

THE MICHAEL J. FOX FOUNDATION
FOR PARKINSON'S RESEARCH

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 and 2023

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
The Michael J. Fox Foundation for Parkinson's Research

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Michael J. Fox Foundation for Parkinson's Research (the "Foundation"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of The Michael J. Fox Foundation for Parkinson's Research as of December 31, 2024 and 2023, and the consolidated changes in its net assets and its cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' 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 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

The Foundation's 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; 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 for one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
May 15, 2025



THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Consolidated Statements of Financial Position

| | December 31, | |
|---|-----------------------|-----------------------|
| | 2024 | 2023 |
| ASSETS | | |
| Cash and cash equivalents | \$ 195,442,365 | \$ 114,346,951 |
| Cash and cash equivalents - restricted | 1,961,870 | 1,961,870 |
| Contributions receivable, net | 40,859,733 | 69,385,163 |
| Investments | 169,904,094 | 131,145,103 |
| Split interest agreements - charitable gift annuities | 2,730,536 | 1,013,047 |
| Inventory | 117,624 | 92,921 |
| Prepaid expenses and other assets | 3,593,367 | 3,414,525 |
| Right-of-use asset | 20,569,631 | 24,499,736 |
| Property and equipment, net | 5,459,203 | 6,546,681 |
| | \$ 440,638,423 | \$ 352,405,997 |
| LIABILITIES AND NET ASSETS | | |
| Accounts payable and accrued expenses | \$ 10,633,470 | \$ 8,617,011 |
| Grants payable, net (see Note E) | 205,276,019 | 175,494,159 |
| Other liabilities | 1,259,101 | 480,261 |
| Lease liability | 27,587,981 | 32,779,126 |
| | 244,756,571 | 217,370,557 |
| Commitment and contingencies (see Notes E and I) | | |
| Net assets: | | |
| Without donor restrictions | 116,529,723 | 58,827,396 |
| With donor restrictions: | | |
| Purpose restrictions | 76,208,664 | 75,113,993 |
| Time-restricted for future periods | 3,143,465 | 1,094,051 |
| Total net assets with donor restrictions | 79,352,129 | 76,208,044 |
| Total net assets | 195,881,852 | 135,035,440 |
| | \$ 440,638,423 | \$ 352,405,997 |

See notes to consolidated financial statements.

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Consolidated Statements of Activities

| | Year Ended December 31, | | | | | |
|---|----------------------------------|-------------------------------|-----------------------|----------------------------------|-------------------------------|-----------------------|
| | 2024 | | | 2023 | | |
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Public support and revenue: | | | | | | |
| Contributions | \$ 191,418,385 | \$ 293,859,717 | \$ 485,278,102 | \$ 142,988,326 | \$ 155,276,175 | \$ 298,264,501 |
| Special events (net of direct benefits to donors of \$1,797,431 and \$1,437,569 in 2024 and 2023, respectively) | 6,410,969 | - | 6,410,969 | 6,133,889 | - | 6,133,889 |
| Investment income, net | 13,667,978 | - | 13,667,978 | 11,285,910 | - | 11,285,910 |
| Gains in value on split-interest agreements | - | 1,312,701 | 1,312,701 | - | 75,957 | 75,957 |
| Rental income | 991,360 | - | 991,360 | 1,572,418 | - | 1,572,418 |
| Net losses on foreign translation | (124,693) | - | (124,693) | (75,914) | - | (75,914) |
| Miscellaneous income (net of costs of goods sold of \$30,997 and \$68,761 in 2024 and 2023, respectively) | 1,253,639 | - | 1,253,639 | 5,882 | - | 5,882 |
| Total public support and revenue before release of restrictions | 213,617,638 | 295,172,418 | 508,790,056 | 161,910,511 | 155,352,132 | 317,262,643 |
| Net assets released from restrictions | 292,028,333 | (292,028,333) | - | 227,982,170 | (227,982,170) | - |
| Total public support and revenue | 505,645,971 | 3,144,085 | 508,790,056 | 389,892,681 | (72,630,038) | 317,262,643 |
| Expenses: | | | | | | |
| Program services | 399,563,221 | - | 399,563,221 | 347,510,710 | - | 347,510,710 |
| Supporting services: | | | | | | |
| Management and general | 18,093,034 | - | 18,093,034 | 15,561,047 | - | 15,561,047 |
| Fund-raising | 30,287,389 | - | 30,287,389 | 23,126,497 | - | 23,126,497 |
| Total supporting services | 48,380,423 | - | 48,380,423 | 38,687,544 | - | 38,687,544 |
| Total expenses | 447,943,644 | - | 447,943,644 | 386,198,254 | - | 386,198,254 |
| Change in net assets | 57,702,327 | 3,144,085 | 60,846,412 | 3,694,427 | (72,630,038) | (68,935,611) |
| Net assets, beginning of year | 58,827,396 | 76,208,044 | 135,035,440 | 55,132,969 | 148,838,082 | 203,971,051 |
| Net assets, end of year | \$ 116,529,723 | \$ 79,352,129 | \$ 195,881,852 | \$ 58,827,396 | \$ 76,208,044 | \$ 135,035,440 |

See notes to consolidated financial statements.

