



## **ANNUAL FINANCIAL REPORT**

NATIONAL ATAXIA FOUNDATION  
MINNEAPOLIS, MINNESOTA

FOR THE YEARS ENDED  
DECEMBER 31, 2025 AND 2024

National Ataxia Foundation  
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December 31, 2025 and 2024

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
National Ataxia Foundation  
Minneapolis, Minnesota

### Opinion

We have audited the accompanying financial statements of National Ataxia Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 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 the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the Foundation'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 the Foundation'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 the Foundation'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.



**Abdo**  
Minneapolis, Minnesota  
May 28, 2026



## FINANCIAL STATEMENTS

National Ataxia Foundation  
Statements of Financial Position  
December 31, 2025 and 2024

	2025	2024
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,282,222	\$ 874,850
Accounts receivable	218,000	87,425
Promises to give	283,539	993,115
Prepaid expenses	194,202	171,717
<b>Total Current Assets</b>	<b>1,977,963</b>	<b>2,127,107</b>
<b>Noncurrent Assets</b>		
Operating right-of-use asset	-	24,857
Investments	7,774,369	2,639,462
Program-related investment	2,100,000	-
<b>Total Noncurrent Assets</b>	<b>9,874,369</b>	<b>2,664,319</b>
<b>Total Assets</b>	<b>\$ 11,852,332</b>	<b>\$ 4,791,426</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 62,977	\$ 32,989
Grants payable	256,225	311,876
Accrued payroll and related expenses	40,480	39,850
Deferred revenue	271,066	74,205
Operating lease liability	-	25,354
<b>Total Current Liabilities</b>	<b>630,748</b>	<b>484,274</b>
<b>Net Assets</b>		
<b>Without donor restrictions</b>		
Board designated - operating reserve	5,560,100	458,376
Undesignated	3,792,881	873,706
<b>Total Net Assets Without Donor Restrictions</b>	<b>9,352,981</b>	<b>1,332,082</b>
<b>With donor restrictions</b>	<b>1,868,603</b>	<b>2,975,070</b>
<b>Total Net Assets</b>	<b>11,221,584</b>	<b>4,307,152</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 11,852,332</b>	<b>\$ 4,791,426</b>

See Independent Auditor's Report and Notes to the Financial Statements.

National Ataxia Foundation  
Statements of Activities  
For the Years Ended December 31, 2025 and 2024

	2025		Total
	Without Donor Restriction	With Donor Restriction	
Support and Revenue			
Support			
Contributions, memorials, and honoraria	\$ 7,329,388	\$ 3,646,932	\$ 10,976,320
In-kind contributions	117,252	-	117,252
Total Support	<u>7,446,640</u>	<u>3,646,932</u>	<u>11,093,572</u>
Revenue			
Conference income	653,080	-	653,080
Earned income	1,158,781	-	1,158,781
Investment income	258,808	-	258,808
Total Revenue	<u>2,070,669</u>	<u>-</u>	<u>2,070,669</u>
Net Assets Released from Restrictions	<u>4,753,399</u>	<u>(4,753,399)</u>	<u>-</u>
Total Support and Revenue	<u>14,270,708</u>	<u>(1,106,467)</u>	<u>13,164,241</u>
Expenses			
Program Services			
Research	2,745,747	-	2,745,747
Education and services	1,262,194	-	1,262,194
Drug Development Collaborative	809,201	-	809,201
Total Program Services	<u>4,817,142</u>	<u>-</u>	<u>4,817,142</u>
Supporting Services			
Management and general	803,917	-	803,917
Fundraising	628,750	-	628,750
Total Supporting Services	<u>1,432,667</u>	<u>-</u>	<u>1,432,667</u>
Total Expenses	<u>6,249,809</u>	<u>-</u>	<u>6,249,809</u>
Change in Net Assets	8,020,899	(1,106,467)	6,914,432
Beginning Net Assets	<u>1,332,082</u>	<u>2,975,070</u>	<u>4,307,152</u>
Ending Net Assets	<u>\$ 9,352,981</u>	<u>\$ 1,868,603</u>	<u>\$ 11,221,584</u>

See Independent Auditor's Report and Notes to the Financial Statements.

