Muscular Dystrophy Association, Inc.

Financial Statements and Independent Auditor's Report

December 31, 2025 (With Comparative Information for December 31, 2024)

CohnReznick

Muscular Dystrophy Association, Inc.

Index

Independent Auditor's Report

To the Board of Directors
Muscular Dystrophy Association, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Muscular Dystrophy Association, Inc., which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year 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 Muscular Dystrophy Association, Inc. as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance 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. 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 Muscular Dystrophy Association, Inc. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Muscular Dystrophy Association, 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 generally accepted auditing standards in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards in the United States of America, 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 Muscular Dystrophy Association, 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 Muscular Dystrophy Association, 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.

Report on Summarized Comparative Information

We have previously audited Muscular Dystrophy Association Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 23, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CohnReznick LLP

Chicago, Illinois
May 14, 2026

Muscular Dystrophy Association, Inc.

Statement of Financial Position
December 31, 2025
(With Comparative Totals as of December 31, 2024)

Assets

	2025	2024
Assets		
Cash and cash equivalents	$ 9,078,519	$ 5,936,854
Contributions receivable, net	2,735,319	2,775,268
Investments	35,497,958	44,290,796
Prepaid expenses and other assets	3,145,894	3,081,042
Beneficial interest in charitable remainder trusts	24,911	24,911
Fixed assets, net	391,615	1,024,741
Total assets	$ 50,874,216	$ 57,133,612

Liabilities and Net Assets

	2025	2024
Liabilities		
Accounts payable and accrued expenses	$ 2,334,615	$ 6,993,685
Research and training grants payable	178,924	1,079,496
Revolving line of credit	5,000,000	3,000,000
Term loan, net of unamortized debt issuance cost of $31,883 and $24,533, respectively	5,179,517	7,768,117
Operating lease liability	-	4,697
Deferred revenue	5,840,048	4,618,055
Pension and postretirement plan obligations	22,643,693	30,234,092
Total liabilities	41,176,797	53,698,142
Commitments and contingencies		
Net assets (deficit)		
Without donor restrictions	4,359,739	(1,508,923)
With donor restrictions	5,337,680	4,944,393
Total net assets	9,697,419	3,435,470
Total liabilities and net assets	$ 50,874,216	$ 57,133,612

See Notes to Financial Statements.

Muscular Dystrophy Association, Inc.

Statement of Activities
Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	Without donor restrictions	With donor restrictions	2025 Total	2024 Total
Revenue				
Public support				
Received directly				
Special events	$ 38,332,514	$ -	$ 38,332,514	$ 39,633,606
Less fund-raising direct benefit costs	(4,338,767)	-	(4,338,767)	(3,903,283)
Special events, net	33,993,747	-	33,993,747	35,730,323
Contributions	7,433,662	6,591,048	14,024,710	13,343,810
Total received directly	41,427,409	6,591,048	48,018,457	49,074,133
Received indirectly - combined federal campaign and combined health appeals	291,115	-	291,115	255,025
Total revenue from the public	41,718,524	6,591,048	48,309,572	49,329,158
Other revenue				
Sponsorships	4,118,995	-	4,118,995	3,266,168
In-kind donation	1,349,861	-	1,349,861	1,851,039
Interest income	153,233	-	153,233	221,039
Advertising	654,688	-	654,688	621,545
Revenue sharing agreements	6,063,508	-	6,063,508	771,785
Revenue from government awards	193,656	-	193,656	319,214
Total revenue	54,252,465	6,591,048	60,843,513	56,379,948
Net assets released from restrictions	6,213,120	(6,213,120)	-	-
Total revenue and support	60,465,585	377,928	60,843,513	56,379,948

Muscular Dystrophy Association, Inc.

Statement of Activities
Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	Without donor restrictions	With donor restrictions	2025 Total	2024 Total
Expenses				
Program services				
Patient and community services	21,282,645	-	21,282,645	23,151,392
Research	7,773,027	-	7,773,027	11,248,191
Professional public health education	14,531,610	-	14,531,610	14,520,030
Total program services	43,587,282	-	43,587,282	48,919,613
Supporting services				
Fundraising	15,106,276	-	15,106,276	14,920,486
Management and general	3,051,008	-	3,051,008	3,001,701
Total supporting services	18,157,284	-	18,157,284	17,922,187
Total expenses	61,744,566	-	61,744,566	66,841,800
(Decrease) increase in net assets from operations	(1,278,981)	377,928	(901,053)	(10,461,852)
Other nonoperating items				
Net investment return	4,182,635	15,359	4,197,994	5,223,199
Changes in unrecognized benefit plan costs	2,965,008	-	2,965,008	280,287
Total other gains	7,147,643	15,359	7,163,002	5,503,486
Change in net assets	5,868,662	393,287	6,261,949	(4,958,366)
Net assets (deficit), beginning of year	(1,508,923)	4,944,393	3,435,470	8,393,836
Net assets, end of year	$ 4,359,739	$ 5,337,680	$ 9,697,419	$ 3,435,470

See Notes to Financial Statements.

