FOUNDATION FOR HEARING RESEARCH, INC.
D.B.A WEINGARTEN CHILDREN'S CENTER
REDWOOD CITY, CALIFORNIA

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2024

FOUNDATION FOR HEARING RESEARCH, INC.
D.B.A WEINGARTEN CHILDREN'S CENTER
REDWOOD CITY, CALIFORNIA

TABLE OF CONTENTS

Rojas & Associates, CPAs

1300 S Street, Sacramento, California 95811 www.rojascpa.com

Phone - 916-362-4040

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Foundation for Hearing Research, Inc.
d.b.a Weingarten Children's Center
Redwood City, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Foundation for Hearing Research, Inc. d.b.a Weingarten Children's Center (the Foundation), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 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.

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 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.

Report on Summarized Comparative Information

We have previously audited the financial statements of the Foundation as of June 30, 2024, and for the year then ended, and we expressed an unmodified opinion on those financial statements in our report dated January 6, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent in all material respects with the audited financial statements from which it has been derived.

ROJAS & ASSOCIATES, CPAs

Rojas & Associates, CPAs

Sacramento, California
January 20, 2026

FOUNDATION FOR HEARING RESEARCH D.B.A WEINGARTEN CHILDREN'S CENTER
REDWOOD CITY, CALIFORNIA

STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2025
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	$ 105,283	$ 88,462
Investments	1,754,648	2,071,796
Accounts receivable	471,022	205,605
Prepaid expenses and deposits	9,578	90,861
Total current assets	2,340,531	2,456,724
PROPERTY AND EQUIPMENT		
Land	790,159	790,159
Buildings and improvement	2,816,149	2,796,744
Furniture and equipment	60,509	54,482
	3,666,817	3,641,385
Less: Accumulated depreciation and amortization	(1,925,994)	(1,844,853)
Net property and equipment	1,740,823	1,796,532
NONCURRENT ASSETS		
Investments	6,453,146	6,342,005
Beneficial interest in assets held by others	9,581	14,288
Total noncurrent assets	6,462,727	6,356,293
TOTAL ASSETS	$10,544,081	$10,609,549

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 21,831	$ 26,900
Note payable	42,832	41,200
Total current liabilities	64,663	68,100
NONCURRENT LIABILITIES		
Note payable	501,517	544,365
TOTAL LIABILITIES	566,180	612,465
NET ASSETS		
Without donor restrictions	3,476,455	3,533,265
With donor restrictions	6,501,446	6,463,819
TOTAL NET ASSETS	9,977,901	9,997,084
TOTAL LIABILITIES AND NET ASSETS	$10,544,081	$10,609,549

FOUNDATION FOR HEARING RESEARCH D.B.A WEINGARTEN CHILDREN'S CENTER
REDWOOD CITY, CALIFORNIA

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024

	2025			2024
	Without Donor Restriction	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Contract and service fees	$ 1,906,222	$ -	$ 1,906,222	$1 ,935,417
Less: Financial assistance	(124,757)	-	(124,757)	(169,586)
Contract and service fees, net	1,781,465		1,781,465	1,765,831
Events	295,487	-	295,487	282,910
Grants and contributions	304,585	420,000	724,585	1,673,922
Net investment return	113,869	585,828	699,697	752,035
Other revenue	6,728	-	6,728	23,899
Net assets released from donor restrictions	968,201	(968,201)	-	-
Total support and revenue	3,470,335	37,627	3,507,962	4,498,597
FUNCTIONAL EXPENSES				
Program services:				
Deaf education	3,077,264	-	3,077,264	3,128,490
Supporting services:				
General and administrative	170,726	-	170,726	180,709
Fundraising	153,682	-	153,682	208,358
Cost of direct benefits to donors	125,473	-	127,473	107,114
Total supporting services	449,881	-	449,881	496,181
Total functional expenses	3,527,145	-	3,527,145	3,624,671
CHANGE IN NET ASSETS	(56,810)	37,627	(19,183)	873,926
Net assets beginning of year	3,533,265	6,463,819	9,997,084	9,123,158
NET ASSETS, END OF YEAR	$ 3,476,455	$ 6,501,446	$ 9,977,901	$ 9,997,084