**National Ataxia Foundation**  
**Statements of Activities (Continued)**  
For the Years Ended December 31, 2025 and 2024

	2024		Total
	Without Donor Restriction	With Donor Restriction	
Support and Revenue			
Support			
Contributions, memorials, and honoraria	\$ 2,680,489	\$ 3,179,302	\$ 5,859,791
In-kind contributions	128,978	-	128,978
Total Support	<u>2,809,467</u>	<u>3,179,302</u>	<u>5,988,769</u>
Revenue			
Conference income	118,264	-	118,264
Earned income	907,250	-	907,250
Investment income	108,072	-	108,072
Total Revenue	<u>1,133,586</u>	<u>-</u>	<u>1,133,586</u>
Net Assets Released from Restrictions	<u>2,884,799</u>	<u>(2,884,799)</u>	<u>-</u>
Total Support and Revenue	<u>6,827,852</u>	<u>294,503</u>	<u>7,122,355</u>
Expenses			
Program Services			
Research	2,646,653	-	2,646,653
Education and services	1,615,459	-	1,615,459
Drug Development Collaborative	889,489	-	889,489
Total Program Services	<u>5,151,601</u>	<u>-</u>	<u>5,151,601</u>
Supporting Services			
Management and general	690,723	-	690,723
Fundraising	587,825	-	587,825
Total Supporting Services	<u>1,278,548</u>	<u>-</u>	<u>1,278,548</u>
Total Expenses	<u>6,430,149</u>	<u>-</u>	<u>6,430,149</u>
Change in Net Assets	397,703	294,503	692,206
Beginning Net Assets	<u>934,379</u>	<u>2,680,567</u>	<u>3,614,946</u>
Ending Net Assets	<u>\$ 1,332,082</u>	<u>\$ 2,975,070</u>	<u>\$ 4,307,152</u>

See Independent Auditor's Report and Notes to the Financial Statements.

National Ataxia Foundation  
Statements of Functional Expenses  
For the Years Ended December 31, 2025 and 2024

	2025						
	Program Services				Support Services		
	Research	Education and Services	Drug Development Collaborative	Total Program Services	Management and General	Fundraising	Total
Salaries and Related Expenses							
Salaries and wages	\$ 574,720	\$ 493,503	\$ 238,329	\$ 1,306,552	\$ 195,958	\$ 402,513	\$ 1,905,023
Payroll taxes	44,664	38,821	18,222	101,707	14,016	30,760	146,483
Fringe benefits	51,874	58,993	22,878	133,745	23,596	43,486	200,827
Total Salaries and Related Expenses	<u>671,258</u>	<u>591,317</u>	<u>279,429</u>	<u>1,542,004</u>	<u>233,570</u>	<u>476,759</u>	<u>2,252,333</u>
Bank and credit card fees	-	-	-	-	30,555	-	30,555
Dues and subscriptions	489	9,548	-	10,037	1,909	490	12,436
Information technology	8,894	4,285	-	13,179	50,157	4,996	68,332
Insurance	-	-	-	-	15,712	174	15,886
Meeting expense	108,988	363,957	-	472,945	43,156	100,603	616,704
Miscellaneous	-	51	-	51	3,765	-	3,816
Occupancy	16,116	12,087	-	28,203	17,460	10,744	56,407
Office expenses	2,506	5,977	-	8,483	40,009	9,042	57,534
Printing, marketing and multimedia	3,134	176,263	-	179,397	267,878	12,322	459,597
Professional development	1,664	90	-	1,754	3,025	713	5,492
Professional services	44,725	53,352	3,596	101,673	96,721	12,907	211,301
Research grants	1,887,973	-	526,176	2,414,149	-	-	2,414,149
Support grants	-	45,267	-	45,267	-	-	45,267
Total Expenses	<u>\$ 2,745,747</u>	<u>\$ 1,262,194</u>	<u>\$ 809,201</u>	<u>\$ 4,817,142</u>	<u>\$ 803,917</u>	<u>\$ 628,750</u>	<u>\$ 6,249,809</u>

See Independent Auditor's Report and Notes to the Financial Statements.

**National Ataxia Foundation**  
**Statements of Functional Expenses (Continued)**  
**For the Years Ended December 31, 2025 and 2024**

