Financial Statements Together with
Report of Independent Certified Public Accountants

CEREBRAL PALSY INTERNATIONAL RESEARCH FOUNDATION, INC.

September 30, 2014 and 2013

CEREBRAL PALSY INTERNATIONAL RESEARCH FOUNDATION, INC.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of the
Cerebral Palsy International Research Foundation, Inc.:

We have audited the accompanying financial statements of the Cerebral Palsy International Research Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of September 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements 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 the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cerebral Palsy International Research Foundation, Inc. as of September 30, 2014 and 2013, 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.

Grant Thornton LLP

New York, New York
August 19, 2015

CEREBRAL PALSY INTERNATIONAL RESEARCH FOUNDATION, INC.
Statements of Financial Position
As of September 30, 2014 and 2013

	2014	2013
ASSETS		
Cash and cash equivalents	$ 3,161,021	$ 4,229,159
Permanently restricted cash	179,400	179,400
Contribution receivables less allowance for doubtful accounts of $75,000 in 2014 and $0 in 2013	377,054	200,000
Prepaid expenses and other assets	1,853	16,961
Investments	248,926	-
Beneficial interest in trusts held by third-parties	583,109	582,404
Fixed assets, net	12,035	1,788
Total assets	$ 4,563,398	$ 5,209,712
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	$ 116,430	$ 36,125
Other liabilities	150,000	-
Total liabilities	266,430	36,125
COMMITMENTS		
NET ASSETS		
Unrestricted:		
Undesignated	1,994,695	2,736,292
Board-designated	525,000	525,000
Total unrestricted	2,519,695	3,261,292
Temporarily restricted	1,014,764	1,150,491
Permanently restricted	762,509	761,804
Total net assets	4,296,968	5,173,587
Total liabilities and net assets	$ 4,563,398	$ 5,209,712

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

CEREBRAL PALSY INTERNATIONAL RESEARCH FOUNDATION, INC.
Statements of Activities
For the years ended September 30, 2014 and 2013

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING ACTIVITIES								
Revenues and other support								
Contributions	$ 663,330	$ 375,000	$ -	$ 1,038,330	$ 2,309,144	$ 282,167	$ -	$ 2,591,311
Special event revenue, net of direct benefits and other related expenses of $82,663	179,452	-	-	179,452	-	-	-	-
Interest income	26,383	1,281	-	27,664	26,429	434	-	26,863
Unrealized loss on investments	(7,026)	-	-	(7,026)	-	-	-	-
Net assets released from restrictions	437,008	(437,008)	-	-	310,650	(310,650)	-	-
Total revenues and other support	1,299,147	(60,727)	-	1,238,420	2,646,223	(28,049)	-	2,618,174
Expenses								
Program services:								
Grants	987,205	-	-	987,205	709,446	-	-	709,446
Other program expenses	492,442	-	-	492,442	626,064	-	-	626,064
Total program services	1,479,647	-	-	1,479,647	1,335,510	-	-	1,335,510
Management and general	360,237	-	-	360,237	143,459	-	-	143,459
Fundraising	200,860	-	-	200,860	85,194	-	-	85,194
Allowance for doubtful accounts	-	75,000	-	75,000	-	-	-	-
Total expenses	2,040,744	75,000	-	2,115,744	1,564,163	-	-	1,564,163
Changes in net assets from operations	(741,597)	(135,727)	-	(877,324)	1,082,060	(28,049)	-	1,054,011
NON-OPERATING ACTIVITIES								
Change in fair value of beneficial interest in trusts held by third-parties	-	-	705	705	-	-	33,222	33,222
Changes in net assets	(741,597)	(135,727)	705	(876,619)	1,082,060	(28,049)	33,222	1,087,233
Net assets, beginning of year	3,261,292	1,150,491	761,804	5,173,587	2,179,232	1,178,540	728,582	4,086,354
Net assets, end of year	$ 2,519,695	$ 1,014,764	$ 762,509	$ 4,296,968	$ 3,261,292	$ 1,150,491	$ 761,804	$ 5,173,587

