



**CMT
Research
Foundation**

AUDITED FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
JUNE 30, 2025 AND 2024**

CMT RESEARCH FOUNDATION, INC.
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Jones and Kolb
Certified Public Accountants
Atlanta, Georgia

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
CMT Research Foundation, Inc.
Atlanta, Georgia

We have audited the accompanying financial statements of CMT Research Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and net assets, 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 position of CMT Research Foundation, Inc. as of June 30, 2025 and 2024, 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 CMT Research Foundation, Inc. and to meet our 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 CMT Research Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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 CMT Research Foundation, 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 CMT Research Foundation, 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.

Jones and Kell

December 10, 2025

CMT RESEARCH FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and equivalents	\$ 2,780,887	\$ 3,445,016
Certificates of deposit	399,384	-
Pledges receivable	1,932,838	783,522
Prepaid expenses	125,998	87,559
	5,239,107	4,316,097
LONG-TERM ASSETS		
Pledges receivable, net	3,465,937	357,206
	3,465,937	357,206
Total assets	\$ 8,705,044	\$ 4,673,303

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts and contracts payable	\$ 194,897	\$ 283,865
Accrued expenses	105,996	56,184
Deferred revenue	11,150	15,230
	312,043	355,279
Total current liabilities	312,043	355,279
Total liabilities	312,043	355,279
NET ASSETS		
Without donor restrictions	5,064	1,262,355
With donor restrictions	8,387,937	3,055,669
	8,393,001	4,318,024
Total net assets	8,393,001	4,318,024
Total liabilities and net assets	\$ 8,705,044	\$ 4,673,303

The accompanying notes to financial statements
are an integral part of these statements.

CMT RESEARCH FOUNDATION, INC.
STATEMENTS OF ACTIVITIES AND NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT						
Contributions	\$ 1,330,817	\$ 7,070,304	\$ 8,401,121	\$ 1,867,775	\$ 2,453,980	\$ 4,321,755
Special event revenue	86,750	-	86,750	84,520	-	84,520
Less direct cost of special event	(15,950)	-	(15,950)	(2,777)	-	(2,777)
Convention revenue	83,947	-	83,947	117,193	-	117,193
Interest income	106,654	-	106,654	103,382	-	103,382
Total revenues and support	<u>1,592,218</u>	<u>7,070,304</u>	<u>8,662,522</u>	<u>2,170,093</u>	<u>2,453,980</u>	<u>4,624,073</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>1,738,036</u>	<u>(1,738,036)</u>	<u>-</u>	<u>2,596,119</u>	<u>(2,596,119)</u>	<u>-</u>
EXPENSES						
Program services	3,224,540	-	3,224,540	2,915,936	-	2,915,936
Management and general	479,556	-	479,556	323,875	-	323,875
Fundraising	883,449	-	883,449	834,407	-	834,407
Total expenses	<u>4,587,545</u>	<u>-</u>	<u>4,587,545</u>	<u>4,074,218</u>	<u>-</u>	<u>4,074,218</u>
CHANGE IN NET ASSETS	<u>(1,257,291)</u>	<u>5,332,268</u>	<u>4,074,977</u>	<u>691,994</u>	<u>(142,139)</u>	<u>549,855</u>
NET ASSETS						
Beginning of year	<u>1,262,355</u>	<u>3,055,669</u>	<u>4,318,024</u>	<u>570,361</u>	<u>3,197,808</u>	<u>3,768,169</u>
End of year	<u>\$ 5,064</u>	<u>\$ 8,387,937</u>	<u>\$ 8,393,001</u>	<u>\$ 1,262,355</u>	<u>\$ 3,055,669</u>	<u>\$ 4,318,024</u>

The accompanying notes to financial statements
are an integral part of these statements.

CMT RESEARCH FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025				2024			
	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Project expenses	\$ 2,056,600	\$ -	\$ -	\$ 2,056,600	\$ 1,774,490	\$ -	\$ -	\$ 1,774,490
Compensation	712,914	276,915	406,823	1,396,652	541,186	96,700	509,980	1,147,866
Professional fees	210,546	108,608	88,241	407,395	300,525	136,381	94,719	531,625
Marketing	2,574	27,633	256,747	286,954	303	7,089	115,202	122,594
Travel	112,074	16,430	57,617	186,121	127,191	8,523	24,190	159,904
Meetings	122,643	1,683	20,000	144,326	111,282	28,766	2,427	142,475
Office	4,756	25,968	37,197	67,921	4,096	18,260	81,438	103,794
Miscellaneous	2,433	12,474	16,824	31,731	56,863	27,104	6,451	90,418
Insurance	-	9,845	-	9,845	-	1,052	-	1,052
Total	<u>\$ 3,224,540</u>	<u>\$ 479,556</u>	<u>\$ 883,449</u>	<u>\$ 4,587,545</u>	<u>\$ 2,915,936</u>	<u>\$ 323,875</u>	<u>\$ 834,407</u>	<u>\$ 4,074,218</u>

The accompanying notes to financial statements
are an integral part of these statements.