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Consolidated Statements of Functional Expenses

| | Year Ended December 31, 2024 | | | | | Year Ended December 31, 2023 | | | | |
|--|------------------------------|------------------------|---------------|---------------------------|----------------|------------------------------|------------------------|---------------|---------------------------|----------------|
| | Program Services | Supporting Services | | | 2024 Total | Program Services | Supporting Services | | | 2023 Total |
| | Research for a Cure | Management and General | Fund-Raising | Total Supporting Services | | Research for a Cure | Management and General | Fund-Raising | Total Supporting Services | |
| | | | | | | | | | | |
| Grant awards | \$ 337,915,292 | \$ - | \$ - | \$ - | \$ 337,915,292 | \$ 288,277,151 | \$ - | \$ - | \$ - | \$ 288,277,151 |
| Salaries and wages | 21,398,566 | 8,213,468 | 13,123,907 | 21,337,375 | 42,735,941 | 19,915,247 | 6,902,670 | 9,560,961 | 16,463,631 | 36,378,878 |
| Payroll taxes and employee benefits | 4,734,920 | 2,070,902 | 3,306,851 | 5,377,753 | 10,112,673 | 4,493,714 | 1,691,763 | 2,605,392 | 4,297,155 | 8,790,869 |
| Data processing and bank fees | 91,528 | 162,136 | 1,078,954 | 1,241,090 | 1,332,618 | 61,509 | 36,086 | 784,738 | 820,824 | 882,333 |
| Professional fees | 15,652,639 | 1,902,944 | 1,976,799 | 3,879,743 | 19,532,382 | 14,873,086 | 1,924,194 | 2,181,775 | 4,105,969 | 18,979,055 |
| Recruitment and training | 26,594 | 575,052 | 67,355 | 642,407 | 669,001 | 65,263 | 411,306 | 41,648 | 452,954 | 518,217 |
| Technology | 1,611,872 | 736,995 | 952,922 | 1,689,917 | 3,301,789 | 1,523,298 | 754,120 | 688,629 | 1,442,749 | 2,966,047 |
| Scientific meetings | 3,724,223 | 14,039 | 484,211 | 498,250 | 4,222,473 | 4,619,300 | 24,934 | 394,587 | 419,521 | 5,038,821 |
| Travel and meetings | 3,092,778 | 151,291 | 1,876,569 | 2,027,860 | 5,120,638 | 2,566,673 | 164,460 | 1,250,233 | 1,414,693 | 3,981,366 |
| Postage and delivery | 494,996 | 10,006 | 543,565 | 553,571 | 1,048,567 | 145,294 | 9,250 | 421,244 | 430,494 | 575,788 |
| Office supplies and equipment | 144,291 | 89,273 | 109,139 | 198,412 | 342,703 | 88,978 | 121,468 | 66,980 | 188,448 | 277,426 |
| Advertising and publicity | 6,285,235 | - | 4,218,417 | 4,218,417 | 10,503,652 | 7,917,698 | - | 2,921,300 | 2,921,300 | 10,838,998 |
| Insurance | 112,766 | 41,685 | 65,193 | 106,878 | 219,644 | 85,761 | 47,591 | 54,010 | 101,601 | 187,362 |
| Printing and production | 1,900,097 | 10,637 | 1,339,596 | 1,350,233 | 3,250,330 | 372,264 | 2,359 | 1,017,906 | 1,020,265 | 1,392,529 |
| Dues and subscriptions | 163,416 | 25,933 | 11,960 | 37,893 | 201,309 | 89,166 | 18,601 | 11,589 | 30,190 | 119,356 |
| Occupancy | 1,596,879 | 3,403,380 | 553,710 | 3,957,090 | 5,553,969 | 1,590,010 | 3,211,204 | 550,038 | 3,761,242 | 5,351,252 |
| Depreciation and amortization | 545,129 | 394,727 | 322,970 | 717,697 | 1,262,826 | 781,218 | 227,456 | 449,469 | 676,925 | 1,458,143 |
| Miscellaneous expenses | - | - | - | - | - | - | - | 3,735 | 3,735 | 3,735 |
| Marathon runner fees | 72,000 | - | 255,271 | 255,271 | 327,271 | 45,080 | - | 122,263 | 122,263 | 167,343 |
| Bad debt expense | - | 290,566 | - | 290,566 | 290,566 | - | 13,585 | - | 13,585 | 13,585 |
| Space rental/catering | - | - | 1,797,431 | 1,797,431 | 1,797,431 | - | - | 1,437,569 | 1,437,569 | 1,437,569 |
| Merchandise expense | - | 30,997 | - | 30,997 | 30,997 | - | 68,761 | - | 68,761 | 68,761 |
| Total expenses | 399,563,221 | 18,124,031 | 32,084,820 | 50,208,851 | 449,772,072 | 347,510,710 | 15,629,808 | 24,564,066 | 40,193,874 | 387,704,584 |
| Less: direct benefits to donors | - | - | (1,797,431) | (1,797,431) | (1,797,431) | - | - | (1,437,569) | (1,437,569) | (1,437,569) |
| Less: costs of goods sold | - | (30,997) | - | (30,997) | (30,997) | - | (68,761) | - | (68,761) | (68,761) |
| Total expenses per consolidated statements of activities | \$ 399,563,221 | \$ 18,093,034 | \$ 30,287,389 | \$ 48,380,423 | \$ 447,943,644 | \$ 347,510,710 | \$ 15,561,047 | \$ 23,126,497 | \$ 38,687,544 | \$ 386,198,254 |