Muscular Dystrophy Association, Inc.

Statement of Functional Expenses
Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	Patient and Community Services	Research	Professional and Public Health Education	Total Program Services	Fundraising	Management and General	2025 Total	2024 Total
Salaries, Benefits, and Taxes	$ 10,832,056	$ 1,336,354	$ 6,610,178	$ 18,778,588	$ 9,019,361	$ 1,377,337	$ 29,175,286	$ 29,117,549
Awards, Grants, and Fellowships	-	5,985,361	-	5,985,361	-	-	5,985,361	8,658,097
Contract Services and Professional Fees	387,646	75,916	3,226,716	3,690,278	1,159,457	176,189	5,025,924	5,401,699
Disbursements made on behalf of Individuals	7,228,714	-	25,750	7,254,464	-	-	7,254,464	8,000,896
Indirect Event Expenses	748,456	-	748,456	1,496,912	1,984,278	-	3,481,190	4,114,790
Other Operating Expenses	380,496	24,435	1,105,732	1,510,663	649,415	236,021	2,396,099	2,214,876
Occupancy	64	-	-	64	28,014	73,313	101,391	177,527
Office Supplies and Equipment	630,964	105,621	289,415	1,026,000	774,104	787,493	2,587,597	3,021,222
Printing, Visual Aids, Etc.	5,047	-	378,547	383,594	502,278	1,083	886,955	981,130
Postage and Shipping	4,433	-	278,080	282,513	383,342	193,435	859,290	797,790
Telephone and Internet	17,403	870	6,671	24,944	31,035	7,541	63,520	90,479
Depreciation	535,102	-	-	535,102	-	122,316	657,418	645,340
Travel, Lodging, Conferences, and Meetings	512,264	244,470	1,862,065	2,618,799	574,992	76,280	3,270,071	3,620,405
Total	$ 21,282,645	$ 7,773,027	$ 14,531,610	$ 43,587,282	$ 15,106,276	$ 3,051,008	$ 61,744,566	$ 66,841,800

See Notes to Financial Statements.

Muscular Dystrophy Association, Inc.

Statement of Cash Flows
Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	2025	2024
Cash flows from operating activities		
Change in net assets	$ 6,261,949	$ (4,958,366)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Net realized gain on investments	(3,295,786)	(3,720,222)
Unrealized (gain) loss on investments	22,871	(371,709)
Depreciation	657,418	645,340
Right-of-use asset amortization	10,442	62,654
Amortization of debt issuance costs	11,400	7,650
Changes in recognized benefit plan costs	(4,623,746)	(5,576,819)
Changes in unrecognized benefit plan costs	(2,965,008)	(280,287)
Changes in assets and liabilities:		
Contributions receivable	39,949	(182,825)
Prepaid expenses and other assets	(64,852)	(628,915)
Accounts payable, accrued expenses, and deferred revenue	(3,437,077)	1,864,866
Operating lease liability	(4,697)	(73,056)
Research and training grants payable	(900,572)	(960,525)
Net cash used in operating activities	(8,287,709)	(14,172,214)
Cash flows from investing activities		
Proceeds from sale of investments	21,664,886	27,139,177
Purchases of investments	(9,600,778)	(17,263,698)
Purchases of fixed assets	(34,734)	(274,282)
Net cash provided by investing activities	12,029,374	9,601,197
Cash flows from financing activities		
Principal payments on term loan	(2,600,000)	(1,600,000)
Proceeds from revolving line of credit	5,000,000	3,000,000
Payoff of revolving line of credit	(3,000,000)	(3,000,000)
Proceeds from new term loan	-	3,000,000
Debt issuance costs paid	-	(15,000)
Net cash (used in) provided by financing activities	(600,000)	1,385,000
Net change in cash and cash equivalents	3,141,665	(3,186,017)
Cash, beginning of year	5,936,854	9,122,871
Cash, end of year	$ 9,078,519	$ 5,936,854

Muscular Dystrophy Association, Inc.

Statement of Cash Flows
Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	2025	2024
Supplemental disclosures for cash flow information:		
Cash paid for interest	$ 653,211	$ 535,654
Supplemental schedule of noncash activities:		
Decrease in investments	$ -	$ (300,000)

See Notes to Financial Statements.