CMT RESEARCH FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions received	\$ 4,143,074	\$ 4,522,352
Interest income received	106,654	103,382
Other income received	150,667	198,936
Project expenses	(2,047,600)	(1,628,490)
Compensation expenses	(1,346,840)	(1,172,110)
Marketing expenses	(173,935)	(122,594)
Meeting expenses	(175,062)	(302,767)
Professional fees expense	(519,240)	(395,886)
Travel expenses	(286,954)	(159,904)
Other operating expenses	(115,509)	(195,264)
Net cash (used in) provided by operating activities	(264,745)	847,655
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) maturity of certificates of deposit	(399,384)	585,820
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(664,129)	1,433,475
CASH AND EQUIVALENTS, Beginning of year	3,445,016	2,011,541
CASH AND EQUIVALENTS, End of year	\$ 2,780,887	\$ 3,445,016

The accompanying notes to financial statements
are an integral part of these statements.

CMT RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. CMT Research Foundation, Inc. (the "Organization") was founded in 2018 with a mission dedicated to delivering treatments and cures for Charcot-Marie-Tooth ("CMT") disease. CMT is a genetic nerve disease with over 100 known genetic causes. Onset can be at birth or later in life and is characterized by degeneration of motor nerves which can lead to severe disability or death. The primary function of the Organization is to strategically partner with academia and industry stakeholders who are pursuing a cure or more effective treatment for CMT.

B. The accompanying financial statements have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America.

C. The Organization classifies net assets and revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. The Organization records contributions of cash and other assets as net assets without donor restrictions unless specifically restricted by the donor. All other restricted contributions are recorded as an increase in net assets with donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Net Assets as "net assets released from restrictions." Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operation of the Organization.

Net assets with donor restrictions - Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions may be temporary in nature; for example, restrictions that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature; for example, stipulating those resources be maintained in perpetuity. The donors of these assets generally permit the Organization to use all of the income earned on related investments for general or specific purposes. More specifically, items included in net assets with donor restrictions are contributions for which restrictions have not been met.

D. The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. At times, the Organization's cash balances may be in excess of the federally insured limits. However, given the strength of the financial institution, management believes such excess deposits do not create significant loss exposure.

E. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CMT RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

F. The Organization records unconditional promises to give at fair value in the period made by donors, net of allowances for amounts estimated as uncollectible. Conditional promises are not included as support until the conditions are substantially met. Unconditional promises with payments due in future years, which are not otherwise restricted, are deemed to have an implied restriction to be used in the year the payment is due and, therefore, are reported as net assets with donor restrictions until the payment is due, unless the contribution is clearly intended to support activities of the current year or is received with restriction for perpetuity. All contributions are recorded as net assets without donor restrictions unless specifically restricted by the donor.

Unconditional pledges that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges expected to be collected in future years are recorded at the present value of their estimated future cash flows. Discounts are computed using risk-free interest rates applicable to the years in which the promises are received, which were 3.75% to 4.34% for the years ended June 30, 2025 and 2024. Amortization of the discounts, if any, is included in contributions in the accompanying Statements of Activities and Net Assets.

During the year ended June 30, 2024, the Organization received a \$250,000 conditional promise to match certain contributions dollar for dollar. The Organization met \$151,522 of the challenge as of June 30, 2024. The remaining amount of the conditional promise of \$98,478 was recognized as contribution revenue during the year ended June 30, 2025, upon receipt of the matching contributions.

G. An allowance for uncollectible contributions receivable is provided based upon management's judgment, considering such factors as prior collection history, type of contribution, relationship with donor, and other relevant factors. At June 30, 2025 and 2024, management believes all contributions receivable are fully collectible. Therefore, no allowance for uncollectible accounts is recorded in the accompanying financial statements.

The Organization recognizes revenues from convention ticket sales and sponsorships and fundraising events in the period the event occurs. Amounts received prior to the event are reported as deferred revenue. At June 30, 2025 and 2024, the Organization had deferred convention revenue of \$11,150 and \$15,230, respectively. These amounts were recognized as revenue in the following year.

H. The Organization enters into funding arrangements with academic and industry stakeholders for research projects in pursuit of a cure or more effective treatment for CMT. Some of the agreements include various repayment terms, royalty payments, or equity investment upon development of a successful commercial product. It is the Organization's policy to recognize these transactions as project expenses at the date a payment is made.

I. The accompanying financial statements report certain categories of expenses that are attributable to one or more functions of the Organization, which are defined as program services,

CMT RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

management and general, and fundraising. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and benefits are allocated on the basis of estimates of time and effort. The remainder of the expenses are primarily allocated through specific identification to the functional expense category due to the nature of the expense.