See notes to consolidated financial statements.

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Consolidated Statements of Cash Flows

| | Year Ended December 31, | |
|---|----------------------------|-----------------------|
| | 2024 | 2023 |
| Cash flows from operating activities: | | |
| Change in net assets | \$ 60,846,412 | \$ (68,935,611) |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 1,262,826 | 1,458,143 |
| Noncash lease amortization | 3,930,105 | 3,848,783 |
| Bad debt expense | 290,566 | 13,585 |
| Net realized and unrealized gains | (714,170) | (177,385) |
| Donated securities | (316,311,574) | (102,280,707) |
| Proceeds from sales of donated securities | 316,231,166 | 107,028,094 |
| Donations of split-interest agreements | (404,788) | (422,532) |
| Change in value of split-interest agreements | (1,312,701) | (75,957) |
| Changes in: | | |
| Contributions receivable, net | 28,234,864 | (46,580,476) |
| Inventory | (24,703) | (13,735) |
| Prepaid expenses and other assets | (178,842) | (1,272,242) |
| Accounts payable and accrued expenses | 1,974,959 | 1,713,116 |
| Grants payable, net | 29,781,860 | 24,173,508 |
| Other liabilities | 778,840 | 74,537 |
| Lease liability | (5,191,145) | (5,109,822) |
| Net cash provided by (used in) operating activities | 119,193,675 | (86,558,701) |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (133,848) | (276,418) |
| Purchases of investments | (686,549,292) | (24,400,088) |
| Proceeds from sales of investments | 648,584,879 | 80,621,738 |
| Net cash (used in) provided by investing activities | (38,098,261) | 55,945,232 |
| Change in cash, cash equivalents, and restricted cash | 81,095,414 | (30,613,469) |
| Cash, cash equivalents, and restricted cash, beginning of year | 116,308,821 | 146,922,290 |
| Cash, cash equivalents, and restricted cash, end of year | \$ 197,404,235 | \$ 116,308,821 |
| Supplemental disclosure of cash flow information: | | |
| Purchases of property and equipment included in accounts payable | \$ 41,500 | \$ - |

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Notes to Consolidated Financial Statements December 31, 2024 and 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Organization:

Actor Michael J. Fox established The Michael J. Fox Foundation for Parkinson's Research ("MJFF U.S."), incorporated in Delaware in 2000, after publicly disclosing in 1998 that he had been diagnosed with Parkinson's disease seven years earlier, at age 29.

In 2009, The Michael J. Fox Foundation for Parkinson's Research in Canada ("MJFF Canada") was established as an officially registered tax-exempt charity in Canada. Due to MJFF U.S.'s financial influence over MJFF Canada and the two entities having governing-board members in common, the financial statements of the two entities have been consolidated (together, the "Foundation"). All significant intercompany accounts and transactions have been eliminated in consolidation. MJFF Canada's assets and liabilities and its operations were not significant at December 31, 2024 and 2023, and they are not reported separately in the consolidated financial statements.

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (the "Code"), and from state and local taxes under comparable laws. MJFF Canada is exempt from similar taxes under Canadian law.