Note 1 - Organization

Muscular Dystrophy Association, Inc. (the "Association") is a national nonprofit organization dedicated to advancing effective therapies and cures for children and adults living with neuromuscular disease. The Association collaborates with hundreds of top universities and healthcare organizations worldwide, funding research and programs to support people living with more than 300 known neuromuscular conditions. In addition to its pioneering contributions to neuromuscular medicine, the Association operates the country's only nationwide network of over 150 affiliated multidisciplinary care centers at top medical centers from coast to coast, which provide treatment and care to over 120,000 people living with neuromuscular disease each year. Additionally, the Association advocates for legislative and regulatory policies that empower their patient community and create a more inclusive world. The Association provides an abundance of live and multimedia-based educational and support services, including its globally recognized gene therapy resource center where families and physicians can interact with highly trained MDA staff for information and guidance on emerging therapies. In addition to community- and confidence-building programs like a fully accessible summer camp for children and teens, the Association sponsors the world's leading annual Clinical & Scientific Conference, convening the world's most prominent researchers and clinicians to discuss progress to ending neuromuscular disease. The Association relies primarily on individual contributions for funding.

Note 2 - Summary of significant accounting policies

Basis of presentation

The financial statements include the assets, liabilities, net assets and financial activities of the Association. The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP").

Use of estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

The Association considers all highly-liquid short-term investments with an original maturity date of three months or less from the date of purchase to be cash equivalents. At December 31, 2025 and 2024, the Association did not have cash equivalents.

Concentration of credit risk

Certain financial instruments, primarily cash, cash equivalents and investments, subject the Association to credit risk. The Association maintained noninterest-bearing cash balances at financial institutions in excess of the federally insured limits during 2025 and 2024; however, the Association has not experienced any losses in such accounts. As of December 31, 2025 and 2024, the Association had approximately $7,500,000 and $3,500,000 of cash in excess of federally insured limits.

Beneficial interest in charitable remainder trusts

The Association is the beneficiary under various irrevocable charitable remainder trusts for which it does not act as the trustee. The income is recognized when the Association has an irrevocable right to the gift and the proceeds are measurable and is included in contributions within the accompanying statements of activities. These consist primarily of irrevocable gifts to the Association through wills and bequests for which the cash has not yet been received. Beneficial interest in charitable remainder trusts is reported at the market value of the investments of the trust, as reported by the trustees, and adjusted based on the estimated life expectancy of the donor.

Contributions receivable

Certain unrelated organizations conduct fundraising programs on behalf of the Association, whereby they collect donations from their patrons and remit the proceeds to the Association. The Association records the amounts collected on behalf of the Association prior to year-end but not yet remitted to the Association until the subsequent period as contributions receivable.

Investments

Investments are reflected in the accompanying financial statements at fair value according to U.S. GAAP. All investment activity is reflected in the accompanying statement of activities as net investment return. Investments received as contributions are recorded at fair value at the date of receipt. Proceeds from the sale of donated securities are recorded at the time of sale.

Fixed assets

Fixed assets are carried at cost at the date of purchase or estimated fair value at date of donation. Depreciation is being calculated using the straight-line method over the estimated useful life of the assets. Amortization of leasehold improvements is provided over the lessor of the term of the respective lease or the estimated useful life of the improvements.

The estimated useful lives for each asset group are as follows:

	Estimated useful life	Method
Leasehold improvements	5 - 6 years	Straight-line
Furniture and equipment	3 - 7 years	Straight-line
Software	3 - 5 years	Straight-line

Net assets

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions using the following classifications:

<u>Without donor restrictions</u> - Represents unrestricted resources available for support of daily operations and contributions received with no donor restriction. The Board of Directors may designate certain net assets for a particular function or activity.

With donor restrictions - Represents resources that are subject to restrictions imposed by the donor that will be met either by actions of the Association or the passage of time or are restricted to investments in perpetuity. When a donor restriction has been satisfied by incurred expenses consistent with the designated purpose, net assets with donor restrictions are reclassified to net assets without donor restrictions for reporting of related expenses.

Research and training grants payable

The Association awards research and training grants each year to physicians and scientists in the United States and abroad who are seeking the cause of, and cures or effective treatments for, the neuromuscular disorders covered by the Association's programs. These grants generally extend over a period of one to three years. The Association records the initial year's liability and corresponding expense for these grants after they have been recommended for approval by the Association's scientific or medical advisory committees and approved by the Board of Directors. Funding of the remaining committed future amounts of grants is contingent upon satisfactory scientific and/or medical review and availability of funds.

Functional expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of functional expenses. Included in each functional category are the expenses directly attributable to that functional area plus certain indirect or shared costs that have been allocated to the functional area. The allocated costs include field office and some executive salaries, benefits and operating expenses. The allocation was based on a time study that determined what percentage of time employees spend working within each functional area in addition to an allocation of expenses based on reporting from the accounting system.

Leases

The Association leases office space in one state. All contracts that implicitly or explicitly involved property, plant and equipment are evaluated to determine whether they are or contain a lease.

At lease commencement, the Association recognizes a lease liability, which is measured at the present value of future minimum lease payments, and a corresponding right-of-use asset equal to the lease liability, adjusted for any prepaid lease costs, initial direct costs and lease incentives. The Association has elected and applies the practical expedient to combine nonlease components with their related lease components and account for them as a single combined lease component for all its leases. The Association remeasures lease liabilities and related right-of-use assets whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such changes do not qualify to be accounted for as a separate contract.

