

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023



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**EPILEPSY FOUNDATION OF GREATER LOS ANGELES
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Epilepsy Foundation of Greater Los Angeles
Los Angeles, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Epilepsy Foundation of Greater Los Angeles (the Organization), which comprise the statements of financial position as of June 30, 2024 and 2023, 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 Organization as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date 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 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 Organization'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 Organization'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.



CliftonLarsonAllen LLP

Pasadena, California
October 25, 2024

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 2,799,040	\$ 2,076,538
Other Receivable	-	139,200
Pledges Receivable	60,297	5,000
Investment	2,525,684	1,496,166
Prepaid Expenses and Other Assets	73,989	31,016
Property and Equipment, Net of Depreciation of \$7,509 in 2024 and \$4,467 in 2023	5,496	8,538
Right-of-Use Assets - Finance	9,834	-
Beneficial Interest in Charitable Perpetual Trust	2,139,177	1,975,602
	<u>\$ 7,613,517</u>	<u>\$ 5,732,060</u>
Total Assets		
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 76,659	\$ 94,059
Grants Payable	266,700	320,000
Lease Liability	9,834	-
Total Liabilities	<u>353,193</u>	<u>414,059</u>
COMMITMENTS		
NET ASSETS		
Without Donor Restrictions	2,855,652	1,691,738
With Donor Restrictions	4,404,672	3,626,263
Total Net Assets	<u>7,260,324</u>	<u>5,318,001</u>
	<u>\$ 7,613,517</u>	<u>\$ 5,732,060</u>
Total Liabilities and Net Assets		

See Accompanying Notes to Financial Statements.

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions and Grants	\$ 1,254,638	\$ 25,000	\$ 1,279,638
Special Events:			
Contributions	382,882	796,077	1,178,959
Special Events Revenues	124,087	598,037	722,124
Less: Costs of Direct Benefits to Donor	(75,445)	(393,507)	(468,952)
Less: Release of Restrictions	160,000	(160,000)	-
Net Special Events Revenues	591,524	840,607	1,432,131
Investment Income, Net	220,342	226,229	446,571
Release of Restrictions	313,427	(313,427)	-
Total Revenues	2,379,931	778,409	3,158,340
EXPENSES AND LOSSES			
Program Services	954,612	-	954,612
General and Administrative	158,237	-	158,237
Fundraising and Development	103,168	-	103,168
Total Expenses	1,216,017	-	1,216,017
CHANGE IN NET ASSETS	1,163,914	778,409	1,942,323
Net Assets - Beginning of Year	1,691,738	3,626,263	5,318,001
NET ASSETS - END OF YEAR	\$ 2,855,652	\$ 4,404,672	\$ 7,260,324

See Accompanying Notes to Financial Statements.

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions and Grants	\$ 501,575	\$ 47,500	\$ 549,075
Special Events:			
Contributions	342,973	382,699	725,672
Special Events Revenues	52,072	762,227	814,299
Less: Costs of Direct Benefits to Donor	(80,832)	(433,372)	(514,204)
Less: Release of Restrictions	150,000	(150,000)	-
Net Special Events Revenues	<u>464,213</u>	<u>561,554</u>	<u>1,025,767</u>
Investment Income, Net	132,723	97,434	230,157
Release of Restrictions	313,719	(313,719)	-
Total Revenues	<u>1,412,230</u>	<u>392,769</u>	<u>1,804,999</u>
EXPENSES AND LOSSES			
Program Services	836,407	-	836,407
General and Administrative	147,879	-	147,879
Fundraising and Development	112,866	-	112,866
Total Expenses	<u>1,097,152</u>	<u>-</u>	<u>1,097,152</u>
CHANGE IN NET ASSETS	315,078	392,769	707,847
Net Assets - Beginning of Year	<u>1,376,660</u>	<u>3,233,494</u>	<u>4,610,154</u>
NET ASSETS - END OF YEAR	<u>\$ 1,691,738</u>	<u>\$ 3,626,263</u>	<u>\$ 5,318,001</u>

See Accompanying Notes to Financial Statements.