Today, the Foundation is the world's largest nonprofit funder of Parkinson's research. It is dedicated to accelerating a cure and ensuring the development of improved therapies for the estimated six million people worldwide living with Parkinson's disease today. The Foundation pursues its goals through an aggressively funded, highly targeted research program, coupled with the active global engagement of scientists, Parkinson's patients and care partners, business leaders, clinical-trial participants and donors.

Since inception in 2000, the Foundation has fundamentally altered the trajectory of progress toward a cure - committing more than \$2 billion in research programs through the end of December 31, 2024. Positioned at the global hub of Parkinson's research, the Foundation: (i) forges groundbreaking collaborations with industry leaders, academic scientists and government research funders; (ii) leverages new technologies to amplify the patient voice in Parkinson's research; (iii) mobilizes patients and families to increase the flow of participants into clinical trials; and (iv) coordinates community engagement efforts including patient policy advocacy, education and community building through the grassroots involvement of thousands of Team Fox members around the world.

From its inception, the Foundation has invested in high-risk, high-reward research targets - an approach that in a few short years has transformed the field of Parkinson's disease research. The Foundation partners with the Parkinson's research community, speeding financial and intellectual resources to the scientists who are carrying out projects with the greatest promise to impact patients' lives in the near term. This includes strengthening the Parkinson's drug development pipeline by pushing forward investigations of genetic and other emerging targets with the best chance of stopping or slowing Parkinson's disease progression, as well as by addressing patients' unmet symptomatic needs. To date, the Foundation has evaluated work on more than 600 therapeutic targets, and has supported more than 150 clinical trials.

[2] Basis of accounting:

The consolidated financial statements of the Foundation have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

[3] Use of estimates:

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, public support and revenue and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Notes to Consolidated Financial Statements December 31, 2024 and 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[4] Cash, cash equivalents, and restricted cash:

For financial-statement purposes, cash and cash equivalents are comprised of highly liquid financial instruments (such as U.S. Treasury notes or certificates of deposits) with original maturities of three months or less at the date of acquisition. Cash and cash equivalents includes approximately \$1,962,000 of restricted cash relating to the Foundation's letter of credit for both 2024 and 2023, respectively (see Note I[3]).

Canadian cash equivalents expressed in United States dollars were approximately \$1,593,000 and \$1,950,000 for 2024 and 2023, respectively. Foreign-currency translation gains or losses are the inherent result of the process of translating Canadian dollars into U.S. dollars for financial-reporting purposes. The gains and losses on this translation are included in the accompanying consolidated statements of activities.

The Foundation maintains significant balances of cash and highly liquid investments in anticipation of immediate needs for cash flow funding of committed research payments during the subsequent year.

[5] Investments:

Investments include investments in common stock and U.S. Treasury bills and notes with readily determinable fair values which are reported at their fair value as of year-end in the consolidated statements of financial position.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions, unless their use is restricted through donor stipulation. Realized gains and losses on investments are determined by comparison of the cost of acquisition to proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment's cost to the fair value at the end of each year. The earnings from dividends and interest are recognized when earned.

Donated securities are recorded at their estimated fair values, or by their net asset values, as determined by the Foundation's management on the date of donation. The Foundation's policy is to sell donated securities immediately, and, accordingly, for purposes of the consolidated statements of cash flows, donated securities and the proceeds generated from their sale are included as operating activities.

The Foundation's policy is to invest in cash and cash equivalents as the Foundation deliberately holds neither an endowment nor excessive reserves in order to aggressively make funds available for Parkinson's research.

Investment expenses include the services of investment advisors. The balances of investment advisory fees disclosed in Note C are those specific fees charged by the Foundation's investment advisors in each year.

[6] Split-interest agreements:

A portion of the Foundation's assets result from deferred-giving vehicles subject to split-interest agreements. The contribution revenue from these split-interest agreements is recognized upon the establishment of the agreement, at the fair value of the estimated future receipts, discounted for the estimated time period necessary to complete the agreement. Gains or losses resulting from changes in the value of these split-interest agreements are recorded within the "with donor restrictions" category of net assets on the consolidated statements of activities, as they are considered inherently restricted for time. As of December 31, 2024 and 2023, the Foundation has a beneficial interest in thirty-four charitable gift annuities, held by a third party, and twenty-nine charitable gift annuities, held by a third party, respectively.

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Notes to Consolidated Financial Statements December 31, 2024 and 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[7] Inventory:

The Foundation's inventory consists of merchandise available for sale. Inventory is valued at the lower of cost or net realizable value. The cost of inventory comprises all costs of purchase and other costs incurred in bringing the inventory to its present location and condition. Cost is determined using the first-in-first-out principle. Trade goods purchased from third parties are valued at the purchase price.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to complete the sale. Obsolete inventory is written off as necessary.