In-kind contributions

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 4). The Association does not sell donated gifts-in-kind. Contributed goods are recorded at fair value at the date of donation.

Comparative Financial Information

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 Association's financial statements for the year ended December 31, 2024, from which the summarized information was derived. The Association's financial statements for the year ended December 31, 2024, audit report dated April 23, 2025, expressed an unmodified opinion on those statements.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Note 3 - Revenue recognition

The Muscular Dystrophy Association recognizes revenue from exchange transactions in accordance with ASC Topic 606, Revenue from Contracts with Customers. Exchange revenue primarily consists of special events, sponsorships, revenue sharing arrangements, and advertising revenue, in which the Association provides goods or services to a customer in return for consideration. Revenue is recognized when control of the promised goods or services is transferred to the customer, in an amount that reflects the consideration the Association expects to receive.

Special events

Special events revenue is recorded at the excess of fair value over the direct benefits received by the donor as contribution income when the event takes place. All revenue is recognized upon completion of an event.

Special event revenue reported in the statement of activities includes gross receipts generated from these fundraising events including contributions received in connection with such events.

Sponsorships

The Association receives sponsorship revenue in connection with fundraising events and program-related activities. Sponsorship payments that include commensurate value to the sponsor, such as advertising, promotional benefits, or other measurable goods or services, are accounted for as exchange transactions and recognized as revenue when the related benefits are delivered.

Revenue Sharing Arrangements

Revenue recognized in connection with revenue sharing arrangements represents the Association's allocable share of amount earned pursuant to contractual agreements with third parties. Such revenue is recognized when earned and determinable and when collection is reasonably assured.

Advertising

Each advertising agreement is treated as a single contract and performance obligation. The performance obligation is considered satisfied and the resulting revenue from advertising fees recognized at a point in time in the period the advertisement is published.

Revenue from contributions and grants, including unconditional promises to give, which are nonexchange transactions, is accounted for in accordance with ASC Topic 958, Not-for-Profit Entities.

Contributions
The Association recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - 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. Amounts received for future periods are recorded as deferred revenue.

Contributions are recorded as either with donor restriction or without donor restriction. Contributions are recognized as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. Contributions received with no donor stipulations are recorded as contributions without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as contribution without donor restrictions.

Federal campaign and combined health appeals
Transactions from third-party employee contribution programs are recorded as federal campaign and combined health appeals. Donations are recorded at the time of receipt.

Revenue from government awards
Revenue from governmental contracts and grants are conditional upon certain performance requirements and the incurrence of allowable qualifying expenses. At December 31, 2025 and 2024, there are no conditional contributions that have not been recognized.

Note 4 - In-kind contributions

During the year ended December 31, 2025, the Association received in-kind contributions consisting of goods and services. These contributions have been recorded at their estimated fair value at the time of donation and are included in the accompanying financial statements as both revenue and expenses or assets, as applicable.

The in-kind contributions consisted of the following:

	2025	2024
Donated advertising services	$ 717,011	$ 1,153,500
Donated auction items	271,859	641,539
Donated professional services	315,820	56,000
Donated equipment	45,171	-
Total In-kind donations	$ 1,349,861	$ 1,851,039

Advertising services, auction items, and professional services were valued using estimated average US prices of identical or comparable offerings using pricing data under a "like-kind" methodology. None of the in-kind contributions carried donor-imposed restrictions. The Association only used those services for its own program or supporting service use.

The Association recognizes contributed services if they create or enhance nonfinancial assets or require specialized skills that would otherwise be purchased. Donated goods are recorded as contributions at fair value on the date of receipt.

Note 5 - Availability and liquidity

As of December 31, 2025 and 2024, the Association has financial assets available to meet annual operating needs for the fiscal year as follows:

	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	$ 9,078,519	$ 5,936,854
Investments	35,497,958	44,290,796
Contributions receivable	2,735,319	2,775,268
Total financial assets	47,311,796	53,002,918
Less amounts not available to be used within one year		
Net assets with donor restrictions	(5,337,680)	(4,944,393)
Financial assets available to meet general expenditures within one year	$ 41,974,116	$ 48,058,525

Liquidity management

The Association’s primary sources of liquidity consist of cash and investments. The Association manages its liquidity by maintaining sufficient liquid assets to meet ongoing operational needs and by utilizing its available revolving line of credit, if necessary. Net assets with donor restrictions are not available for general operating purposes until the related donor restrictions have been satisfied.

The Association maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Association invests cash in excess of daily requirements in short-term investments and money market funds.

As more fully described in Note 12, the Association has a $5,000,000 revolving credit facility, along with two term loan facilities. In the event of an unanticipated liquidity need, the Association's ability to withdraw will be upon the available balance of the line of credit and term loan facilities.

