancy	332	569	910	3,747	712	6,270	366	66	432	6,702
Travel	1,617	3,331	1,970	53,991	575	61,484	296	53	349	61,833
Office expense	406	560	895	4,351	701	6,913	360	7,565	7,925	14,838
Advertising and promotion	266	2,125	1,093	3,087	572	7,143	293	53	346	7,489
Other expenses	245	419	670	2,758	524	4,616	12,429	47	12,476	17,092
	<u>\$ 110,049</u>	<u>\$ 195,470</u>	<u>\$ 301,228</u>	<u>\$1,240,312</u>	<u>\$ 235,854</u>	<u>\$ 2,082,913</u>	<u>\$ 121,182</u>	<u>\$ 21,735</u>	<u>\$ 142,917</u>	<u>\$ 2,225,830</u>

See accompanying notes to financial statements.

CEREBRAL PALSY FOUNDATION, INC.  
 STATEMENTS OF CASH FLOWS  
 Years ended September 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities</b>		
Changes in net assets	\$ 163,746	\$ (160,023)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation and amortization	2,071	4,788
Net realized and unrealized (gain) loss on investments	(27,858)	25,216
Donated stock	-	(252,204)
Change in fair value of beneficial interest in trusts held by third parties	(41,111)	170,104
Changes in operating assets and liabilities		
Contributions receivable	(274,167)	(48,333)
Accounts payable and accrued expenses	101,636	(52,579)
Grants payable	75,000	(188,341)
Deferred revenue	(1,990)	9,750
Net cash used in operating activities	<u>(2,673)</u>	<u>(491,622)</u>
 <b>Cash flows from investing activities</b>		
Purchase of property and equipment	(6,734)	(1,059)
Sales of securities	255,048	-
Purchases of securities	-	(521)
Net cash provided by (used in) investing activities	<u>248,314</u>	<u>(1,580)</u>
 Net increase (decrease) in cash and cash equivalents	245,641	(493,202)
 Cash and cash equivalents, beginning of year	<u>1,509,246</u>	<u>2,002,448</u>
 Cash and cash equivalents, end of year	<u>\$ 1,754,887</u>	<u>\$ 1,509,246</u>
 <b>Non cash operating activities</b>		
Contributions in-kind	\$ 160,466	\$ 210,211

See accompanying notes to financial statements.



CEREBRAL PALSY FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2023 and 2022

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**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. At September 30, 2023 and 2022, cash equivalents consist of money market funds.

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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, 2023 and 2022). 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, 2023 and 2022, for which the fair value could not be determined based on quoted market prices.

Fixed Assets: Fixed assets consists 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/(losses) on the Foundation's beneficial interest in trusts held by third parties for the years ended September 30, 2023 and 2022 totaled \$41,111 and \$(170,104), 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 interest income on the statement of activities. The Foundation received income distributions of \$27,736 and \$55,574 for the years ended September 30, 2023 and 2022, 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.

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CEREBRAL PALSY FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2023 and 2022

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**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 consist 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, 2023, \$237,222 was raised as part of the event and included within contributions on the accompanying statement of activities. At September 30, 2022, \$215,642 was raised as part of the Gala that was held virtually and is included within contributions on the accompanying statement of activities.

Contributions: Contributions, including unconditional promises to give, are reported as revenues in the period received or pledged. 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 of assets, other than cash, including goods and services, are recorded at their estimated fair value at the date of contribution.

Contributions receivable of \$325,040 and \$50,873 at September 30, 2023 and 2022, respectively, are comprised of two and three donors, respectively. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

At September 30, 2023 and 2022, 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, 2023, and 2022, no reserve was deemed necessary.

Program Service Fees: Revenues derived from program service fees are related to various trainings held by the Foundation. The sole performance obligation is to hold the training and revenue is recognized at the point in time in which the training occurs.

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 \$29,280 and \$7,489 for the years ended September 30, 2023 and 2022, 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, 2023, and 2022, grants payable were \$75,000 and \$0, 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, 2023, and 2022, management does not believe the Foundation has any material uncertain tax positions.

Fair Value of Financial Instruments: At September 30, 2023 and 2022, 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 reclassifications have been made to present last year's financial statements on a basis comparable to the current year's financial statements. These reclassifications had no effect on the change in net assets or total net assets.

Subsequent Events: The Foundation evaluated its September 30, 2023 financial statements for subsequent events through May 1, 2024, 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.

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(Continued)

CEREBRAL PALSY FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2023 and 2022

**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, 2023 and 2022:

	2023			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds / exchange traded funds	\$ 4,376	\$ -	\$ -	\$ 4,376
Split-interest agreements				
Beneficial interest in trusts held by third-parties	<u>-</u>	<u>-</u>	<u>582,012</u>	<u>582,012</u>
Total fair value measurements	<u>\$ 4,376</u>	<u>\$ -</u>	<u>\$ 582,012</u>	<u>\$ 586,388</u>
	2022			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds / exchange traded funds	\$ 231,566	\$ -	\$ -	\$ 231,566
Split-interest agreements				
Beneficial interest in trusts held by third-parties	<u>-</u>	<u>-</u>	<u>540,901</u>	<u>540,901</u>
Total fair value measurements	<u>\$ 231,566</u>	<u>\$ -</u>	<u>\$ 540,901</u>	<u>\$ 772,467</u>

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CEREBRAL PALSY FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2023 and 2022