[8] Property and equipment:

Property and equipment are stated at their original costs at dates of acquisition, or, if contributed, at their fair values at the dates of donation, less accumulated depreciation and amortization. The Foundation capitalizes computer hardware and software, furniture and fixtures, and leasehold improvements with a cost of \$25,000 or more, whereas minor costs of repair and maintenance are expensed as incurred. Depreciation of computer hardware and software and furniture and fixtures is provided using the straight-line method over the estimated useful lives of the assets, ranging from three to seven years. Leasehold improvements are amortized over the remaining lease term or the assets' useful lives, whichever is shorter.

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and when triggering events indicate that the fair value of the long-lived assets may be less than the carrying value, and recognizes any impairment in the year of determination. There were no triggering events during 2024 or 2023 requiring management to test for impairment that would require any adjustments to property and equipment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

[9] Grants payable:

The Foundation records unconditional grant expenses for research grants after approval by the Board of Directors, based upon: (i) the recommendations of the Research Committee of the Board, with the guidance and input of the Scientific Advisory Board and other highly regarded scientists who serve on grant-review committees specializing in Parkinson's disease research; and (ii) the availability of funding. Unconditional grants not expected to be paid within the following year are reported at their discounted present values.

[10] Leases:

The Foundation determines if an arrangement is a lease at inception. For the Foundation's operating lease, a right-of-use ("ROU") asset represents the Foundation's right to use an underlying asset for the lease term and an operating lease liability represents an obligation to make lease payments arising from the lease. The ROU asset and lease liability are recognized at the lease commencement date based on the present value of lease payments over the lease term. Since the Foundation's lease agreement does not provide an implicit interest rate, the Foundation uses a risk-free rate based on the information available at the commencement date in determining the present value of the lease payments. Operating lease expense is recognized on a straight-line basis over the lease term, subject to any changes in the lease or expectations regarding the terms.

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Notes to Consolidated Financial Statements December 31, 2024 and 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[11] Net assets:

(i) *Net assets without donor restrictions:*

The Foundation's net assets without donor restrictions represent those resources that are available for current operations, as there are no restrictions by donors regarding their use.

(ii) *Net assets with donor restrictions:*

Net assets with donor restrictions represent those resources that are subject to donor-imposed restrictions, such as specific purposes and/or a specified period of time. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the consolidated statements of activities as "net assets released from restrictions."

[12] Revenue recognition:

(i) *Contributions and grants:*

Contributions and grants to the Foundation are recognized as revenue upon the receipt of cash, other assets, or of unconditional pledges. Contributions are reported as "with donor restrictions" if they are received with purpose restrictions or time considerations as to their use. Conditional contributions are recognized when the donor's conditions have been met by requisite actions of the Foundation's management or necessary events have taken place. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved.

(ii) *Special events:*

A portion of the gross proceeds paid by attendees at special events held as fundraising activities represents contribution revenue, whereas the other portion serves as the payment of the direct costs of the benefits received by the attendee at the event. Special event income is reported net of the direct benefits to donors. Special event revenues, other than contributions, applicable to a future year are recognized as revenue in the year the special event takes place.

(iii) *Rental revenue:*

Revenue received from subleases of the Foundation's office spaces are recognized ratably over the length of the terms specified in the agreements. Revenue related to rental income received in advance is deferred until the following year.

[13] Advertising costs:

The Foundation expenses the cost of advertising as incurred. Advertising expenses were approximately \$10,504,000 and \$10,839,000 for 2024 and 2023, respectively. Advertising costs include programmatic expenses for clinical research study recruitment expanded in both years.

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Notes to Consolidated Financial Statements December 31, 2024 and 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[14] Functional allocation of expenses:

The costs of providing the Foundation's various program and supporting services have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present expenses by natural classification and function. Accordingly, direct costs have been allocated among the program and supporting services based on the nature of the expense. Indirect expenses have been allocated on the basis of time allocation.

[15] Volunteers:

A number of unpaid volunteers have made significant contributions of their time supporting the Foundation. The value of this contributed time is not recorded in the consolidated financial statements because it does not meet the criteria for revenue recognition required by U.S. GAAP.

[16] Income taxes:

The Foundation follows the provisions of the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. For the Foundation, these provisions could be applicable to the incurrence of unrelated business income tax ("UBIT") on merchandise sales. Because the Foundation has always recorded the potential liability for UBIT, and due to its general tax-exempt status, management believes ASC Topic 740 has not had, and is not expected to have, a material impact on the Foundation's consolidated financial statements.