Note 6 - Contribution receivable

Contributions receivable are expected to be received in the following periods at December 31:

	2025	2024
Unconditional pledges		
Less than one year	$ 1,989,044	$ 1,601,493
One to five years	752,500	1,130,000
More than five years	-	50,000
	2,741,544	2,781,493
Less: allowance for uncollectibility	(6,225)	(6,225)
Total	$ 2,735,319	$ 2,775,268

As of December 31, 2025 and 2024, an outstanding pledge from two donors represented 20 and 41 percent of the Association's gross pledges.

Note 7 - Investments

Fair value measurements

The Association values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, which are described below:

Level 1 - Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3 - Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Association utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers counterparty credit risk in its assessment of fair value. There have been no changes in valuation techniques used during 2025 and 2024.

Cash equivalents, fixed income, equities, real estate funds and preferred stock, are valued using market prices on active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Beneficial interest in charitable remainder trusts is designated as a Level 3 instrument primarily because observable inputs are not readily available for their allocated portions of the portfolios. The fair value of the Association's share of the trusts is based on the values of the underlying investments in the trusts, which are established by the trustees using market values for identical assets in an active market for similar assets. The trustees provide the Association with investment statements and valuations of its portion of the trusts at year-end. These are evaluated annually by the Association.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall within the lowest level input that is significant to the fair value measurement in its entirety.

In a prior year, the Association converted its $1,000,000 receivable with AavantiBio, a biotechnology company committed to developing new gene therapies, into preferred stock valued at $1,074,301. The preferred stock did not carry interest and included a cumulative dividend of 8%. During the year ended December 31, 2022, the investment was considered a research grant as it became apparent that no further advancements were going to be made. During the year ended December 31, 2022, AavantiBio was sold to a publicly traded company called Solid Biosciences Inc. The Association's investment balance of $1,074,301 was converted to stock in Solid Biosciences Inc. During 2022, the Association recorded the loss of $998,088 as a nonformal grant. As of December 31, 2025 and 2024, the investment value in Solid Biosciences Inc. was $76,213.

During the year ended December 31, 2022, the Association invested $650,000 in exchange for 448,740 shares of preferred stock in Myosana Therapeutics, Inc., a company leading the efforts in developing new gene therapies that will slow skeletal muscle degeneration and heart failure. Investing in developing therapies have unpredictable scientific and financial outcomes, and the investment in Myosana Therapeutics, Inc. without a readily determinable fair value was recorded at cost, less impairment of $650,000, which at December 31, 2025 and 2024 results in a $0 net investment value, respectively.

In a prior year, the Association invested $300,000, followed by an additional $300,000 investment during the year ended December 31, 2024, for the future right to certain shares of the Capital Stock (Common or Preferred Stock) in Pathmaker Neurosystems Inc., which is a near-commercial stage neuromodulation company developing breakthrough noninvasive systems for the treatment of people with serious neurological disorders such as stroke and amyotrophic lateral sclerosis (ALS). Investing in developing therapies have unpredictable scientific and financial outcomes, and the investment in Pathmaker Neurosystems Inc. without a readily determinable fair value was recorded at cost, less impairment of $600,000, which at December 31, 2025 and 2024, results in a $0 net investment value, respectively.

Financial assets carried at fair value at December 31, 2025 are classified in the table below in one of the categories described above:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash equivalents	$ 92,594	$ -	$ -	$ 92,594
Fixed income:				
U.S. treasury notes	25,423	-	-	25,423
Developed bonds	213,221	-	-	213,221
Mutual funds	5,869,381	-	-	5,869,381
Equities:				
Mutual funds	25,267,794	-	-	25,267,794
Hedge funds	3,931,483	-	-	3,931,483
Real Assets:				
Real asset funds	21,849	-	-	21,849
Preferred stock:				
Solid Biosciences, Inc.	76,213	-	-	76,213
Subtotal	35,497,958	-	-	35,497,958
Beneficial interest in charitable remainder trusts	-	-	24,911	24,911
Total	$ 35,497,958	$ -	$ 24,911	$ 35,522,869

Financial assets carried at fair value at December 31, 2024 are classified in the table below in one of the categories described above:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Fixed income:				
U.S. treasury notes	$ 24,582	$ -	$ -	$ 24,582
Mutual funds	6,720,473	-	-	6,720,473
Equities:				
Mutual funds	33,176,348	-	-	33,176,348
Hedge funds	4,293,180	-	-	4,293,180
Preferred stock:				
Solid Biosciences, Inc.	76,213	-	-	76,213
Subtotal	44,290,796	-	-	44,290,796
Beneficial interest in charitable remainder trusts	-	-	24,911	24,911
Total	$ 44,290,796	$ -	$ 24,911	$ 44,315,707

Note 8 - Revenue Sharing Arrangements

Prior to December 31, 2024, the Association awarded research grants to various unrelated parties. Certain of these grant agreements included revenue sharing arrangements pursuant to which any revenue generated from resulting intellectual property or research outputs is allocated between the Association and the respective grantee based on contractually agreed upon terms. During the years December 31, 2025 and 2024, the Association received $6,063,508 and $771,785, respectively.