	2024						
	Program Services				Support Services		
	Research	Education and Services	Drug Development Collaborative	Total Program Services	Management and General	Fundraising	Total
Salaries and Related Expenses							
Salaries and wages	\$ 525,040	\$ 394,711	\$ 221,953	\$ 1,141,704	\$ 219,294	\$ 332,663	\$ 1,693,661
Payroll taxes	38,474	29,697	16,836	85,007	15,400	24,949	125,356
Fringe benefits	50,462	47,371	19,281	117,114	28,698	40,725	186,537
Total Salaries and Related Expenses	<u>613,976</u>	<u>471,779</u>	<u>258,070</u>	<u>1,343,825</u>	<u>263,392</u>	<u>398,337</u>	<u>2,005,554</u>
Bank and credit card fees	-	-	-	-	54,269	-	54,269
Dues and subscriptions	760	1,480	-	2,240	2,027	1,160	5,427
Insurance	-	-	-	-	16,144	-	16,144
Meeting expense	165,101	354,785	-	519,886	19,936	83,157	622,979
Miscellaneous	-	-	-	-	663	-	663
Occupancy	18,581	7,742	-	26,323	19,634	12,387	58,344
Office expenses	25,661	9,187	-	34,848	58,815	61,849	155,512
Printing, marketing and multimedia	5,961	713,600	-	719,561	166,438	16,243	902,242
Professional development	608	3,090	-	3,698	1,994	1,950	7,642
Professional services	40,086	21,035	3,362	64,483	87,411	12,742	164,636
Research grants	1,775,919	-	628,057	2,403,976	-	-	2,403,976
Support grants	-	32,761	-	32,761	-	-	32,761
Total Expenses	<u>\$ 2,646,653</u>	<u>\$ 1,615,459</u>	<u>\$ 889,489</u>	<u>\$ 5,151,601</u>	<u>\$ 690,723</u>	<u>\$ 587,825</u>	<u>\$ 6,430,149</u>

National Ataxia Foundation  
Statements of Cash Flows  
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 6,914,432	\$ 692,206
Adjustment to reconcile change in net assets to net cash provided/(used) by operating activities:		
Realized and unrealized gain on investments	(2,012)	(15,081)
Amortization of right of use asset	24,857	32,463
Contribution received for program related investment	(2,100,000)	-
Reinvestment of interest/dividends, net of investment expenses	(256,733)	(91,145)
Changes in assets:		
Accounts receivable	(130,575)	(10,812)
Promises to give	709,576	(1,063,290)
Prepaid expenses	(22,485)	84,012
Changes in liabilities:		
Accounts payable	29,988	(37,362)
Grants payable	(55,651)	83,400
Accrued payroll and related expenses	630	4,710
Deferred revenue	196,861	(35,605)
Operating lease liability	(25,354)	(32,749)
Net Cash Provided (Used) by Operating Activities	5,283,534	(389,253)
Cash Flows from Investing Activities		
Purchase of investments	(7,925,796)	(934,796)
Proceeds from sale of investments	3,049,634	1,190,183
Net Cash Provided (Used) by Investing Activities	(4,876,162)	255,387
Change in Cash and Cash Equivalents	407,372	(133,866)
Beginning Cash and Cash Equivalents	874,850	1,008,716
Ending Cash and Cash Equivalents	\$ 1,282,222	\$ 874,850

See Independent Auditor's Report and Notes to the Financial Statements.

National Ataxia Foundation  
Notes to the Financial Statements  
December 31, 2025 and 2024

## Note 1: Summary of Significant Accounting Policies

### A. Nature of Activities

National Ataxia Foundation (the Foundation) was incorporated as a Minnesota nonprofit corporation in 1957. The Foundation's mission is to accelerate the development of treatments and a cure while working to improve the lives of those living with Ataxia.

To further the mission, the Foundation provides services in the following program areas:

#### Education and Services

Increased awareness about hereditary and sporadic ataxia disorders is promoted through a variety of education programs and materials for ataxia families, researchers, physicians, allied health professionals, government agencies, legislative officials and the general public. The Foundation publishes Generations, an annual newsletter and a monthly e-newsletter devoted to ataxia related articles including the latest research and other information beneficial to individuals with ataxia. The Foundation also offers several webinars throughout the year on current topics relevant to the ataxia community. Other educational materials, such as books, videos and fact sheets are provided to persons with ataxia, family members and health care professionals on a "direct request" basis through the NAF office. The Foundation's advocacy activities, such as Hill Days, serve to raise awareness about ataxia and policy issues impacting the ataxia community. The annual ataxia conference, and sponsorship and/or participation in national and international meetings, symposiums and seminars also serve to increase ataxia awareness.

The National Ataxia Foundation attempts to locate people and families with hereditary and sporadic ataxia in order to provide them with information about ataxia. This is accomplished by providing updated information about ataxia to the general public by maintaining a website, social media channels, newsletters, and webinars. The Foundation assists individuals and families by identifying clinical resources and making appropriate referrals for neurological care, genetic counseling and gene testing. The Foundation also assists people with locating resources within their own communities, including support groups. The Foundation's network of support groups throughout the country provides families with access to in-person and virtual meeting opportunities.