See independent auditors' report and notes to financial statements

FOUNDATION FOR HEARING RESEARCH D.B.A WEINGARTEN CHILDREN'S CENTER
REDWOOD CITY, CALIFORNIA

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025
WITH SUMMARIZED FINANCIAL INFORMATION OF 2024

	2025						2024
	Program Services	Supporting Services					
	Deaf Education	General and Administrative	Fundraising	Cost of Direct Benefits to Donors	Total Supporting Services	Total Expenses	Total Expenses
Salaries and wages	$ 2,134,508	$ 75,899	$ 137,617	$ -	$ 213,506	$ 2,348,014	$ 2,431,164
Employee benefits	184,919	6,274	12,226		18,500	203,419	179,576
Payroll taxes	155,228	4,714	8,170	-	12,884	168,112	175,515
Direct benefits	-	-	-	125,473	125,473	125,473	107,114
Professional and contract services	118,179	7,416	-	-	7,416	125,595	101,365
Class and program expenses	47,959	373	48		421	48,380	94,712
Bad debt and expense	84,052	-	-		-	84,052	91,665
Telecommunication and utilities	58,493	8,693	4,900	-	13,593	72,086	86,210
Repairs and maintenance	75,087	4,805	1,801	-	6,606	81,693	81,404
Depreciation and amortization	72,215	6,492	2,434		8,926	81,141	73,352
Office and supplies	56,606	3,113	1,061	-	4,174	60,780	70,844
Legal and accounting	2,745	20,000	230	-	20,230	22,975	37,622
Insurance	34,288	2,913	1,290	-	4,203	38,491	35,673
Interest	19,618	1,763	661	-	2,424	22,042	23,611
Event expenses	-	9,222	-	-	9,222	9,222	12,449
Advertising	8,855	66	25		91	8,946	9,277
Professional development	13,122	87	33	-	120	13,242	6,325
Recruiting fees	9,410	101	230	-	331	9,741	2,805
Board expense	-	1,649	-		1,649	1,649	2,680
Travel and mileage	$ 1,980	$ 112	$ -	$ -	$ 112	$ 2,092	$ 1,308
Total	$ 3,077,264	$ 153,682	$ 170,726	$ 125,473	$ 449,881	$ 3,527,145	$ 3,624,671

See independent auditors' report and notes to financial statements

FOUNDATION FOR HEARING RESEARCH D.B.A WEINGARTEN CHILDREN'S CENTER
REDWOOD CITY, CALIFORNIA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024

CASH FLOWS FROM OPERATING ACTIVITIES	2025	2024
Change in net assets	($ 19,183)	$ 873,926
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	81,141	73,352
Net realized and unrealized gain	(331,920)	(525,381)
Receipt of donated securities	(98,288)	(61,116)
Proceeds from donated securities	93,354	61,072
Contributions to be invested in perpetuity	-	(1,000,000)
Change in beneficial interest	4,707	(1,473)
Decrease (increase) in:		
Accounts receivable	(265,417)	22,561
Grants contributions receivable	-	245,000
Prepaid expenses and deposits	81,283	(47,700)
(Decrease) increase in:		
Accounts payable and accrued expenses	(5,069)	18,831
Deferred revenue	-	(12,739)
Net cash used in operating activities	(459,392)	(353,667)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(25,432)	(34,051)
Purchase of investments	(5,963,312)	(4,407,202)
Proceeds from sale of investments	6,506,173	3,842,548
Net cash provided by (used in) investing activities	517,429	(598,705)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions to be invested in perpetuity	-	1,000,000
Principal payment on note payable	(41,216)	(39,646)
Net cash provided by (used in) financing activities	(41,216)	960,354
Net increase in cash and cash equivalents	16,821	7,982
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	88,462	80,480
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 105,283	$ 88,462
SUPPLEMENTAL INFORMATION		
Interest paid	$ 22,042	$ 23,611

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Organization -

Foundation for Hearing Research, Inc. d.b.a Weingarten Children's Center (the Foundation) was incorporated in 1970 as a nonprofit corporation in accordance with the laws of the State of California. The Foundation was formed for the advancement of education and for charitable purposes, specifically for education of the deaf and research essential thereto. In the fulfillment of its purpose, the Foundation operates the Weingarten Children's Center.

The Foundation is dedicated to meeting the education and developmental needs of children who are deaf or hard of hearing and their families through comprehensive and individualized programs that develop listening and spoken language communication skills. The goal of the Foundation is to prepare each child to return to his or her local school with academic and communication skills that will allow them to function at grade level with their peers as early as possible. The Foundation's curriculum emphasizes the development of speech and language through a cognitive approach to learning with a focus on literacy at all levels. The services include the Parent Infant Program, Parent Toddlers Program, Toddlers Program, Preschool Program, Pre-Kindergarten Program, Individual Therapy, Audiological Services, Kindergarten Program, Parent Educational Program and Counseling, BabyTalk Teleintervention Program, Teach LSL™, Teleintervention Distance Listening and Spoken Language Program, and Talk2Me™ Coach - assisted Parent Learning App in development.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions." Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.

- **Net Assets With Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are more restrictive than the Foundation's mission and purpose. 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. Donor imposed restrictions are released when the 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. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2024 from which the summarized information was derived.