Note 9 - Fixed assets

Fixed assets are comprised of the following as of December 31, 2025 and 2024:

	2025	2024
Furniture and equipment	$ 364,076	$ 329,343
Neuromuscular Observational Research (MOVR) data hub	2,675,510	2,675,510
Software	2,557,947	2,557,947
Subtotal	5,597,533	5,562,800
Accumulated depreciation	(5,205,918)	(4,548,501)
Nonlease property, plant, and equipment, net	391,615	1,014,299
Operating lease right-of-use assets	-	10,442
Net	$ 391,615	$ 1,024,741

Depreciation expense for the years ended December 31, 2025 and 2024 totaled $657,418 and $645,340, respectively.

Note 10 - Operating leases

The Association had various noncancellable operating leases for the office space for its field offices in various cities nationwide. Rent expense was $11,479 and $75,441 for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, the operating leases expired and there are no future payments.

Supplemental cash flow information related to the Association's operating leases for the years ended December 31, 2025 and 2024:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities	$ 11,479	$ 68,730

Weighted average remaining lease term and weighted average incremental borrowing rates for the Association's leases as of December 31, 2025 and 2024:

	2025	2024
Weighted average remaining term (in years)	-	0.20
Weighted average incremental borrowing rate	5.50%	5.50%

Note 11 - Allocation of joint costs

Costs incurred for informational materials and activities that include fundraising appeals are allocated to program and supporting services based upon the content of the materials or activities, the audience to whom the materials and activities are addressed, and the reasons for distributing the materials or conducting the activities.

Joint costs are allocated in the following manner for the years ended December 31, 2025 and 2024:

	2025	2024
Professional and public health education	$ 605,131	$ 666,468
Fundraising	907,697	999,702
Total	$ 1,512,828	$ 1,666,170

Note 12 - Line of credit and term loan

During the year ended December 31, 2024, the Association repaid the outstanding balance on the revolving line of credit and secured a $5,000,000 revolving credit facility. The facility bears interest at BSBY one-month index plus a 0.85% spread, with rates of 4.72% and 5.91% as of December 31, 2025 and 2024, respectively. Repayments are interest-only, with the full principal due at maturity on September 30, 2027. The line of credit agreement contains various restrictive financial and nonfinancial covenants. At December 31, 2025 and 2024, the line of credit balance was $5,000,000 and $3,000,000, respectively. The line of credit is secured by the Association's marketable securities.

The Association also has an $8,000,000 term loan with a 5.5% interest rate, maturing on September 30, 2027. Additionally, on September 30, 2024, the Association entered into a new $3,000,000 term loan, which was used to fully repay the previous revolving credit facility. The new term loan bears interest at 5.25% and matures on September 30, 2027. At December 31, 2025 and 2024, approximately $5,200,000 and $7,800,000 was outstanding and $653,211 and $535,654 of interest expense was incurred, respectively. The loans are secured by the Association's marketable securities.

Annual payments on the line of credit and term loan through December 31, 2027 are as follows:

Year ending December 31, 2026	$ 2,600,000
2027	7,600,000
Total	$ 10,200,000

Note 13 - Employee benefit plans

The Association has a noncontributory defined benefit retirement plan (the "Plan") covering all employees hired prior to April 1, 2006, and who have been employed by the Association for more than one year. Pension costs are generally funded at the amount recommended by the Association's actuaries. Benefits to retirees are based on a percentage of their annual compensation for each year of service prior to retirement. As of December 31, 2010, the Association froze benefit accruals in the retirement plan to fully vested participants.

On April 1, 2006, the Muscular Dystrophy Association, Inc. Savings Plan ("Savings Plan"), a 403(b) Employee Retirement Income Security Act of 1974 qualifying plan, was established. Eligibility to participate in the Savings Plan is immediate and 100% of the value of the pretax matching contributions is vested immediately. The employer contributions made during the years ended December 31, 2025 and 2024 were $445,694 and $428,411, respectively.

Life insurance coverage is continued during retirement at an amount equal to the lesser of $25,000 or the retiree's annual salary. Upon reaching the age of 70, this benefit is reduced by 50% to a maximum of $12,500. Postretirement benefits are funded as incurred. Subsequent to December 31, 2016, the Association terminated the retiree life insurance program for postretirement benefits effective June 30, 2017, such that effective July 1, 2017, the Association will no longer provide life insurance coverage to former employees.