#### Research

NAF is committed to funding cutting-edge basic and translational research into hereditary and sporadic ataxia. The goals of NAF's research program are to further elucidate the disease mechanisms of ataxias, bring early-career clinicians and scientists into ataxia research, and help drive the field towards developing treatments and a cure for ataxia. Annual grants are selected through a competitive review process that includes NAF's Medical and Research Advisory Board members and over 80 leading ataxia scientists and clinicians, both domestic and international.

Each year NAF awards grants to researchers from domestic and international non-profit and for-profit institutions that directly support basic and translational ataxia research through the following funding mechanisms:

1. Pioneer SCA3 Translational Research Awards: Annually granted to outstanding research proposals that aim to make significant advancements in the development of treatments and/or improvements to patient care for Spinocerebellar Ataxia Type 3 (SCA3). Proposals may incorporate other forms of ataxia but must have a predominant focus on SCA3 translational or clinical research.
2. Seed Money Research Grant: Granted primarily as seed money to assist investigators in the early or pilot phase of their studies and as additional support for ongoing investigations on demonstration of need. It is hoped that these studies will be further developed to attract future funding from other sources.
3. Early Career Investigator Award: The Early Career Investigator Award was created to encourage early career clinical and scientific investigators to pursue a career in the field of ataxia research.

National Ataxia Foundation  
Notes to the Financial Statements  
December 31, 2025 and 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

4. **Post-doctoral Fellowship Award:** Post-doctoral fellowship awards are to serve as a bridge from post-doctoral positions to junior faculty positions. Applicants should have completed at least one year of post-doctoral training, but not more than two at the time of application and should have shown a commitment to research in the field of ataxia. The award will permit individuals to spend an additional third year in a post-doctoral position and increase chances to establish an independent ataxia research program.
5. **Pre-doctoral Fellowship to Promote Diversity in Ataxia Research:** Merit-based award intended to enhance research and/or clinical training of promising graduate students from historically underrepresented backgrounds who are matriculated in pre-doctoral or clinical health professional degree training programs and who intend careers as scientists or other clinician-scientists within the field of ataxia.
6. **National Ataxia Foundation Graduate Research Fellowship:** The National Ataxia Foundation Graduate Research Fellowship is a competitive, non-renewable, merit-based award intended to encourage pre-doctoral students to pursue research and a career in the field of ataxia.
7. **NAF Special Grants:** Based on the emergent needs of the patient and research community, priority areas of ataxia research may be identified as eligible for specialized grant funding by NAF and may be awarded outside of the annual grant programs.

One of these programs is the NAF Ataxia Brain Tissue Donation Program (In Memory of Carol Tate). NAF has partnered with the University of Maryland Brain and Tissue Bank (UMBTB) to relaunch the Ataxia Brain Tissue Donation Program. Brain tissue helps researchers advance our understanding of ataxia and to develop new therapies. NAF financially supports brain donors from rural and remote communities to donate to the University of Maryland Brain and Tissue Bank.

Drug Development Collaborative

Funding for several of NAF's other key clinical research programs are provided through the NAF Drug Development Collaborative (DDC). The DDC is a pre-competitive pharmaceutical industry consortium with a principal goal of accelerating the development of treatments for ataxia. The Collaborative provides a centralized source for access to resources needed to support research and development of Ataxia therapies. Specific objectives of the Collaborative include natural history and bio sample data collection, development of biomarkers, validation of rating scales, clinical trial design, patient-reported outcomes, and other data necessary for the development and approval of safe and effective therapies. Two significant programs that are largely sponsored by the DDC include:

1. **No-cost Genetic Counseling and Testing Initiative:** This program provides virtual genetic counseling and testing for individuals at-risk for three of the most common dominant ataxias to members at no-cost to participants. The aim of this program is to help individuals overcome barriers that have historically inhibited wide-spread genetic testing as well as support drug development through expanding the patient population eligible for future clinical trials.
2. **Clinical Research Consortium for the Study of Cerebellar Ataxia (CRC-SCA) Natural History Study:** The CRC-SCA is one of the longest running and largest natural history studies of spinocerebellar ataxias (SCAs). A natural history study collects data that shows how a specific disease progresses in individuals over time. Natural history studies are essential for developing clinical trial designs that will facilitate drug development. There are over 300 patients enrolled at 15 CRC-SCA sites in the US and Canada. During annual visits, site investigators collect critical clinical data to aid in understanding disease progression and help guide future clinical trial design. Biofluids, such as plasma, serum, and cerebrospinal fluid, are also collected from patients and stored at the NINDS SCA-BRAC biorepository. Both de-identified clinical data and biofluids are available for request from non-participating investigators for approved research projects.