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024**

	Program Services					Supporting Services		Total	
	Care-Specialty Services	Supportive Services	Advocacy and Awareness	Public Education	General	Subtotal	Administrative		Fundraising
Salaries	\$ 20,943	\$ 110,083	\$ 107,280	\$ 66,395	\$ -	\$ 304,701	\$ 89,027	\$ 33,403	\$ 427,131
Employee Benefits and Payroll Taxes	3,714	19,524	19,027	11,776	-	54,041	15,789	5,924	75,754
Subtotal	24,657	129,607	126,307	78,171	-	358,742	104,816	39,327	502,885
Donations and Grants	266,740	3,829	742	128	-	271,439	171	64	271,674
Professional Fees and Contract Services	1,483	74,135	63,595	4,701	17,207	161,121	34,130	4,903	200,154
Occupancy	2,471	12,991	12,660	7,835	50	36,007	10,506	3,942	50,455
Equipment Rental and Purchases	357	1,876	1,828	1,131	-	5,192	1,517	569	7,278
Insurance	286	1,501	1,463	906	-	4,156	4,076	456	8,688
Printing, Postage, and Delivery	8	413	6,781	59	-	7,261	130	23	7,414
Dues, Subscriptions, and Fees	151	876	7,020	478	6,845	15,370	781	1,459	17,610
Supplies	112	1,496	3,206	738	90	5,642	642	179	6,463
Travel, Training, and Advisory Meetings	66	1,070	4,461	1,381	80	7,058	834	150	8,042
Special Events Direct Costs	-	-	80,454	-	-	80,454	-	51,858	132,312
Depreciation	149	784	764	473	-	2,170	634	238	3,042
Subtotal	296,480	228,578	309,281	96,001	24,272	954,612	158,237	103,168	1,216,017
Direct Benefit to Donor	-	-	-	-	-	-	-	468,952	468,952
Total Expenses	\$ 296,480	\$ 228,578	\$ 309,281	\$ 96,001	\$ 24,272	\$ 954,612	\$ 158,237	\$ 572,120	\$ 1,684,969

See Accompanying Notes to Financial Statements.

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

	Program Services						Supporting Services		Total
	Care-Specialty Services	Supportive Services	Advocacy and Awareness	Public Education	General	Subtotal	Administrative	Fundraising	
Salaries	\$ 14,905	\$ 96,189	\$ 87,102	\$ 67,312	\$ -	\$ 265,508	\$ 74,970	\$ 38,507	\$ 378,985
Employee Benefits and Payroll Taxes	2,083	13,440	12,170	9,405	-	37,098	10,475	5,380	52,953
Subtotal	16,988	109,629	99,272	76,717	-	302,606	85,445	43,887	431,938
Donations and Grants	266,706	3,997	33	25	1,500	272,261	122	15	272,398
Professional Fees and Contract Services	1,034	40,036	59,043	4,670	2,234	107,017	42,182	3,172	152,371
Occupancy	2,084	13,452	12,181	9,413	-	37,130	10,484	5,385	52,999
Equipment Rental and Purchases	115	2,104	670	518	-	3,407	1,320	296	5,023
Insurance	235	1,515	1,371	1,060	-	4,181	3,610	606	8,397
Printing, Postage, and Delivery	4	2,001	257	206	33	2,501	115	285	2,901
Dues, Subscriptions, and Fees	102	1,297	5,441	461	25,197	32,498	714	1,370	34,582
Supplies	70	1,247	1,143	725	-	3,185	963	357	4,505
Travel, Training, and Advisory Meetings	218	2,110	7,018	7,711	147	17,204	2,322	1,341	20,867
Special Events Direct Costs	-	-	52,286	-	-	52,286	-	55,843	108,129
Depreciation	120	772	699	540	-	2,131	602	309	3,042
Subtotal	287,676	178,160	239,414	102,046	29,111	836,407	147,879	112,866	1,097,152
Direct Benefit to Donor	-	-	-	-	-	-	-	514,204	514,204
Total Expenses	\$ 287,676	\$ 178,160	\$ 239,414	\$ 102,046	\$ 29,111	\$ 836,407	\$ 147,879	\$ 627,070	\$ 1,611,356

See Accompanying Notes to Financial Statements.

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,942,323	\$ 707,847
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Unrealized Gain on Beneficial Interest in Charitable Perpetual Trust	(163,575)	(68,910)
Depreciation	3,042	3,042
Changes in Assets and Liabilities:		
Other Receivable	139,200	(112,652)
Pledges Receivable	(55,297)	12,500
Prepaid Expenses and Other Assets	(42,973)	4,485
Accounts Payable and Accrued Expenses	(17,400)	11,531
Grants Payable	(53,300)	(250,000)
Net Cash Provided by Operating Activities	1,752,020	307,843
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,029,518)	(1,496,166)
Net Cash Used by Investing Activities	(1,029,518)	(1,496,166)
NET CHANGE IN CASH AND CASH EQUIVALENTS	722,502	(1,188,323)
Cash and Cash Equivalents - Beginning of Year	2,076,538	3,264,861
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,799,040	\$ 2,076,538

See Accompanying Notes to Financial Statements.