The following table sets forth the Plan's change in the benefit obligation at December 31, 2025 and 2024 as follows:

	2025	2024
Benefit obligation at beginning of the year	$ 110,589,617	$ 116,959,120
Interest cost	5,748,063	5,856,099
Actuarial loss (gain)	3,261,801	(3,821,727)
Benefits paid	(8,466,229)	(8,403,875)
Benefit obligation at end of year	$ 111,133,252	$ 110,589,617

The pension benefits' actuarial loss for the year ended December 31, 2025 is due to a lower discount rate.

The pension benefits' actuarial gain for the year ended December 31, 2024 is due to a higher discount rate.

The accumulated benefit obligation at December 31, 2025 and 2024 was $111,133,252 and $110,589,617, respectively.
The aggregate amount recognized in net periodic pension expense during the years ended December 31, 2025 and 2024 amounted to $2,945,664 and $2,862,445, respectively.

The components of the net periodic benefit are as follows:

	2025	2024
Interest cost on projected benefit obligations	$ 5,748,063	$ 5,856,099
Expected return on plan assets	(5,369,097)	(5,516,979)
Amortization of net loss	2,566,698	2,523,325
Net periodic pension expense	$ 2,945,664	$ 2,862,445

Assumptions used to determine the funded status for the years ended December 31, 2025 and 2024, were as follows:

	2025	2024
Discount rate	5.48%	5.69%

Assumptions used to determine net periodic benefit cost for the years ended December 31, 2025 and 2024, were as follows:

	2025	2024
Discount rate	5.68%	5.25%
Expected return on assets	5.90%	5.90%

During 2025 and 2024, the Association elected to use the "spot rate" methodology to determine the interest cost components of net periodic benefit cost. Under this method, the Association selects a yield curve, not a discount rate for measuring benefits' obligations.

The following sets forth the unfunded status at December 31, 2025 and 2024:

	2025	2024
Plan assets at fair value, primarily invested in stocks and bonds	$ 88,489,559	$ 80,355,525
Projected benefit obligation	(111,133,252)	(110,589,617)
Unfunded status recognized in the statement of financial position	$ (22,643,693)	$ (30,234,092)

For the year ended December 31, 2025, pension and postretirement benefits paid were $8,466,229 and pension and postretirement contributions were $4,623,746. For the year ended December 31, 2024, pension and postretirement benefits paid were $8,403,875 and pension and postretirement contributions were $5,576,819. The expected employer contribution for the 2026 plan year for pension and postretirement benefits is $5,400,000. The following future benefits are expected to be paid through December 31, 2030 and thereafter:

Year ending December 31, 2026	$	8,477,772
2027		8,533,149
2028		8,443,283
2029		8,341,063
2030		8,276,342
Thereafter		40,091,537
Total	$	82,163,146

The expected long-term rate of return on asset assumptions is 5.90%; this assumption represents the rate of return on plan assets reflecting the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the benefit obligation. The assumption has been determined by reflecting expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and the historical rates of return for each individual asset class.

The primary investment objective is to achieve long-term capital appreciation, while reducing funded status volatility to the extent possible as a secondary objective. The Association's investment guideline calls for a long-term target of 75% of the portfolio in Growth assets, and 25% of the portfolio in Immunizing assets as of June 30, 2022. The Growth Portfolio includes allocations to public equity, core fixed income, noncore fixed income, real assets and tactical tilts. The Growth Portfolio and Immunizing Portfolio weights are subject to +/- 10% ranges at the total portfolio level.

The fair values of the pension plan assets, by the level of observable input and based on market approach, as of December 31, 2025, are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Interest-bearing cash equivalents	$ 4,995,835	$ -	$ -	$ 4,995,835
U.S. Treasury	2,053,233	-	-	2,053,233
Common stock:				
Mutual funds	53,253,847	-	-	53,253,847
Fixed income				
Mutual funds - balanced	7,491,880	-	-	7,491,880
Mutual funds - international	3,994,751	-	-	3,994,751
Mutual funds	16,700,013	-	-	16,700,013
Total	$ 88,489,559	$ -	$ -	$ 88,489,559

The fair values of the pension plan assets, by the level of observable input and based on market approach, as of December 31, 2024, are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Interest-bearing cash equivalents	$ 6,287,430	$ -	$ -	$ 6,287,430
Common stock:				
Mutual funds	47,814,205	-	-	47,814,205
Fixed income				
Mutual funds - balanced	6,808,856	-	-	6,808,856
Mutual funds - international	3,614,790	-	-	3,614,790
Mutual funds	15,830,244	-	-	15,830,244
Total	$ 80,355,525	$ -	$ -	$ 80,355,525

Note 14 - Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	2025	2024
Beneficial interest in charitable remainder trusts	$ 24,911	$ 24,911
Endowment	826,769	790,233
Subject to expenditures for specific purposes:		
Program expenses	3,746,262	3,404,870
Support the mission	68,783	68,783
Duchenne research	670,955	655,596
Total	$ 5,337,680	$ 4,944,393

Net assets of $6,213,120 and $4,666,182 were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors for the years ended December 31, 2025 and 2024, respectively.