[17] Subsequent events:

The Foundation has evaluated subsequent events through May 15, 2025, the date on which the consolidated financial statements were available to be issued.

NOTE B - CONTRIBUTIONS RECEIVABLE

At each year-end, contributions receivable are estimated to be collected as follows:

| | December 31, | |
|---|----------------------|----------------------|
| | 2024 | 2023 |
| Less than one year | \$ 37,704,870 | \$ 64,980,744 |
| One to five years | 3,729,997 | 4,781,994 |
| | 41,434,867 | 69,762,738 |
| Reduction of pledges due in excess of one year to present value, at discount rates ranging from 2.5% - 5.5% | (284,568) | (363,990) |
| Less: allowance for doubtful accounts | (290,566) | (13,585) |
| | <u>\$ 40,859,733</u> | <u>\$ 69,385,163</u> |

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Notes to Consolidated Financial Statements December 31, 2024 and 2023

NOTE B - CONTRIBUTIONS RECEIVABLE (CONTINUED)

The Foundation has received conditional funding for research from various donors, for which not all conditions had been satisfied as of year-end. Accordingly, such pledges are not included as revenue on the accompanying consolidated statements of activities. During December 31, 2024 and 2023, conditional pledges totaled approximately \$106,551,000 and \$3,038,000, respectively. These pledges will be recognized as the conditions are met by the requisite actions of the Foundation.

NOTE C - INVESTMENTS AND SPLIT-INTEREST AGREEMENTS

At each year-end, investments consisted of the following:

| | December 31, | | | |
|-------------------------------|-----------------------|----------------------|----------------------|----------------------|
| | 2024 | | 2023 | |
| | Fair Value | Cost | Fair Value | Cost |
| Investments in common stock | \$ 325,010 | \$ 285,624 | \$ 27,108 | \$ 3,050 |
| U.S. Treasury bills and notes | 169,579,084 | 168,813,763 | 131,117,995 | 130,971,341 |
| | <u>\$ 169,904,094</u> | <u>\$169,099,387</u> | <u>\$131,145,103</u> | <u>\$130,974,391</u> |

Concentrations of the Foundation's investment in excess of 10% of the fair values of its portfolio included approximately 99% invested in U.S. Treasury bills in 2024 and 2023.

During each year, net investment income consisted of the following:

| | December 31, | |
|-----------------------------|----------------------|----------------------|
| | 2024 | 2023 |
| Interest and dividends | \$ 12,953,958 | \$ 11,108,675 |
| Net realized gains (losses) | 80,175 | (11,223) |
| Net unrealized gains | 633,995 | 188,608 |
| Investment advisory fees | (150) | (150) |
| | <u>\$ 13,667,978</u> | <u>\$ 11,285,910</u> |

ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

- Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical assets, at the reporting date.
- Level 2: Valuations are based on: (i) quoted prices for similar assets in active markets; or (ii) quoted prices for those assets or similar assets that are not active; or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Notes to Consolidated Financial Statements December 31, 2024 and 2023

NOTE C - INVESTMENTS AND SPLIT-INTEREST AGREEMENTS (CONTINUED)

Level 3: Valuations are based on pricing inputs that are unobservable and include situations where: (i) there is little, if any, market activity for the assets; or (ii) the assets cannot be independently valued.

The availability of market data is monitored by the Foundation's management, to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The following is a summary of the fair values of investments and split interest agreements at each year-end, in accordance with ASC Topic 820 fair-value levels:

| December 31, 2024 | | | | |
|-------------------------------|-------------|---------|--------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Investments in | | | | |
| common stock | \$ 325,010 | \$ - | \$ - | \$ 325,010 |
| U.S. Treasury bills and notes | 169,579,084 | - | - | 169,579,084 |
| Total investments | 169,904,094 | - | - | 169,904,094 |
| Split-interest agreements | \$ - | \$ - | \$ 2,730,536 | \$ 2,730,536 |
| December 31, 2023 | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Investments in | | | | |
| common stock | \$ 27,108 | \$ - | \$ - | \$ 27,108 |
| U.S. Treasury bills and notes | 131,117,995 | - | - | 131,117,995 |
| Total investments | 131,145,103 | - | - | 131,145,103 |
| Split-interest agreements | \$ - | \$ - | \$ 1,013,047 | \$ 1,013,047 |

During 2024 and 2023, the Foundation received contributions of split-interest agreements of \$404,788 and \$422,532, respectively.