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 ORGANIZATION

The Epilepsy Foundation of Greater Los Angeles (EFGLA) is a nonprofit corporation located in Los Angeles, California. It is a 501(c)(3) charitable organization dedicated solely to serving about 160,000 people living with epilepsy in Los Angeles County and the surrounding counties of San Bernardino, and Ventura. EFGLA is affiliated with the Epilepsy Foundation of America (EFA) which is headquartered in Landover, Maryland. EFGLA has an affiliate agreement with EFA, which EFGLA will provide to EFA membership dues based on 3% of total revenues, as defined in the affiliate agreement, capped at \$25,000 annually.

The Epilepsy Foundation's nationwide mission is to lead the fight to overcome the challenges of living with epilepsy and to accelerate therapies to stop seizures, find cures and save lives. The EFGLA fulfills our mission locally, leading the fight to END EPILEPSY TOGETHER, to overcome challenges created by seizures focusing on specialty care, public education, and awareness and supportive care.

Care and Cure Program, which accounted for large portion of EFGLA's program was separated from EFGLA effective July 1, 2024. On August 23, 2024, the Board of Directors of EFGLA approved the separation of the Care and Cure Institute to own and operate its own program. As part of the separation agreement, the newly formed Care and Cure Institute has agreed to an annual unrestricted grant to EFLA of \$150,000, at minimum, in perpetuity for EFLA's role in the founding and investment of the Care and Cure from the project's inception. Only if EFLA should deviate from its current operational structure, as an independent 501(c)(3) nonprofit organization, will the parties discuss an absolution or modification of less than an annual gift of \$150,000.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of EFGLA have been prepared on the accrual basis of accounting to conform to generally accepted accounting principles in the United States of America (GAAP), as applicable to non-profit educational institutions. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of EFGLA and changes therein have been classified and are reported as follows:

Net Assets Without Donor Restrictions - Net assets not subject to donor-imposed stipulations; donor-restricted contributions whose restrictions are met in the same reporting period; and net assets designated by the board of trustees for specific purposes.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Gains and losses on other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received and reported in their appropriate net asset group, subject to the existence or absence of donor-imposed stipulations. Contributions of assets other than cash are recorded at their estimated fair value. Conditional promises, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. During the year ended June 30, 2024, EFGLA did not receive any conditional contributions.

The net income from the Care and Cure Events are primarily restricted for Care and Cure Initiatives-donations and grants (C&C). Each year, at its discretion, the Board may allocate an approved amount to cover certain unrestricted expenditures of EFGLA.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions revenue.

Cash Equivalents

Cash equivalents include cash in bank and money market mutual funds.

Fair Value Measurements

Financial Accounting Standards Board Accounting Standards Codification 820 *Fair Value Measurements and Disclosures* (FASB ASC 820) provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Quoted market prices are available in active market for identical assets or liabilities as of the reporting date.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Level 3 – Pricing inputs are unobservable and shall be used to measure fair value to the extent that observable inputs are not available. The inputs into the determination of fair value are based upon the best information available and require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Investments

EFGLA's investment in U.S. Treasury Bills are stated at fair value. The estimated fair value of investments is based on quoted market prices measured as level 1 investment in the fair value hierarchy. Unrealized gains or losses on investments resulting from fair value fluctuations are recorded in the statements of activities.

Property and Equipment

Property and equipment are stated at cost, if purchased, or, if donated, at their fair market value at the date of donation. EFGLA capitalizes property and equipment purchases of \$2,000 or more. Depreciation is computed on the straight-line method over the following useful lives:

Furniture and Equipment	5 Years
Website	5 Years

Lease

EFGLA leases office space and a copier. Right-of-use (ROU) assets represent EFGLA's right to use underlying assets for the lease term, and lease liabilities represent EFGLA's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease expense for lease payments is recognized on a straight-line basis over the lease term. EFGLA has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred, and the leases are not included as ROU assets and lease liabilities on the statement of financial position. EFGLA has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of its ROU assets. EFGLA has elected to use the risk-free rate for the leases. EFGLA has elected not to separate nonlease components from lease component as a single lease component.

Credit Concentration

EFGLA maintains its cash and investments with recognized financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures cash amounts held in banks up to statutory limits. At time, such cash may be in excess of the FDIC insurance limit. The Organization has not experienced any losses in such accounts. The Securities Investor Protection Corporation's coverage does not protect against changes in the market value.

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Credit Concentration (Continued)

EFGLA receives funds, included in contributions and grants, from EFA through participation in EFA's donated clothing poundage contract with an outside vendor for stores located in EFGLA's geographic area. For the year ended June 30, 2023, these contributions amounted to 14% of total revenues. In September 2023, EFGLA was informed by EFA that EFA's donated poundage clothing contract with their outside vendor ended on January 1, 2024.