J. The Organization is a nonprofit corporation which has been granted tax-exempt status as a public charity under Section 501(c)(3) of the Internal Revenue Code ("IRC"). However, it is subject to IRC Section 511(a) for income taxes on unrelated business income. The Organization had no tax liability as of June 30, 2025 and 2024.

K. Subsequent events have been evaluated by management through December 10, 2025, the date these financial statements were available to be issued.

2. LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following as of June 30, 2025 and 2024:

	2025	2024
Financial assets, at year end	\$ 8,579,046	\$ 4,585,744
Less those unavailable for general expenditures within one year due to:		
Purpose restrictions by donors	(2,788,599)	(1,871,147)
Purpose and time restrictions by donor	(522,304)	(579,700)
Time restrictions by donor	(3,406,704)	(80,250)
 Total financial assets available to meet cash needs for general expenditure within one year	 \$ 1,861,439	 \$ 2,054,647

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

3. CERTIFICATES OF DEPOSIT

At June 30, 2025, the Organization had certificates of deposit totaling \$399,384 which mature within one year of the financial statement date. Interest rates for the certificates of deposit vary between 3.90% and 4.05%. All certificates of deposit are stated at cost, insured by the FDIC, and are subject to penalty on early withdrawal. The Organization's intention is to hold all certificates of deposit until maturity.

CMT RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

4. PLEDGES RECEIVABLE

At June 30, 2025 and 2024, pledges receivable consisted of the following:

	<u>2025</u>	<u>2024</u>
Receivable in less than one year	\$ 1,932,838	\$ 783,522
Receivable in one to five years	<u>3,666,500</u>	<u>401,000</u>
Total pledges receivable	5,599,338	1,184,522
Less discounts to net present value	<u>(200,563)</u>	<u>(43,794)</u>
Pledges receivable, net	<u>\$ 5,398,775</u>	<u>\$ 1,140,728</u>

5. RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions as of and for the year ended June 30, 2025 are summarized as follows:

<u>Restriction</u>	<u>June 30, 2024</u>	<u>Contributions</u>	<u>Releases</u>	<u>June 30, 2025</u>
Subject to specified purpose:				
CMT1A	\$ 1,871,147	\$ 1,658,626	\$ (750,917)	\$ 2,778,856
CMT1E	-	11,573	(1,830)	9,743
Emerging Researchers Awards	-	105	(105)	-
Subject to specified purpose and time:				
CMT1A	579,700	400,000	(457,396)	522,304
Subject to specified time	<u>604,822</u>	<u>5,000,000</u>	<u>(527,788)</u>	<u>5,077,034</u>
Total	<u>\$ 3,055,669</u>	<u>\$ 7,070,304</u>	<u>\$ (1,738,036)</u>	<u>\$ 8,387,937</u>

CMT RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Net assets with donor restrictions as of and for the year ended June 30, 2024 are summarized as follows:

<u>Restriction</u>	<u>June 30, 2023</u>	<u>Contributions</u>	<u>Releases</u>	<u>June 30, 2024</u>
Subject to specified purpose:				
CMT1A	\$ 1,787,046	\$ 1,904,593	\$ (1,820,492)	\$ 1,871,147
CMT1B	-	3,615	(3,615)	-
CMT1E	-	11,250	(11,250)	-
Subject to specified purpose and time:				
CMT1A	880,058	29,700	(330,058)	579,700
CMT1B	130,704	-	(130,704)	-
Subject to specified time	<u>400,000</u>	<u>504,822</u>	<u>(300,000)</u>	<u>604,822</u>
Total	<u>\$ 3,197,808</u>	<u>\$ 2,453,980</u>	<u>\$ (2,596,119)</u>	<u>\$ 3,055,669</u>

6. CONCENTRATIONS

During the years ended June 30, 2025 and 2024, two donors accounted for approximately 74% and 23% of revenues and support, respectively. One donor and two donors accounted for approximately 89% and 80% of contributions receivable at June 30, 2025 and 2024, respectively.

7. RETIREMENT PLAN

The Organization adopted a 401(k) safe harbor plan ("the Plan") as of April 15, 2020. Under the Plan, all full-time employees who are at least 21 years of age are eligible to make salary deferrals to the Plan after two months of service. The Plan allows for pre-tax 401(k) deferrals and Roth 401(k) deferrals.

8. COMMITMENTS

The Organization has entered funding arrangements with future payments totaling approximately \$2,655,000 for various research and development projects to develop a cure or treatment for CMT. The agreements contain various terms and conditions to reduce the risk to the Organization. Most agreements include multiple phases or milestones that must be achieved for the Organization to be obligated to make payment. Additionally, the agreements include various repayment terms, royalty payments, or equity investment upon development of a successful commercial product.