National Ataxia Foundation  
Notes to the Financial Statements  
December 31, 2025 and 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation**

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

**C. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**D. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Foundation considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

**E. Accounts Receivable and Allowance for Credit Losses**

Accounts receivable consist primarily of amounts billed for services, are unsecured, and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for credit losses expense and an adjustment to a valuation allowance based on the assessment of the current status of individual accounts.

The allowance estimate is derived from a review of the Foundation's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Foundation. The Foundation believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses. As a result, management has determined that its allowance for credit losses should not be adjusted across any of its aging categories. Management expects to collect all balances and, therefore, an allowance for credit losses has not been established as of December 31, 2025 and 2024.

**F. Promises to Give**

Unconditional promises to give that are expected to be collected are recorded as contributions receivable at net realizable value on the statement of financial position. Management believes they will collect on all promises to give; therefore, no allowance has been made.

**G. Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements.

**H. Investments**

Investments are measured at fair value in the statements of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest/dividends, and investment advisory fees) is included in non-donor-restricted revenue and support unless the income or loss is restricted by donor or law.

## Note 1: Summary of Significant Accounting Policies (Continued)

### I. Program-Related Investment

The Foundation classifies certain mission-driven investments as program-related when they are made primarily to further its exempt purposes rather than to generate a financial return. Management evaluated its simple agreement for future equity (SAFE) investment arrangement under IRS program-related investment (PRI) guidelines and concluded that it meets the definition of a program related investment. The SAFE is accounted for at cost basis at the time of the donation in accordance with PRI guidance and is evaluated for impairment and other relevant investment considerations in future periods. Any related in-kind components are recognized as revenue as the Foundation satisfies its performance obligations under its existing revenue recognition policies.

### J. Leases

The Foundation determines if an arrangement is a lease at inception. If an arrangement contains a lease, the Foundation performs a lease classification test to determine if the lease is an operating lease or a finance lease. Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. Operating lease liabilities are recognized on the commencement date of the lease based on the present value of the future lease payments over the lease term and are included in long-term liabilities and current liabilities on the statement of financial position. ROU assets are valued at the initial measurement of the lease liability, plus any indirect costs or rent prepayments, and reduced by any lease incentives and any deferred lease payments. Operating ROU assets are recorded on the face of the statement of financial position and are amortized over the lease term. To determine the present value of lease payments on lease commencement, the Foundation uses the implicit rate when readily determinable. Lease terms include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense is recognized on a straight-line basis over the life of the lease and is included within operating expenses on the statement of activities.

The Foundation has made the following elections related to leases:

- The Foundation has elected to use a risk-free rate as the discount rate on all classes of underlying assets when an implicit rate is not readily available.
- The Foundation has elected the practical expedient to account for the lease and non-lease components as a single lease component for classes of underlying assets.
- The Foundation has elected to apply the short-term lease exception to all leases with a term of one year or less. Short-term leases will not be capitalized.

### K. In-kind Contributions

Contributions of gifts in-kind that can be used or sold by the Foundation are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills are provided by individuals possessing those skills. Such contributions would typically need to be purchased if not provided by donation and are recorded at their fair value in the period received.

National Ataxia Foundation  
Notes to the Financial Statements  
December 31, 2025 and 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

**L. Revenue Recognition**

The Foundation’s revenues are derived from its earned income (Drug Development Collaborative, other collaborations, and consulting) and conference income. Drug Development Collaborative revenue is derived from contracts with various organizations to provide clinical trial opportunities as well as data collection. These contracts are signed annually. Other collaboration revenue is derived from contracts to develop and deliver education campaigns designed to increase public awareness and understanding of ataxia. Consulting revenue is derived from services provided to assist organizations with participant involvement in data collection surveys and related activities. Conferences and related revenue consists primarily of registration fees, sponsorships, and other amounts earned from hosting conferences for individuals and foundations interested in learning about ataxia.

***Performance Obligations***

In the case of the Drug Development Collaborative, revenue is recognized over the collaborative year, which is over a period of time. In the case of conferences, revenue is recognized when the event takes place, which is at a point in time. In the case of other collaborations, performance obligations include the development and delivery of education campaigns to increase public awareness, which are satisfied over time as the services are performed. This revenue is recognized over the period during which the related services are provided, which best depicts the transfer of control to the customer. Performance obligations related to consulting services are satisfied over time, as the customer receives and consumes the benefits of the services as they are performed.