Note 15 - Endowment net assets

The Association's endowment consists of one individual fund established to support Duchenne muscular dystrophy research that has been approved for funding by the Association. The endowment fund net assets as of December 31, 2025, and December 31, 2024, were $826,769 and $790,233, respectively.

The Association manages this endowment in accordance with the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). The Association has interpreted NYPMIFA as allowing it to appropriate for future expenditure or to accumulate so much of donor-restricted endowment funds as is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument and absent explicit donor stipulations to the contrary.

In compliance with NYPMIFA, the Association's Investment Committee adopted a revised statement of investment policies in 2024. The statement provides the Investment Committee with a framework to prudently manage and invest the Association's investment assets to further the Association's goals and mission. To this end, the Association has established the following as its key investment objectives: the prudent growth of principal, with the understanding that asset values will fluctuate with the capital markets over shorter term time periods; and the provision of a competitive total return consistent with historical capital market conditions and subject to risk tolerances and liquidity requirements.

Per the donor's designation, the Association is to disburse approximately 85% of annual net income of its endowed fund and the remaining 15% returns to principal. The endowment requires a minimum amount to be disbursed yearly, and as of December 31, 2025 and 2024, the Association made the required disbursement of $65,855 and $104,045, respectively. From inception through December 31, 2025 and 2024, the fund had cumulative earnings of $669,777 and $567,387, respectively, which have been made available for appropriation of endowment expenditures.

During 2025 and 2024, the Association had the following endowment-related activities:

	Without donor restrictions	With donor restrictions	Total endowment
Endowment net assets, January 1, 2024	$ -	$ 816,802	$ 816,802
Net appreciation (depreciation) (realized and unrealized)	-	77,476	77,476
Appropriation of endowment assets for expenditure	-	(104,045)	(104,045)
Total change in endowment net assets	-	(26,569)	(26,569)
Endowment net assets, December 31, 2024	-	790,233	790,233
Net appreciation (depreciation) (realized and unrealized)	-	102,391	102,391
Appropriation of endowment assets for expenditure	-	(65,855)	(65,855)
Total change in endowment net assets	-	36,536	36,536
Endowment net assets, December 31, 2025	$ -	$ 826,769	$ 826,769

Note 16 - Commitments and contingencies

Litigation

In the normal course of business, the Association is occasionally named as a defendant in various claims. It is the opinion of management that the outcome of any pending claims will not materially affect the operation or the financial position of the Association.

Contingency for research and training grants

The Association is contingently committed to providing research and training grants. As of December 31, 2025 and 2024, the Association has paid $6,893,248 and $9,370,105, respectively, in research and training grants.

Future research and training grants are subject to conditions to be met by grantees, and therefore, are not reflected in grant expenses as of December 31, 2025. The future research and training grant commitments as of December 31, 2025:

Year ending December 31, 2026	$	6,779,648
2027		4,945,944
2028		1,304,664
2029		159,733
Total	$	13,189,989

Note 17 - Income taxes

The Association is a nonprofit organization and is exempt from taxation under IRC Section 501(c)(3) and New York Codes, Rules, and Regulations (NCRR20 Section 1-3.4(b)(6)).

U.S. GAAP provides 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 that all of the positions taken by the Association in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Association's returns for years ended December 31, 2025, 2024, 2023, 2022 are open for examination by federal and state taxing authorities, which generally is for three years after they are filed. If applicable, the Association would recognize interest and penalties associated with tax matters as part of general and administrative expenses and would include accrued interest and penalties in accrued expenses. Management has analyzed the tax positions taken by the Association and has concluded that, as of December 31, 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Note 18 - Charitable gift annuities

Gift annuities require an annuity to be paid to the donor or the donor's beneficiary over the beneficiary's lifetime. The annuity payments are funded by the donated assets, with the remainder becoming a gift to the Association. The actuary determined liability is recorded based on the terms of the gift, and the difference between the present value of the estimated liability and the fair value of the gift is recognized as revenue at the time of the gift. At December 31, 2025 and 2024, the gift annuity balance is $1,196,354 and $1,113,843, respectively, and is included within investments in the accompanying statements of financial position. At December 31, 2025 and 2024, the actuarially determined liability is $335,921 and $357,850, respectively, and is included in accounts payable and accrued expenses within the accompanying statements of financial position. The Association utilizes the Internal Revenue Service 2000 Mortality Table and market-based interest rates for the development of the liabilities. The Association maintains assets sufficient to meet the annuity requirements stipulated by the various state laws.

Note 19 - Subsequent events

The Association evaluated subsequent events through May 14, 2026, the date the financial statements were available to be issued. The Association is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

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