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

CEREBRAL PALSY INTERNATIONAL RESEARCH FOUNDATION, INC.
Statements of Cash Flows
For the years ended September 30, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ (876,619)	$ 1,087,233
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	3,125	795
Unrealized loss on investments	7,026	-
Change in fair value of beneficial interest in trusts held by third parties	(705)	(33,222)
Bad debt expense	75,000	-
Donated securities	(255,952)	-
Changes in operating assets and liabilities:		
Contribution receivables	(252,054)	141,350
Prepaid expenses and other assets	15,108	(9,491)
Accounts payable and accrued expenses	80,305	(68,362)
Other liabilities	150,000	-
Net cash (used in) provided by operating activities	(1,054,766)	1,118,303
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(13,372)	-
Net (decrease) increase in cash and cash equivalents	(1,068,138)	1,118,303
Cash and cash equivalents, beginning of year	4,229,159	3,110,856
Cash and cash equivalents, end of year	$ 3,161,021	$ 4,229,159

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

1. ORGANIZATION

Established in 1955, the Cerebral Palsy International Research 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets–include funds that are not subject to donor-imposed restrictions, and may be expended for any purpose in performing the primary objectives of the Foundation. Unrestricted net assets also include those net assets which have been designated by the Board of Directors for specific purposes.

Temporarily restricted net assets–include funds subject to donor-imposed restrictions that will be met either by actions of the Foundation and/or the passage of time. As such restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the statement of activities as net assets released from restrictions.

Permanently restricted net assets–include funds subject to donor-imposed restrictions, which stipulate that the corpus be maintained in perpetuity by the Foundation, but permit the Foundation to expend part or all of the income and gains derived therefrom. Earnings on permanently restricted net assets are used to support the Foundation's general operations.

Contributions with donor stipulations that limit the use of the donated assets are reported as either temporarily or permanently restricted net assets. Contributions that are permanently restricted by donors for use as endowments are invested in perpetuity. The income 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 5). Income amounts that exceed related expenditures and appropriations during a fiscal year remain as part of temporarily restricted net assets. Unconditional promises to give, with payments due in future years, are reported as either temporarily restricted or permanently restricted net assets. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions on the statement of activities.

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, 2014 and 2013, cash equivalents consist of money market funds.

Permanently Restricted Cash

Permanently restricted cash consists of cash donated to the Foundation's endowment.

Fixed Assets

Fixed assets 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 is 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 charitable annuity 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, 2014 and 2013 totaled $705 and $33,222, respectively, and are classified as permanently restricted support on the accompanying statements of activities. Income earned on these trusts is paid quarterly and is classified as unrestricted interest income on the statement of activities. The Foundation received income distributions of $21,329 and $16,608 for the years ended September 30, 2014 and 2013, respectively.

Special Events

Revenue and expenses incurred relative to special events are recognized upon occurrence of the respective event. Gross revenues from the special events held during fiscal 2014 totaled $262,115, of which $82,663 of expenses were incurred for the event associated with providing direct benefits to donors (e.g., meals and entertainment) and as such, have not been included as part of fundraising costs on the accompanying 2014 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. At September 30, 2014 and 2013, 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, 2014 and 2013, a reserve for uncollectible accounts of $75,000 and $0, respectively, was recorded. Contributions of assets, other than cash, including goods and services, are recorded at their estimated fair value at the date of contribution.

Research and Training 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. All grant commitments approved during fiscal 2014 and 2013 were paid in full by the Foundation as of September 30, 2014 and 2013, respectively. At September 30, 2014 and 2013, the Foundation's Board of Directors conditionally approved certain priority grants totaling approximately $1,200,000 and $2,110,000, respectively, to be paid in future years. Accordingly, the Foundation will assess the availability of its funds and the respective grantee's achievement toward stipulated research goals before making these grants unconditional and before consideration of additional grants. These conditional grants have not been reflected on the 2014 and 2013 accompanying financial statements due to their conditional nature.

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. All of the Foundation's cash and cash equivalents are maintained at one financial institution. 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, 2014 and 2013). Uninsured balances aggregate to approximately $3,090,000 and $4,159,000 at September 30, 2014 and 2013, respectively. The Foundation routinely monitors the creditworthiness of its financial institutions and at present, does not anticipate nonperformance. Additionally, for the years ended September 30, 2014 and 2013, the Foundation received approximately 30% and 4%, respectively, of its contributions from its Board members. The Foundation believes that its credit risks are not significant.

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. The tax years ended September 30, 2011 through 2014 are still open to audit for both federal and state purposes. As of September 30, 2014, management does not believe the Foundation has any material uncertain tax positions.

