

NEURO KIDS, INC.
FINANCIAL STATEMENTS
AND
AUDITORS' REPORT
DECEMBER 31, 2024 AND 2023

NEURO KIDS, INC.

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INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of
Neuro Kids, Inc.

Opinion

We have audited the financial statements of Neuro Kids, Inc., a nonprofit organization, which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Neuro Kids, Inc. as of December 31, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Neuro Kids, Inc. 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 Neuro Kids, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 could reasonably be expected to influence the judgment made by a reasonable user based on these 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 Neuro Kids, Inc.'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 Neuro Kids, Inc.'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.

New York, NY
October 31, 2025

Skody Scot & Company, CPAs, P.C.

NEURO KIDS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Cash	\$ 481,065	\$ 359,147
Grant receivable	1,000,000	1,942,866
Prepaid expenses	43,877	23,048
Equipment, net	6,365	2,318
Intangible asset, net	18,383	-
Total assets	\$ 1,549,690	\$ 2,327,379
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 107,759	\$ 12,927
Total liabilities	107,759	12,927
Net Assets:		
Without donor restrictions	425,931	371,586
With donor restrictions	1,016,000	1,942,866
Total net assets	1,441,931	2,314,452
Total liabilities and net assets	\$ 1,549,690	\$ 2,327,379

See accompanying notes to the financial statements.

NEURO KIDS, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024		2023	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Support and Revenues:				
Contributions and grants	\$ 637,311	\$ 73,134	\$ 1,238,365	\$ 1,942,866
Program service revenue	18,900	-	12,200	-
Interest and other income	9,640	-	-	-
Net assets released from restriction: Expiration of time restrictions	1,000,000	(1,000,000)	-	-
Total support and revenues	<u>1,665,851</u>	<u>(926,866)</u>	<u>1,250,565</u>	<u>1,942,866</u>
				<u>3,193,431</u>
Expenses:				
Program Services:				
Training and treatment	983,732	-	620,346	-
Prevention project	132,165	-	196,197	-
Total program services	<u>1,115,897</u>	<u>-</u>	<u>816,543</u>	<u>-</u>
Supporting services:				
Management and general	324,330	-	235,533	-
Fundraising	171,279	-	99,654	-
Total expenses	<u>1,611,506</u>	<u>-</u>	<u>1,151,730</u>	<u>-</u>
Increase/(decrease) in net assets	54,345	(926,866)	98,835	1,942,866
Net assets, beginning of year	371,586	1,942,866	272,751	-
Net assets, end of year	<u>\$ 425,931</u>	<u>\$ 1,016,000</u>	<u>\$ 371,586</u>	<u>\$ 1,942,866</u>
				<u>\$ 2,314,452</u>

See accompanying notes to the financial statements.

**NEURO KIDS, INC.
STATEMENT OF EXPENSES
YEAR ENDED DECEMBER 31, 2024**

	Program Services			Supporting Services			Total Expenses
	Training and Treatment	Prevention Project	Total Program Expenses	Management and General	Fundraising		
Salaries	\$ 103,144	\$ -	\$ 103,144	\$ 77,926	\$ 44,468	\$	225,538
Payroll taxes and benefits	33,239	-	33,239	25,738	14,506		73,483
Consultants and outside contractors	443,586	132,165	575,751	142,672	81,966		800,389
Bank charges and processing fees	9,447	-	9,447	7,534	-		16,981
Customs duty fees	31,050	-	31,050	-	-		31,050
Depreciation and amortization	-	-	-	4,913	-		4,913
Events	1,496	-	1,496	-	-		1,496
Grants and donations to others	22,600	-	22,600	-	-		22,600
Information technology	36,331	-	36,331	742	-		37,073
Medical equipment donations	172,252	-	172,252	-	-		172,252
Occupancy	10,147	-	10,147	-	-		10,147
Office supplies and expenses	27,407	-	27,407	18,769	1,509		47,685
Professional fees	2,514	-	2,514	26,095	-		28,609
Promotion	391	-	391	12,671	-		13,062
Telephone and communications	18	-	18	5,279	-		5,297
Travel, lodging, and conferences	90,110	-	90,110	1,991	28,830		120,931
Total expenses	\$ 983,732	\$ 132,165	\$ 1,115,897	\$ 324,330	\$ 171,279	\$	\$ 1,611,506

See accompanying notes to the financial statements.