The following table disaggregates the Foundation’s conference and earned income based on the timing of satisfaction of performance obligations for the years ended December 31:

	2025	2024
Performance obligations satisfied at a point in time	\$ 653,080	\$ 308,264
Performance obligations satisfied over time	1,158,781	717,250
Total	\$ 1,811,861	\$ 1,025,514

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**Note 1: Summary of Significant Accounting Policies (Continued)**

**Contract Balances**

The timing of revenue recognition, billings, and cash collection results in accounts receivable (contract assets) and deferred revenue (contract liabilities) which are recorded on the statement of financial position. All contract assets and liabilities are classified as current and will be recognized over the next year. The beginning and ending contract balances are as follows:

	December 31 2025	December 31 2024	January 1 2024
Contract Assets			
Drug Development Collaborative	\$ 125,000	\$ 50,000	\$ 6,438
Conference	43,000	15,175	-
Other collaborations	50,000	-	-
Consulting	-	22,250	-
	<u>\$ 218,000</u>	<u>\$ 87,425</u>	<u>\$ 6,438</u>
Total Contract Assets			
	December 31 2025	December 31 2024	January 1 2024
Contract Liabilities			
Conference	\$ 271,066	\$ 69,205	\$ 9,810
Consulting	-	5,000	-
Drug Development Collaborative	-	-	100,000
	<u>\$ 271,066</u>	<u>\$ 74,205</u>	<u>\$ 109,810</u>
Total Contract Liabilities			

**M. Support**

For contributions, grants, and other similar revenues, revenue is recognized when the contribution or notification of the contribution is received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions are recorded as an increase in support without donor restrictions or with donor restrictions, depending on the existence and nature of donor restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, the Foundation reports the support as unrestricted support. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Without Donor Restrictions - Resources over which the Foundation has discretionary control. Designated amounts represent revenue, which the Board of Directors has set aside for a particular purpose.

With Donor Restrictions - Resources subject to donor-imposed restrictions, which will be satisfied by actions of the Foundation or passage of time. Restricted contributions received in the same year in which the restrictions are met are recorded as an increase to support with donor restrictions at the time of receipt and as net assets released from restrictions.

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**Note 1: Summary of Significant Accounting Policies (Continued)**

**N. Functional Expenses**

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The costs are allocated based on time spent by employees or by management's estimates.

Expense	Method of Allocation
Salaries and benefits	Based on time allocation
Bank and credit card fees	Direct expense
Dues and subscriptions	Direct expense
Information technology	Direct expense
Insurance	Direct expense
Meeting expense	Direct expense
Miscellaneous	Direct expense
Occupancy	Direct expense
Office expense	Direct expense
Printing, marketing and multimedia	Direct expense
Professional development	Direct expense
Professional services	Direct expense
Research grants	Direct expense

**O. Income Taxes**

The Foundation is exempt from income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to the Foundation are tax deductible as the Foundation qualifies under Section 170(c) of the Internal Revenue Code.

**P. Advertising**

The Foundation follows the policy of charging the costs of advertising to expense as incurred. Advertising expense paid to vendors was \$459,596 and \$902,242 for the years ended December 31, 2025 and 2024, respectively.

**Q. Reclassifications**

Certain amounts in the prior year have been reclassified in order to be consistent with the current year presentation. Net assets have not been affected by these reclassifications.

**R. Subsequent Events**

Subsequent events have been evaluated through May 28, 2026, which is the date the financial statements were available to be issued.

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## Note 2: Concentrations

From time to time, National Ataxia Foundation's cash balances at financial institutions may exceed the Federal Deposit Insurance Corporation (FDIC) limits of \$250,000. Management does not believe this presents a significant risk to the Foundation.

During the year ended December 31, 2025, the Foundation received a significant unrestricted donation from an anonymous donor. This contribution represented approximately 38% of total revenue for the year. As a result of this gift, the Foundation updated its strategic plan and will deploy these funds over the next three years through expansions of research initiatives and community-based programs.

## Note 3: Fair Value Measurement

The Foundation has adopted ASC Topic 820, Fair Value Measurements and Disclosures. ASC Topic 820 applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. It emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that the market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value, as follows:

**Level 1** - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access, and where transactions occur within.

**Level 2** - inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** - inputs to the valuation methodology reflect management's assumptions about significant unobservable inputs that market participants would use in pricing the asset or liability.