Fair Value of Financial Instruments

At September 30, 2014 and 2013, 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.

Use of Estimates

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 the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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.

Subsequent Events

The Foundation evaluated its September 30, 2014 financial statements for subsequent events through August 19, 2015, 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.

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. 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, 2014 and 2013:

	2014			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments:				
Equities	$ 248,926	$ -	$ -	$ 248,926
Split-interest agreements:				
Beneficial interest in trusts held by third-parties	-	-	583,109	583,109
Total fair value measurements	$ 248,926	$ -	$ 583,109	$ 832,035

	2013			
	Level 1	**Level 2**	**Level 3**	**Total**
Split-interest agreements:				
Beneficial interest in trusts held by third-parties	$ -	$ -	$ 582,404	$ 582,404
Total fair value measurements	$ -	$ -	$ 582,404	$ 582,404

The following is a reconciliation of Level 3 assets for the years ended September 30, 2014 and 2013:

	Beneficial Interest in Trusts Held by Third-Parties 2014	Beneficial Interest in Trusts Held by Third-Parties 2013
Balance, beginning of year	$ 582,404	$ 549,182
Unrealized gains	705	33,222
Balance, end of year	$ 583,109	$ 582,404

4. FIXED ASSETS, NET

Fixed assets, net, at September 30, 2014 and 2013, consist of the following:

	2014	2013
Equipment	$ 13,372	$ -
Computer software	-	3,974
	13,372	3,974
Less accumulated depreciation and amortization	(1,337)	(2,186)
	$ 12,035	$ 1,788

Depreciation and amortization expense totaled $3,125 and $795 for the years ended September 30, 2014 and 2013, respectively.

5. TEMPORARILY RESTRICTED NET ASSETS

At September 30, 2014 and 2013, temporarily restricted net assets are restricted for the following special programs:

	2014	2013
Harvard Medical and other research funds	$ 513,106	$ 731,126
Hausman Award and Pilot Study	200,000	325,000
Robotics Equipment	-	42,707
Electro Stimulation	51,658	51,658
Transforming Heath Care for Woman	100,000	-
Media Project	150,000	-
Total temporarily restricted net assets	$ 1,014,764	$ 1,150,491

During the years ended September 30, 2014 and 2013, 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:

	2014	2013
Harvard Medical and other research funds	$ 69,301	$ 299,308
Hausman Award and Pilot Study	325,000	-
Robotics Equipment	42,707	-
Electro Stimulation	-	11,342
Total net assets released from restrictions	$ 437,008	$ 310,650

6. 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 permanently 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 it 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, 2014 and 2013:

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 1,281	$ 179,400	$ 180,681
Total endowment funds	$ -	$ 1,281	$ 179,400	$ 180,681

	2013			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Donor-restricted endowment funds	$ -	$ -	$ 179,400	$ 179,400
Total endowment funds	$ -	$ -	$ 179,400	$ 179,400

The following details the changes in endowment net assets for the years ended September 30, 2014 and 2013:

	2014		2013	
	Temporarily Restricted	**Permanently Restricted**	**Temporarily Restricted**	**Permanently Restricted**
Endowment net assets, beginning of year	$ -	$ 179,400	$ -	$ 179,400
Investment return:				
Interest income	1,281	-	434	-
Total investment return	1,281	-	434	-
Amounts appropriated for expenditure	-	-	(434)	-
Endowment net assets, end of year	$ 1,281	$ 179,400	$ -	$ 179,400

7. COMMITMENTS

The Foundation maintains employment agreements for certain key employees that expire in 2015 and 2016. Total amounts remaining to be paid under these employment agreements total $744,000 as of September 30, 2014.

The Foundation has operating leases for its office space in New York and its copier equipment. Total rent expense related to these lease agreements for the years ended September 30, 2014 and 2013 totaled approximately $54,300 and $17,100, respectively.

At September 30, 2014, minimum rental commitments due under noncancelable operating leases for office space are as follows:

Year ending September 30:	**Amount**
2015	$ 120,000

8. 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 2 percent of the employee's annual salary, and an additional Safe Harbor Contribution of 3 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 2 percent employer match and 3 percent Safe Harbor Contribution. Total pension expense under this plan for the years ended September 30, 2014 and 2013 totaled $16,771 and $24,697, respectively.