NOTE 1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents -

The Foundation considers all cash and other highly liquid investments with initial maturities of three months or less, except for money market funds held with investment institutions, to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of $250,000. At times during the year, the Foundation maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Changes in Net Assets.

Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. The Foundation's policy is to liquidate all gifts of investments as soon as possible after the gift.

Accounts, Grants and Contributions receivable, net -

Accounts receivable primarily consists of amounts due within one year related to contract and service fees. Accounts receivable are recorded at their net realizable value, which approximates fair value. The allowance for expected losses is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the customer. There was no allowance considered necessary as of June 30, 2025.

Property and equipment -

Property and equipment in excess of $2,500 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets as outlined below. Building improvements are amortized over the useful life of the asset. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended June 30, 2025 totaled $81,141.

Buildings and improvements	15 to 39 years
Furniture and equipment	3 to 15 years

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced to its current value, and a corresponding loss is reported in the Statement of Activities and Changes in Net Assets.

NOTE 1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial interest in assets held by others -

The beneficial interest in assets held by others consists of amounts held by the Silicon Valley Community Foundation (SVCF) under an agency account agreement. SVCF manages the assets and periodically distributes earnings and appreciation on the corpus to the Foundation. The beneficial interest is reported at the fair market value of the fund as determined by SVCF. Investment income of the fund, net of expenses, and any net realized and unrealized gains and losses, are included in net investment return in the Statement of Activities and Changes in Net Assets.

Income taxes -

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Foundation is not a private foundation.

Revenue from contracts with customers -

The Foundation's contract and service fees is the most significant revenue stream and is treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. Transaction price is based on cost and/or sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. The Foundation's contracts with customers generally have initial terms of one year or less.

Revenue from contract and service fees for tuition relates to fees which the Foundation receives in exchange for providing instruction and therapy and are amounts due from enrollees, third-party payers, and others and includes variable consideration for price concessions to students. The Foundation's school term runs from late-August to mid-June, with a three-week extended school year offered in July. Fees are based on hourly, daily or monthly rates, depending on services performed and are invoiced monthly after services have been performed.

Events -

The Foundation receives sponsorships for its annual fundraising events. The Foundation performs an analysis of the individual sponsorship to determine if the sponsorship revenue follows the contribution rules or if they should be recorded as an exchange transaction or should be appropriately bifurcated between amounts deemed reciprocal or nonreciprocal. For amounts qualifying under the contribution rules, revenue is recognized upon execution of the sponsorship agreement and included in net assets with donor restrictions. The release occurs when the related event occurs.

Grants and contributions -

Grants and contributions are recognized in the appropriate category of net assets in the period received. The Foundation performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

NOTE 1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and contributions revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Grants and contributions that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and/or satisfaction of time restrictions; such funds in excess of expenses incurred or for which time restrictions have been satisfied are shown as net assets with donor restrictions in the accompanying financial statements.

Conditional grants and contributions contain a right of return and a measurable barrier. Grants and contributions are recognized when conditions have been satisfied. Most grants and contributions are for direct and indirect program costs and are considered to be conditional contributions which are recognized when the amounts become unconditional. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, the Foundation had no refundable advances as of June 30, 2025.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Advertising -

The Foundation expenses advertising costs as incurred. Advertising expense was $8,946 for the year ended June 30, 2025.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefited more than one functional area, such as personnel costs, were allocated based on estimated time and effort.

Investment risks and uncertainties -

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

NOTE 1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New accounting pronouncement adopted in current year -

ASU No. 2023-01

In March 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-01, which amends certain provisions of ASC 842 that apply to arrangements between related-parties under common control. ASU 2023-01 offers private companies, as well as not-for-profit entities that are not conduit bond obligors, a practical expedient to use the written terms and conditions of a common-control arrangement when determining whether a lease exists and the subsequent accounting for the lease, including the lease's classification. ASU-2023-01 also amends the accounting for leasehold improvements in common-control arrangements for all entities. Under ASU 2023-01, a lessee in a common-control lease arrangement must amortize leasehold improvements that it owns over the improvements' useful life to the common control group, regardless of the lease term. A lessee that no longer controls the use of the underlying asset will account for the transfer of the underlying asset as an adjustment to equity.

The Foundation elected to adopt the provisions of the ASU related to the practical expedient allowing the Foundation to use the written terms and conditions of a common-control arrangement when determining whether a lease exists and the subsequent accounting for the lease, including the lease's classification, prospectively, to arrangements that commence or are modified on or after the implementation date of July 1, 2024.

The Foundation elected to adopt the amended accounting for leasehold improvements in common-control arrangements prospectively to all new leasehold improvements recognized on or after the implementation date of July 1, 2024.