At June 30, 2024, one donor accounted for approximately 78% of contributions income.

Beneficial Interest in Charitable Perpetual Trust

EFGLA is the beneficiary of the Garnier Trust, the assets of which are in the custody of Wells Fargo Bank, as trustee. Net gains and losses related to the beneficial interest are reported as changes in permanently restricted net assets and, in accordance with the trust agreement, as amended, the trustee distributes income of the trust to EFGLA, as defined. Beneficial interest in charitable perpetual trust is valued at the estimated fair value of the underlying investments.

Endowment – Return Objectives and Risk Parameters

EFGLA has adopted an investment policy for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include donor-restricted funds (Bodenstein Endowment) that EFGLA must hold in perpetuity. Under EFGLA's policy, as approved by the Board of Trustees, the Endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, EFGLA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). EFGLA targets a diversified asset allocation that places a greater emphasis on income-based investments to achieve its long-term return objectives within prudent risk constraints.

Endowment Spending Policy

EFGLA has an endowment spending policy to limit spending annually so as to not exceed 5% of its endowment balance with the objective of 2% growth annually for current and future endowments. During the year ended June 30, 2024 and 2023, there was no spending from the endowment.

Functional Allocation of Expenses

The costs of EFGLA's program services and support services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These allocations are based upon management's evaluations of EFGLA's activities throughout the period.

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

EFGLA is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code and is classified by the Internal Revenue Service as other than a private foundation. Qualifying contributions to EFGLA are tax deductible.

GAAP provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes all of the positions taken by EFGLA are more likely than not to be sustained upon examination.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Subsequent Events

Subsequent events have been evaluated through October 25, 2024, the date that these financial statements were available to be issued. Except for as disclosed in Note 1, there were no subsequent events that would require adjustment or disclosure in these financial statements.

NOTE 3 LIQUIDITY AND AVAILABILITY

At June 30, 2024 and 2023, EFGLA has the following financial assets available to meet cash need for general expenditures within one year.

	2024	2023
Cash and Cash Equivalents	\$ 2,799,040	\$ 2,076,538
Investments	2,525,684	1,496,166
Other Receivable	-	139,200
Pledges Receivable	60,297	5,000
Subtotal	5,385,021	3,716,904
Less: Donor Restricted for Specific Purposes	(2,265,495)	(1,650,661)
Total	\$ 3,119,526	\$ 2,066,243

NOTE 4 BENEFICIAL INTEREST IN CHARITABLE PERPETUAL TRUST

EFGLA has a 100% beneficial interest in a charitable perpetual trust (Garnier Trust), the assets of which are held in a bank and managed by a third-party trustee. The Garnier Trust is a Level 3 asset in the fair value hierarchy, as described in Note 2.

For the year ended June 30, 2024, EFGLA received distributions of \$101,119, which is included in the unrestricted investment income.

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 4 BENEFICIAL INTEREST IN CHARITABLE PERPETUAL TRUST (CONTINUED)

Investment income is as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Interest and Dividends	\$ 119,223	\$ 34,765
Investment Income Restricted for C&C	62,654	28,524
Distributions from Charitable Perpetual Trust	101,119	97,958
Unrealized Income on Beneficial Interest in Charitable Perpetual Trust, Net	163,575	68,910
Total Investment Income	<u>\$ 446,571</u>	<u>\$ 230,157</u>

The following table summarizes the activity for assets measured at fair value on a recurring basis using significant unobservable inputs for the years ended June 30:

Balance as of July 1, 2022	\$ 1,906,692
Change in Value	<u>68,910</u>
Balance as of June 30, 2023	\$ 1,975,602
Change in Value	<u>163,575</u>
Balance as of June 30, 2024	<u>\$ 2,139,177</u>

During the years ended June 30, 2024 and 2023, there were no transfer into or out of level 3 of the fair value hierarchy.

The following table summarize information regarding valuation technique of level 3 of the fair value hierarchy.