The asset and liability fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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**Note 3: Fair Value Measurement (Continued)**

Following is a description of the valuation methodology used for each asset measured at fair value on a recurring basis:

- *Invested Cash*: Measured at cash value.
- *Equity Funds and Fixed income*: Valued at the closing price reported in the active market in which the individual securities are traded.
- *Money Market Funds*: Measured at cost which approximates fair value.

Information regarding assets measured at fair value on a recurring basis as of December 31 were as follows:

	2025			Total Assets Measured at Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Assets at Fair Value				
Invested cash	\$ 7,263,637	\$ -	\$ -	\$ 7,263,637
Equity funds and fixed income	500,727	-	-	500,727
Money market funds	10,005	-	-	10,005
	<u>\$ 7,774,369</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,774,369</u>
	2024			Total Assets Measured at Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Assets at Fair Value				
Invested cash	\$ 1,884,877	\$ -	\$ -	\$ 1,884,877
Equity funds and fixed income	751,553	-	-	751,553
Money market funds	3,032	-	-	3,032
	<u>\$ 2,639,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,639,462</u>

The Foundation does not have any liabilities measured at fair value on a recurring basis nor any assets or liabilities measured at fair value on a nonrecurring basis.

Investment income for the years ended December 31 consisted of the following:

	2025	2024
Investment Income		
Interest/dividend income	\$ 262,905	\$ 96,230
Unrealized/realized gain on investments	2,012	16,049
Investment advisory fees	(6,109)	(4,207)
	<u>\$ 258,808</u>	<u>\$ 108,072</u>

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#### Note 4: Program Related Investment

In November 2025, the Foundation entered into a Simple Agreement for Future Equity (SAFE) with Axorealis Inc., a Delaware company (the Company), to support the advancement of the Company's early-stage drug development program aligned with the Foundation's exempt charitable purposes. The total investment commitment was \$2,225,000, consisting of \$2,100,000 in cash and an in-kind contribution valued at \$125,000, representing a one-year membership in the Foundation's Drug Development Collaborative and access to patient-data resources.

##### Program-Related Investment (PRI) Classification

The Foundation evaluated the investment under Internal Revenue Service guidelines for Program-Related Investments (PRIs), which require that an investment must:

1. Primarily further the Foundation's exempt purposes,
2. Not have the production of income or appreciation of property as a significant purpose, and
3. Not involve attempts to influence legislation or political campaigns.

Because (i) the SAFE proceeds must be used exclusively to fund the Company's Research Plan addressing drug development for ataxia, (ii) the investment's economic terms do not indicate a significant profit motive, and (iii) the arrangement does not involve political activity, management concluded that the investment meets the definition of a PRI. Accordingly, the Foundation has classified the \$2,100,000 cash component as a program related investment on the statement of financial position.

##### In-Kind Component and Related Revenue Recognition

The remaining \$125,000 of the investment represents an in-kind contribution (membership and data-access services) provided directly to the Company. Because no cash is transferred and the performance obligations necessary to earn the related revenue have not yet been satisfied, the Foundation has not recorded revenue related to this component as of December 31, 2025

Revenue related to the in-kind contribution will be recognized as the Foundation satisfies its performance obligations, consistent with its existing policies for Drug Development Collaborative revenue.

##### Key Terms of the SAFE

Under the SAFE, the Company issues, to the Foundation, the right to certain shares of the Company's capital stock, subject to the following terms:

- *Equity Financing:* If there is an equity financing before the termination of this SAFE, on the initial closing, this SAFE will convert into the number of shares of the SAFE preferred stock equal to the purchase amount divided by the discount price.
- *Liquidity Event:* If there is a liquidity event before the termination of the SAFE, the Foundation will automatically be entitled to receive the greater of (1) two times the purchase amount (Cash-Out Amount) or (2) the value of shares issued under the liquidity price formula.
- *Dissolution Events:* If there is a dissolution event before the termination of the SAFE, the Foundation will be entitled to receive a portion of the proceeds equal to Cash-Out Amount. This will be due and payable to the Foundation immediately prior to the consummation of the dissolution event.

In a liquidity event or dissolution event, the SAFE is intended to operate like a standard non-participating preferred stock. The SAFE has no maturity date, no stated interest, and provides no governance rights prior to conversion.