Quantitative information regarding unobservable inputs developed by the Foundation and assumptions used to measure the fair value of split-interest agreements as of December 31, 2024 are as follows:

| Type | Fair Value | Valuation Technique | Significant Unobservable Inputs | Range |
|---------------------------|--------------|---------------------|---------------------------------|--------------|
| Split-interest agreements | \$ 2,730,536 | Income approach | Growth rate/ discount rate | 0.4% to 5.6% |

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Notes to Consolidated Financial Statements December 31, 2024 and 2023

NOTE D - PROPERTY AND EQUIPMENT

At each year-end, property and equipment consisted of the following:

| | December 31, | |
|---|---------------------|---------------------|
| | 2024 | 2023 |
| Computer and equipment | \$ 3,110,364 | \$ 2,935,016 |
| Furniture and fixtures | 1,622,700 | 1,622,700 |
| Leasehold improvements | 12,266,620 | 12,266,620 |
| | 16,999,684 | 16,824,336 |
| Less: accumulated depreciation and amortization | (11,540,481) | (10,277,655) |
| | <u>\$ 5,459,203</u> | <u>\$ 6,546,681</u> |

NOTE E - GRANTS PAYABLE

At each year-end, grants payable are due to be paid as follows:

| | December 31, | |
|--|-----------------------|-----------------------|
| | 2024 | 2023 |
| One year or less | \$ 161,783,086 | \$ 150,196,998 |
| One-to-five years | 47,875,459 | 28,038,599 |
| | 209,658,545 | 178,235,597 |
| Reduction of grants due in excess of one year to present value, at discount rates ranging from 0.5% - 5.5% | (4,382,526) | (2,741,438) |
| | <u>\$ 205,276,019</u> | <u>\$ 175,494,159</u> |

As of December 31, 2024, the Foundation has committed to \$328,013,925 of grants, of which \$118,355,380 have conditions which have not been satisfied yet, and accordingly, under U.S. GAAP, cannot be recorded as liabilities. The Foundation maintains cash reserves included in net assets without donor restrictions against certain of these conditional grants.

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Notes to Consolidated Financial Statements December 31, 2024 and 2023

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

At each year-end, net assets with donor restrictions were restricted for the following:

| | December 31, | |
|------------------------------------|----------------------|----------------------|
| | 2024 | 2023 |
| Purpose restricted: | | |
| Research | \$ 76,208,664 | \$ 75,113,993 |
| Time-restricted for future periods | 3,143,465 | 1,094,051 |
| | <u>\$ 79,352,129</u> | <u>\$ 76,208,044</u> |

During each year, net assets with donor restrictions were released from restrictions as follows:

| | December 31, | |
|------------------------------------|-----------------------|-----------------------|
| | 2024 | 2023 |
| Purpose restricted: | | |
| Research | \$ 291,785,695 | \$ 219,535,934 |
| Time-restricted for future periods | 242,638 | 8,446,236 |
| | <u>\$ 292,028,333</u> | <u>\$ 227,982,170</u> |

In 2024 and 2023, the purpose-restricted net assets released from restrictions include research for the Aligning Science Across Parkinson's ("ASAP") program.

NOTE G - EMPLOYEE RETIREMENT PLANS

[1] Defined contribution 401(k) retirement plan:

The Foundation has a defined-contribution retirement plan, formed under Section 401(k) of the Code that covers all employees who meet certain length-of-service requirements. The Foundation's contributions to the plan were \$2,187,776 and \$1,811,693 in 2024 and 2023, respectively.

[2] Deferred compensation 457(b) retirement plan:

During 2023, the Foundation established a 457(b) plan for those employees whose salaries exceed the 401(a)(17) salary limit. Employees may elect to make their own contributions. As of December 31, 2024, the accumulated balance was \$248,492 and is included as an asset and liability in the accompanying consolidated statements of financial position. The Foundation did not make any contributions into this plan during 2024 or 2023. The assets of the plan would be considered Level 1 investments in the fair-value hierarchy in both years.

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Notes to Consolidated Financial Statements December 31, 2024 and 2023

NOTE H - RENTAL INCOME AGREEMENTS

The Foundation has agreements with two unrelated parties to sublease a portion of its office space in Manhattan. One lease expired during 2023 and the other lease is set to expire through 2029. Rental income related to these agreements was \$991,360 and \$1,572,418, as of December 31, 2024 and 2023, respectively, and was recognized in the accompanying consolidated statements of activities.