<u>Instrument</u>	<u>Fair Value</u>		<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>
	<u>2024</u>	<u>2023</u>		
Beneficial Interest in Perpetual Trust	\$ 2,139,177	\$ 1,975,602	FMV of Trust Investment	Value of Underlying Assets

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NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30:

	<u>2024</u>	<u>2023</u>
Purpose Restricted:		
Care and Cure	\$ 1,807,762	\$ 1,258,030
Lizzie Saft Fund - Education/Training/Camp	273,830	283,830
Hope for Healing	82,602	-
Feldhorn Fund	35,000	25,000
Education-Digital Platform/Resources	15,301	20,301
Respite Care	10,000	10,000
Larry Palmer Foundation-Camp	-	12,500
Maintain in Perpetuity		
Bodenstein Endowment Fund (Income to Be Used for Education Purposes)	41,000	41,000
Garnier Trust (Income to Be Used for Any Program or Activity of EFGLA)	2,139,177	1,975,602
Total	<u>\$ 4,404,672</u>	<u>\$ 3,626,263</u>

Net assets were released from donor restrictions during the years by incurring expenses satisfying their restricted purposes or by the occurrence of other events specified by donors as follows:

	<u>2024</u>	<u>2023</u>
Care and Cure	\$ 270,927	\$ 283,219
Feldhorn Fund	15,000	15,000
Larry Palmer Foundation-Camp	12,500	-
Lizzie Saft Fund - Education/Training/Camp	10,000	10,500
Education-Digital Platform/Resources	5,000	5,000
Total Net Assets Released from Restriction	<u>\$ 313,427</u>	<u>\$ 313,719</u>

NOTE 6 EMPLOYEE BENEFIT PROGRAMS

EFGLA adopted a 403(b) defined contribution retirement plan (the Plan). Employer contributions is at EFGLA' discretion. During the years ended June 30, 2024 and 2023, EFGLA made employer contributions of \$15,000 and \$0, respectively.

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NOTE 7 DONATIONS AND GRANTS

From proceeds of the annual Care and Cure Benefit events, EFGLA supported Care and Cure initiatives. These initiatives include grants to support fellows, faculty and specialty programs at various hospitals and universities which provide pediatric epilepsy specialty care and conduct pediatric epilepsy research. EFGLA accrues liabilities for the grants upon signing of the grant agreement.

Total grants and donations for the year ended June 30, 2024 are as follows:

<u>Hospital/University</u>	<u>Number of Active Grants</u>	<u>Outstanding Balance on Active Grants</u>	<u>Expense</u>
Children's Hospital of Los Angeles	1	\$ 266,700	\$ 266,700
Total Grants	<u>1</u>	<u>\$ 266,700</u>	<u>266,700</u>
Other Donations			4,974
Total Grants and Donations			<u>\$ 271,674</u>

Total grants and donations for the year ended June 30, 2023 are as follows:

<u>Hospital/University</u>	<u>Number of Active Grants</u>	<u>Outstanding Balance on Active Grants</u>	<u>Expense</u>
University of California - Los Angeles	1	\$ 320,000	\$ -
Children's Hospital of Los Angeles	1	-	266,700
Total Grants	<u>2</u>	<u>\$ 320,000</u>	<u>266,700</u>
Other Donations			5,698
Total Grants and Donations			<u>\$ 272,398</u>

In February 2021, EFGLA signed a Statement of Intent with Children's Hospital of Los Angeles to fund the pediatric epilepsy genetics endowment fund program over a period of six years for total gift intent of \$1,600,000. The Statement of Intent expires annually on June 30 and EFGLA intends to execute a new Statement of Intent on an annual basis until such time as the entirety of the gift intent is fulfilled. However, if EFGLA does not renew, it has no further financial obligation. EFGLA's gift under this Statement of Intent was \$266,700 for each of the year ended June 30, 2024 and 2023.

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NOTE 8 LEASE

EFGLA has a one-year operating lease agreement to rent an office space, renewed annually. Monthly rent was \$6,400 for the period of July 2022 to October 2022, \$3,500 for the period November 2022 to October 2023, and \$3,600 for the period November 2023 to October 2024. Lease expense for the office space was \$39,598 and \$42,730 for years ended June 30, 2024 and 2023, respectively.

In February 2024, EFGLA entered into a new finance lease to lease a copier for five years for \$190 per month expiring in February 2029. Lease expense for the copier was \$635 for year ended June 30, 2024.

NOTE 9 EMPLOYEE RETENTION TAX CREDIT

The CARES Act provides an employee retention credit (ERC), which is a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through December 31, 2020. Additional relief provisions were passed by the United States government, which extend and slightly expand the qualified wage caps on these credits through December 31, 2021. Based on these additional provisions, the tax credit is now equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee has been increased to \$10,000 of qualified wages per quarter. EFGLA applied for the credit and recognized revenue of \$116,727 during the year ended June 30, 2023, and it's included in contributions and grant revenue and accounts receivable in the accompanying financial statements. The entire balance of ERC receivable was collected subsequent to year end.

The Small Business Administration may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on EFGLA's financial position.



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