**NEURO KIDS, INC.
STATEMENT OF EXPENSES
YEAR ENDED DECEMBER 31, 2023**

	Program Services			Supporting Services			Total Expenses
	Training and Treatment	Prevention Project	Total Program Expenses	Management and General	Fundraising		
Salaries	\$ 48,605	\$ -	\$ 48,605	\$ 48,605	\$ 48,605	\$	\$ 145,815
Payroll taxes and benefits	10,370	-	10,370	10,317	10,370		31,057
Consultants and outside contractors	190,565	196,197	386,762	125,380	20,450		532,592
Bank charges and processing fees	6,838	-	6,838	4,386	-		11,224
Customs duty fees	15,858	-	15,858	-	-		15,858
Depreciation	-	-	-	954	-		954
Grants and donations to others	4,000	-	4,000	-	-		4,000
Information technology	17,088	-	17,088	3,947	-		21,035
Medical equipment donations	221,749	-	221,749	-	-		221,749
Occupancy	3,435	-	3,435	-	-		3,435
Office supplies and expenses	18,769	-	18,769	14,824	132		33,725
Professional fees	-	-	-	2,882	-		2,882
Promotion	12,863	-	12,863	1,082	4,849		18,794
Telephone and communications	-	-	-	3,970	-		3,970
Travel, lodging, and conferences	70,206	-	70,206	19,186	15,248		104,640
Total expenses	\$ 620,346	\$ 196,197	\$ 816,543	\$ 235,533	\$ 99,654	\$	\$ 1,151,730

See accompanying notes to the financial statements.

NEURO KIDS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ (872,521)	\$ 2,041,701
Adjustments for non-cash items included in operating activities:		
Depreciation and amortization	4,913	954
Amortization of discount on long-term pledges	(57,134)	-
Discount on long-term receivables	-	57,134
(Increases)/decreases in assets:		
Grant receivable	1,000,000	(2,000,000)
Prepaid expenses	(20,829)	(23,048)
Increases/(decreases) in liabilities:		
Accounts payable and accrued expenses	94,832	12,002
Net cash provided/(used) by operating activities	149,261	88,743
Cash flows from investing activities:		
Website development costs	(22,059)	-
Equipment purchase	(5,284)	(3,272)
Net cash provided/(used) by investing activities	(27,343)	(3,272)
Cash flows from financing activities	-	-
Net increase/(decrease) in cash	121,918	85,471
Cash, beginning of year	359,147	273,676
Cash, end of year	\$ 481,065	\$ 359,147

See accompanying notes to the financial statements.

NEURO KIDS, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The Organization

Neuro Kids, Inc. (Organization), a not-for-profit organization, was incorporated in the State of Alabama on July 14, 2020. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly, no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements include any uncertain tax positions. The Organization primarily receives its support from contributions and grants.

The mission of the Organization is to make it possible for children with hydrocephalus and spina bifida to live longer and better lives through innovative treatments, comprehensive training programs, and unwavering support. To accomplish its mission, the Organization offers the following programs: Training and Treatment – partnering with international hospital sites to provide equipment and training to staff who treat children diagnosed with hydrocephalus and spina bifida; and Prevention Project – investigating the etiologies and risk factors for infectious hydrocephalus.

Basis of Accounting

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Grants Receivable

Grants receivable that are expected to be collected within one year are recorded at their net realizable value. Grants receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Uncollectible pledges are written off in the period the pledge is deemed uncollectible. As of December 31, 2024 and 2023, all grants receivable are expected to be received and therefore, there is no allowance for uncollectible receivables.

NEURO KIDS, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Equipment and Intangible Asset

The Organization capitalizes certain equipment and intangible assets with estimated lives of two years or more. Equipment and the intangible asset are stated at cost, less accumulated depreciation and amortization. Equipment is depreciated using the straight-line method over useful lives of three to five years. The intangible asset is amortized over a three-year period. Expenditures for repairs and maintenance are charged as an expense, and major renewals and betterments are capitalized.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This classification includes net assets designated by the board of directors or management for a specified purpose or for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) 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 (endowment), where the donor stipulates that resources be maintained in perpetuity.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates salaries and payroll taxes and benefits based on estimated time and effort. All other expenses were directly related to specific functional areas with no allocation between functional areas needed. The Organization classifies expenses, which are not directly related to a specific program or fundraising as management and general expenses.

Grants and Donations

The Organization makes medical equipment and cash grants and donations to other organizations. Medical equipment and cash grants and donations expense represents all unconditional grants that have been authorized by the Organization by the statements of financial position date. Conditional grants are expensed and considered payable in the period the conditions are substantially satisfied. At December 31, 2024 and 2023, the Organization did not have any conditional grants that were not recognized.