Future minimum rent payments to be received under these lease agreements are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------------|
| 2025 | \$ 789,838 |
| 2026 | 805,635 |
| 2027 | 821,747 |
| 2028 | 838,182 |
| 2029 | 783,584 |
| | <u>\$ 4,038,986</u> |

NOTE I - COMMITMENTS AND CONTINGENCIES

[1] Lease commitments:

In 2016, the Foundation signed an operating lease agreement for office space located in Manhattan. The lease provided for escalation charges through the lease term, which is set to expire in November 2029. The aggregate minimum lease payments are currently being amortized using the straight-line method over the term of the lease.

Additionally, under the terms of the lease, the Foundation was reimbursed by the landlord for a portion of the leasehold improvements. The amount reimbursed by the landlord was recorded as abatement, which was amortized as a reduction to rent expense over the term of the lease.

Expenses relating to the "lease costs," which include all costs during the period associated with an operating lease were \$5,553,969 and \$5,351,252 in 2024 and 2023, respectively. There were no costs related to variable lease components.

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Notes to Consolidated Financial Statements December 31, 2024 and 2023

NOTE I - COMMITMENTS AND CONTINGENCIES (CONTINUED)

[1] Lease commitments: (continued)

Future minimum rent payments under these lease agreements, exclusive of escalation charges and real estate taxes are as follows:

| Year Ending December 31, | 2024 | 2023 |
|---|----------------------|----------------------|
| 2024 | \$ - | \$ 5,664,108 |
| 2025 | 5,664,108 | 5,664,108 |
| 2026 | 5,664,108 | 5,664,108 |
| 2027 | 5,944,656 | 5,944,656 |
| 2028 | 5,944,656 | 5,944,656 |
| 2029 | 5,449,268 | 5,449,268 |
| Total minimum lease payments | 28,666,796 | 34,330,904 |
| Less: amount representing interest | (1,078,815) | (1,551,778) |
| | <u>\$ 27,587,981</u> | <u>\$ 32,779,126</u> |
| Weighted average remaining lease term: | | |
| Operating lease | 5 years (59 months) | 6 years (71 months) |
| Weighted average discount rate: | | |
| Operating lease | 1.58% | 1.58% |

[2] Contracts:

In the normal course of its business, the Foundation enters into various contracts for professional and other services, which are typically renewable on a year-to-year basis.

[3] Letter of credit:

The Foundation has an unused letter of credit with a bank for \$3,923,729, which is required under the lease agreement for its existing office space in Manhattan. This letter of credit is also collateralized by a \$1,196,870 time-deposit that the Foundation must maintain with the bank.

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Notes to Consolidated Financial Statements December 31, 2024 and 2023

NOTE J - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Foundation's financial assets as of the consolidated statements of financial position date, reduced by amounts not available for general expenditure (which includes scheduled grant payments) within one year of December 31, 2024 and 2023, because of donor-imposed restrictions:

| | December 31, | |
|---|----------------|----------------|
| | 2024 | 2023 |
| Cash and cash equivalents | \$ 195,442,365 | \$ 114,346,951 |
| Contributions receivable, net | 40,859,733 | 69,385,163 |
| Investments | 169,904,094 | 131,145,103 |
| Split-interest agreements - charitable gift annuities | 2,730,536 | 1,013,047 |
| Total financial assets available within one year | 408,936,728 | 315,890,264 |
| Less: | | |
| Amounts unavailable for general expenditures within one year, due to donor restrictions for: | | |
| Purpose | (76,208,664) | (75,113,993) |
| Time-restricted for future periods | (3,143,465) | (1,094,051) |
| | (79,352,129) | (76,208,044) |
| Total financial assets available to meet cash needs for general expenditures within one year | \$ 329,584,599 | \$ 239,682,220 |

Liquidity policy:

As part of the Foundation's liquidity management, it maintains a sufficient level of operating cash and investments to be available as its general expenditures, liabilities and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in short-term investments.

NOTE K - CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash balances in a high-credit-quality financial institutions in amounts which, at times, may be in excess of federally insured limits. The Foundation has not experienced any losses in such accounts, and management monitors the risk associated with concentrations on an ongoing basis.

NOTE L - CONCENTRATION OF REVENUE

During 2024 approximately 63% of the Foundation's total support and revenue was provided by three donors. During 2023, approximately 64% of the Foundation's total support and revenue was provided by three donors.

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Notes to Consolidated Financial Statements December 31, 2024 and 2023

NOTE M - LINE OF CREDIT

The Foundation has a line of credit in the amount of \$20,000,000 with a financial institution. The line may be used for operations and bears interest at prime rate, minus 0.50%. The line is collateralized by the Foundation's other assets held by the bank, which includes its cash and cash equivalent accounts. There were no drawdowns during 2024 or 2023. The line of credit is renewable annually.