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**NOTE 3 - FAIR VALUE MEASUREMENTS** (Continued)

The following is a reconciliation of Level 3 assets for the years ended September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 540,901	\$ 711,005
Unrealized gain (loss)	<u>41,111</u>	<u>(170,104)</u>
Balance, end of year	<u>\$ 582,012</u>	<u>\$ 540,901</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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Mutual funds / exchange traded funds	\$ 4,376	\$ 231,566

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

	<u>2023</u>	<u>2022</u>
Interest and dividends on investments	\$ 30,134	\$ 5,085
Net realized gain on investments	27,483	-
Net unrealized gain (loss) on investments	<u>375</u>	<u>(25,216)</u>
Total realized and unrealized gain (loss) on investments	<u>27,858</u>	<u>(25,216)</u>
Total investment income	<u>\$ 57,992</u>	<u>\$ (20,131)</u>

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(Continued)

CEREBRAL PALSY FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 5 - FIXED ASSETS, NET**

Fixed assets, net, at September 30, 2023 and 2022, consist of the following:

	<u>2023</u>	<u>2022</u>
Furniture and equipment	\$ 32,876	\$ 50,222
Less accumulated depreciation and amortization	<u>(23,931)</u>	<u>(45,940)</u>
Balance, end of year	<u>\$ 8,945</u>	<u>\$ 4,282</u>

Depreciation and amortization expense totaled \$2,071 and \$4,788 for the years ended September 30, 2023 and 2022, respectively.

**NOTE 6 – IN-KIND CONTRIBUTIONS**

In-kind contributions for the years ending September 30, 2023 and 2022, was comprised of the following:

	<u>2023</u>	<u>2022</u>
Legal services	\$ 3,747	\$ 9,700
Sensor mats	-	101,670
Scientific advisory council	155,810	98,841
Other	<u>909</u>	<u>-</u>
	<u>\$ 160,466</u>	<u>\$ 210,211</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.

***Donated Equipment***

During the year ended September 30, 2022, the Foundation received donated custom sensor mats for the sole purpose of a research study: "Improving Technology Based Early Detection of Cerebral Palsy in the NICU across a US Network". The purpose of this study is to validate a pressure sensor system (GMat) with software that quickly and accurately provides a necessary medical assessment, General Movement Assessment (GMA), results in infants as part of our Early Detection Initiative. This study was conducted over a network of 5 US NICUs, including the lead site, Emory University. This equipment was custom created and calibrated for the purpose of the study and unavailable for public purchase. This was recognized as in-kind revenue at fair value at year ended September 30, 2022.

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(Continued)

CEREBRAL PALSY FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2023 and 2022

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**NOTE 7 - NET ASSETS WITH DONOR RESTRICTION**

At September 30, 2023 and 2022, with donor restriction net assets are restricted for the following special programs:

	<u>2023</u>	<u>2022</u>
Harvard Medical and other research funds	\$ 241,288	\$ 241,288
Ireland project	1,039,827	261,028
Early Detection Initiative	-	50,000
UNICEF	137,171	-
Beneficial interest in trusts held by third-parties	<u>582,012</u>	<u>540,901</u>
	2,000,298	1,093,217
Restricted for endowment in perpetuity:		
Endowment invested in cash equivalents	<u>179,400</u>	<u>179,400</u>
	<u>\$ 2,179,698</u>	<u>\$ 1,272,617</u>

During the years ended September 30, 2023 and 2022, 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>2023</u>	<u>2022</u>
The Virtual Cerebral Palsy Center	\$ -	\$ 60,000
Early Detection Initiative	250,000	200,000
Dyskinesia Disease Education Program	50,000	50,000
UNICEF	112,829	-
UCLA Muscle Study	-	66,700
Ireland project	1,821,201	216,176
Other	<u>64,999</u>	<u>50,000</u>
Total net assets released from restrictions	<u>\$ 2,299,029</u>	<u>\$ 642,876</u>

**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.

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(Continued)



CEREBRAL PALSY FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2023 and 2022

**NOTE 8 - ENDOWMENT FUNDS** (Continued)

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, 2023 and 2022:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 179,400	\$ 179,400
Total fair value measurements	<u>\$ -</u>	<u>\$ 179,400</u>	<u>\$ 179,400</u>
	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 179,400	\$ 179,400
Total fair value measurements	<u>\$ -</u>	<u>\$ 179,400</u>	<u>\$ 179,400</u>

The following details the changes in endowment net assets for the years ended September 30, 2023 and 2022:

	2023		2022	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Endowment net assets, beginning of year	\$ -	\$ 179,400	\$ -	\$ 179,400
Investment return				
Interest income	-	2,490	-	531
Total investment return	-	2,490	-	531
Amounts appropriated for expenditure	-	(2,490)	-	(531)
Total fair value measurements	<u>\$ -</u>	<u>\$ 179,400</u>	<u>\$ -</u>	<u>\$ 179,400</u>

(Continued)

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**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, 2023 and 2022 totaled \$33,109 and \$33,377, respectively, and are included in program and supporting services expenses on the statement of activities.

**NOTE 10 - LIQUIDITY AND AVAILABILITY**

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

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,754,887	\$ 1,509,246
Contribution receivables	325,040	50,873
Less: restricted endowment funds	<u>(179,400)</u>	<u>(179,400)</u>
	<u>\$ 1,900,527</u>	<u>\$ 1,380,719</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.