NEURO KIDS, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Organization recognizes contributions and grants when cash and other financial assets, nonfinancial assets/services, or unconditional promises to give are received. Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to the meeting of these conditions, if any, are reported as refundable advances in the statements of financial position. As of December 31, 2024 and 2023, the Organization did not have any conditional contributions that were not recognized.

All contributions and grants are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted for a purpose by the donor are reported as support with donor restrictions and increases in net assets with donor restrictions. Contributions and grants received with donor restrictions that are met in the same reporting period are reported as support without donor restrictions and increases in net assets without donor restrictions. When a restriction expires (either a stipulated time period ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

Program service revenue relates to fees received in exchange for services and consists primarily of data management and implementation services. Fees for the data management and implementation services are based on the standalone prices, and payments are due upon the completion of the contracted work. The Organization's program service revenue is recognized as the contract obligations are completed. Any revenue received which has not been earned is recorded as deferred revenue.

Note 2 - Grants Receivable

At December 31, 2024 and 2023, grants are expected to be received as follows:

	<u>2024</u>	<u>2023</u>
In one year or less	\$ 1,000,000	\$ 1,000,000
Between one and two years	<u>-</u>	<u>1,000,000</u>
	1,000,000	2,000,000
Less: unamortized discount	<u>(-)</u>	<u>(57,134)</u>
	<u>\$ 1,000,000</u>	<u>\$ 1,942,866</u>

At December 31, 2023, multi-year receivables have been discounted at a 4% annual rate of interest.

NEURO KIDS, INC.
NOTES TO FINANCIAL STATEMENTS

Note 3 - Equipment

Equipment by major class consists of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Office equipment	\$ 8,556	\$ 3,272
Less: accumulated depreciation	<u>(2,191)</u>	<u>(954)</u>
	<u>\$ 6,365</u>	<u>\$ 2,318</u>

Note 4 - Intangible Asset

The intangible asset consists of the following at December 31, 2024:

Website development	\$ 22,059
Less: accumulated amortization	<u>(3,676)</u>
	<u>\$ 18,383</u>

Note 5 - Net Assets with Donor Restrictions

As of December 31, 2024 and 2023, net assets with donor restrictions are available as follows:

	<u>2024</u>	<u>2023</u>
2024 activities	\$ -	\$ 1,000,000
2025 activities	1,000,000	942,866
Afghan programs	<u>16,000</u>	<u>-</u>
	<u>\$ 1,016,000</u>	<u>\$ 1,942,866</u>

Note 6 - Revenue from Contracts with Customers

Detail of revenue from contracts with customers during the years ended December 31, 2024 and 2023, is as follows:

	<u>2024</u>	<u>2023</u>
Data management and implementation services	<u>\$ 18,900</u>	<u>\$ 12,200</u>

As of December 31, 2024 and 2023, there are no contract liability or receivable balances for contracts with customers.

Note 7 - Retirement Plan

In 2023, the Organization adopted a voluntary withholding, post-tax, portable retirement plan (Plan), for its employees. Under the Plan, the Organization makes contributions equal to six percent of the participant's salary. For the years ended December 31, 2024 and 2023, the Organization made contributions totaling \$10,750 and \$6,500, respectively on behalf of employees.

NEURO KIDS, INC.
NOTES TO FINANCIAL STATEMENTS

Note 8 - Concentrations

The Organization maintains its bank accounts with major financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000 per financial institution. At times, the balances of the accounts exceeded the insured limits during the years ended December 31, 2024 and 2023 .

For the years ended December 31, 2024 and 2023, approximately 50% and 73%, respectively, of the Organization's revenue was provided by one major donor. It is always possible that grantors and donors might be lost in the near term. In the event funding is terminated or significantly reduced, the Organization's ability to continue providing its program services at the same level could be greatly diminished.

Note 9 - Liquidity and Availability of Financial Assets

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Organization's financial assets, as of December 31, 2024 and 2023, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	2024	2023
Financial assets:		
Cash	\$ 481,065	\$ 359,147
Receivables	1,000,000	1,942,866
Total financial assets	1,481,065	2,302,013
Less those unavailable for general expenditures within one year:		
Receivables expected to be received in more than one year	-	(942,866)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,481,065	\$ 1,359,147

Note 10 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through October 31, 2025, which is the date the financial statements were available to be issued. On August 25, 2025, the Organization filed a statement of conversion with the Alabama Secretary of State and a certificate of conversion with the Virginia Secretary of State, converting from an Alabama corporation to a Virginia corporation.