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**Note 4: Program Related Investment (Continued)**

**Classification and Measurement**

Under U.S. GAAP, the Foundation evaluated whether the SAFE should be classified as equity or a financial liability, based on ASC 480 and ASC 815-40. SAFEs similar to this one typically:

- settle in a variable number of shares,
- include rights tied to future financing or liquidity events, and
- fail the “fixed-for-fixed” equity criterion.

Current accounting literature indicates such SAFEs are generally classified as liabilities and measured at fair value, with changes recognized in earnings. However, because this investment qualifies as a PRI, the Foundation accounts for it as a long-term investment rather than a derivative liability, consistent with PRI accounting guidance. The Foundation will continue to evaluate impairment and other relevant investment accounting considerations in future periods.

**Note 5: Retirement Plan**

The Foundation maintains a 401(k) matching plan for US employees. For December 31, 2025 and 2024, the amount of 401(k) matching expense was \$89,051 and \$80,433, respectively. The Foundation also matches deferrals for a Canadian employee participating in a Registered Retirement Savings Plan (RRSP). For December 31, 2025 and 2024, the amount of RRSP matching expense was \$7,054 and \$5,963, respectively.

**Note 6: Leases**

Effective July 1, 2017, the Foundation entered into a property lease agreement that called for fixed monthly base payments starting at \$2,563 per month and incrementally increased to \$2,864 per month until expiration in September 2025. This lease was not renewed. The agreement also provided that the Foundation was responsible for a proportional share of the property's incurred ownership taxes and operating expenses. The Foundation has determined that this lease is an operating lease.

As noted above, the Foundation's lease agreement called for variable payments that were not determinable at the lease commencement and were not included in the measurement of the lease asset and liability. Variable lease payments incurred were recognized during the year they were incurred as an operating expense.

The ROU lease asset and corresponding lease liability were calculated utilizing a risk-free discount rate of 2.33%, according to the Foundation's elected policy. The Foundation's lease agreement did not contain any material residual value guarantees or material restrictive covenants.

Additional information about the Foundation's lease for the years ended December 31 is as follows:

	2025	2024
Lease expense		
Operating lease expense	\$ 25,055	\$ 33,406
 Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 25,354	\$ 32,749
Weighted-average remaining lease term in years for operating leases	0.00	1.00
Weighted-average discount rate for operating leases	0.00%	2.33%

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**Note 7: Net Assets with Donor Restrictions**

Net assets with donor restrictions were available for the following purposes at December 31:

	2025	2024
Net Assets with Donor Restrictions		
General Research	\$ 535,284	\$ 563,487
SCA3	328,230	615,502
MR Imaging Study Fund	318,035	470,894
SCA2 Fund	283,594	465,591
SCA3 Clementz	143,085	50,211
MSA	100,000	50,000
AAC Travel Grant	60,235	99,521
Cossack SCA Fund	53,705	371,700
RFC1 Grant	29,319	57,202
Carol Tate Memorial Fund	15,848	-
Friedreich's Fund	1,193	808
Ataxia Awareness Grant	75	1,984
SCA27B Grant	-	6,135
CSO Funding	-	222,035
	\$ 1,868,603	\$ 2,975,070
Total Net Assets with Donor Restrictions		

**Note 8: Board Designated Net Assets**

Board designated net assets are designated for the purpose of an operating reserve. Board designated net assets are \$5,560,100 and \$458,376 as of December 31, 2025 and 2024, respectively.

**Note 9: In-kind Contributions**

The Foundation's in-kind contributions consist of the following for the years ended December 31:

	2025	2024	Usage in Programs/Activities	Fair Value Techniques
Google and Microsoft advertising grants	\$ 117,252	\$ 128,978	Programs and Fundraising	Estimated wholesale price of identical or similar products

The in-kind contributions had no donor restrictions.

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**Note 10: Liquidity and Availability of Financial Assets**

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 dates, comprise the following:

	2025	2024
Cash and cash equivalents	\$ 1,282,222	\$ 874,850
Investments	7,774,369	2,639,462
Accounts receivable	218,000	87,425
Promises to give	283,539	993,115
Total Financial Assets Available Within One Year	9,558,130	4,594,852
Less: Amounts unavailable for general expenditures within one year due to:		
Board designated	(5,560,100)	(458,376)
Restricted by donors	(1,868,603)	(2,975,070)
Financial assets available to meet general expenditures within one year	\$ 2,129,427	\$ 1,161,406

As part of our liquidity management, the Foundation structures its financial assets to be available for its general expenditures, liabilities, and other obligations as they become due. The Foundation invests cash in excess of monthly requirements in short-term investments such as money market funds, certificates of deposit, savings accounts, or other similar investments.