The adoption of this standard did not have a significant impact on any reported results.

NOTE 2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, Fair Value Measurement, the Foundation has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three- level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.
Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Foundation has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

NOTE 2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement. Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended June 30, 2025. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and is deemed to be actively traded.

- *U.S. Government Securities* - Valued at the closing price reported in the active market in which the individual securities are traded.

- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by the Foundation are deemed to be actively traded.

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2025 were as follows:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	$1,000,019	$ -	$ -	$1,000,019
Mutual funds (equity)	6,647,660	-	-	6,647,660
U.S. Government securities	560,115	-	-	560,115
Total investments	$8,207,794	$ -	$ -	$8,207,794

Net investment return consisted of the following for the year ended June 30, 2025

Interest and dividends	$ 399,612
Unrealized loss	(667,644)
Realized gain	999,564
Investment fees	(31,835)
Net investment return	$ 699,697

NOTE 3. NOTE PAYABLE

In December 2020, the Foundation refinanced a prior note payable at a rate of 3.89% interest annually requiring monthly principal and interest payments of $5,271. The note is fully collateralized by the real property of the Foundation. The maturity date of the current note is December 25, 2035.

Principal payments are due as follows as of June 30, 2025

Year Ending June 30,	
2026	$ 42,832
2027	44,528
2028	46,292
2029	48,125
2030	50,031
Thereafter	312,541
Total	$ 544,349

For the year ended June 30, 2025 interest expense was $22,042.

NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2025:

Subject to Expenditure for Specified Purposes:

Morning Music	$ 48,300
Endowment to be invested in perpetuity	6,100,000
Accumulated investments from endowment not yet authorized for spending	353,146
Total net assets with donor restrictions	$ 6,501,446

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Purpose restrictions accomplished:	
BabyTalk Program	$ 155,283
Talk2Me™ Program	256,250
Education and Therapy Support	81,981
Drawdowns from endowment authorized for spending	474,687
Total net assets released from donor restrictions	$ 968,201

NOTE 5. LIQUIDITY AND AVAILABILITY

The Foundation has a policy to structure its financial assets to be available and liquid as its obligations become due. Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	$ 105,283
Investments	8,207,794
Accounts receivable	471,022
Subtotal financial assets available within one year	8,784,099
Less: Donor restricted funds	(6,501,446)
Financial assets available to meet cash needs for general expenditures within one year	$2,282,653

NOTE 6. RETIREMENT PLAN

A pension plan, organized under Section 403(b) of the Internal Revenue Code, is provided for all employees of the Foundation over twenty-one years of age and working more than 1,000 hours annually. Employees may make contributions to the Plan up to the maximum amount allowed by the Internal Revenue Code. The Foundation contributed $3,173 the Plan during the year ended June 30, 2025.

NOTE 7. ENDOWMENT

The Foundation's endowment consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus classifies amounts in its donor- restricted endowment funds as net assets with donor restrictions because those assets are time restricted until the governing Board appropriates such amounts for expenditures. Most of those net assets also are not subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The governing Board has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary.

As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

NOTE 7. ENDOWMENT (CONTINUED)

Additionally, in accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriated or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the Foundation and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the Foundation.

Endowment net asset composition by type of fund as of June 30, 2025:

		With Donor Restrictions		
	Without Donor Restrictions	Available for Appropriation	Held in Perpetuity	Total
Donor-Restricted Endowment funds	$ -	$ 353,146	$ 6,100,000	$ 6,453,146

Changes in endowment net assets for the year ended June 30, 2025:

		With Donor Restrictions		
	Without Donor Restrictions	Available for Appropriation	Held in Perpetuity	Total
Endowment assets, beginning	$ -	$ 242,005	$6,100,000	$6,342,005
Net investment return	-	585,828	-	585,828
Amounts appropriated for expenditure	-	(474,687)	-	(474,687)
Endowment assets, end of year	$ -	$ 353,146	$6,100,000	$6,453,146

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the organization to retain as a fund of perpetual duration. No deficiencies of this nature exist in either of the two endowment funds as of June 30, 2025.

NOTE 7. ENDOWMENT (CONTINUED)

Return Objectives and Risk Parameters -

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s). Under this policy, the endowment assets are invested in a manner that is intended to maintain the purchasing power of the endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the endowment investments. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives -

To satisfy its long-term rate-of-return objectives, the Foundation 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). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy -

The Foundation has made distributions from the endowment as of June 30, 2025. The Foundation has a policy of appropriating for distribution each year 3-6% of its endowment fund's fair value as of the preceding fiscal year in which the distribution is planned, and only at the donor's provisions. In establishing this policy, the Foundation considered the long-term expected return on its endowment and the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE. 8 SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through January 20, 2026, the date the financial statements were issued.