

Financial Statements for

**THE ORTHOTICS AND PROSTHETICS FOUNDATION
FOR EDUCATION AND RESEARCH**

Year Ended December 31, 2024

With Independent Auditor's Report

**THE ORTHOTICS AND PROSTHETICS FOUNDATION
FOR EDUCATION AND RESEARCH
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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The Orthotics and Prosthetics Foundation
for Education and Research

Opinion

We have audited the accompanying financial statements of The Orthotics and Prosthetics Foundation for Education and Research (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 financial statements referred to above present fairly, in all material respects, the financial position of The Orthotics and Prosthetics Foundation for Education and Research as of December 31, 2024, 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 The Orthotics and Prosthetics Foundation for Education and Research 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 The Orthotics and Prosthetics Foundation for Education and Research's ability to continue as a going concern within 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 Orthotics and Prosthetics Foundation for Education and Research's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of the 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Orthotics and Prosthetics Foundation for Education and Research'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.

Dean Dotson Allen Ford, PLLC

Indianapolis, Indiana
July 25, 2025

**THE ORTHOTICS AND PROSTHETICS FOUNDATION
FOR EDUCATION AND RESEARCH
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024**

ASSETS

Cash	\$	167,273
Unconditional Promises to Give		715,067
Prepaid Expenses		28,344
Investments		<u>2,225,679</u>
Total Assets	\$	<u><u>3,136,363</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable	\$	10,769
Grants Payable		24,993
Accrued Liabilities		<u>1,200</u>
 Total Liabilities		 <u>36,962</u>

Net Assets

Without Donor Restrictions		2,080,187
With Donor Restrictions		<u>1,019,214</u>
 Total Net Assets		 <u>3,099,401</u>
 Total Liabilities and Net Assets	 \$	 <u><u>3,136,363</u></u>

See accompanying notes.

**THE ORTHOTICS AND PROSTHETICS FOUNDATION
FOR EDUCATION AND RESEARCH
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Donations and Grants	\$ 1,720,344	\$ 1,067,567	\$ 2,787,911
Net Investment Return	74,384	18,056	92,440
Miscellaneous Income	638	-	638
	<hr/>	<hr/>	<hr/>
Total Revenue, Support, and Gains	1,795,366	1,085,623	2,880,989
Net Assets Released from Restriction	<hr/>	<hr/>	<hr/>
	395,296	(395,296)	-
	<hr/>	<hr/>	<hr/>
Total Revenue, Support, Gains, and Reclassifications	2,190,662	690,327	2,880,989
	<hr/>	<hr/>	<hr/>
Expenses			
Program Services	440,586	-	440,586
Management and General	66,984	-	66,984
Fundraising	15,789	-	15,789
	<hr/>	<hr/>	<hr/>
Total Expenses	523,359	-	523,359
	<hr/>	<hr/>	<hr/>
Change in Net Assets	1,667,303	690,327	2,357,630
Net Assets, Beginning of Year	<hr/>	<hr/>	<hr/>
	412,884	328,887	741,771
	<hr/>	<hr/>	<hr/>
Net Assets, End of Year	\$ 2,080,187	\$ 1,019,214	\$ 3,099,401
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes.

**THE ORTHOTICS AND PROSTHETICS FOUNDATION
FOR EDUCATION AND RESEARCH
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Benefits	\$ 25,262	\$ 22,104	\$ 15,789	\$ 63,155
Grants and Awards	407,455	-	-	407,455
Professional Fees	-	21,376	-	21,376
Conference	4,444	-	-	4,444
Office Expenses	-	2,117	-	2,117
Software	-	1,984	-	1,984
Travel	-	5,078	-	5,078
Insurance	-	1,570	-	1,570
Dues and Subscriptions	-	11,937	-	11,937
Advertising and Marketing	3,425	-	-	3,425
Other	-	818	-	818
Total Expenses by Function	\$ <u>440,586</u>	\$ <u>66,984</u>	\$ <u>15,789</u>	\$ <u>523,359</u>

See accompanying notes.

**THE ORTHOTICS AND PROSTHETICS FOUNDATION
FOR EDUCATION AND RESEARCH
STATEMENT OF CASH FLOWS
DECEMBER 31, 2024**

Cash Flows from Operating Activities	
Change in Net Assets	\$ 2,357,630
Reconciliation of Change in Net Assets with Cash Flows from Operations	
Net Investment Return	(92,440)
Contributed Stock	(1,500,000)
Changes in Operating Assets and Liabilities	
Unconditional Promises to Give	(715,067)
Prepaid Expenses	(17,950)
Accounts Payable	10,769
Grants Payable	24,993
Accrued Liabilities	<u>1,200</u>
Net Cash Provided by Operating Activities	69,135
Cash Flows from Investing Activities	
Proceeds from Sales of Operating Investments	<u>35,301</u>
Net Change in Cash	104,436
Cash, Beginning of Year	<u>62,837</u>
Cash, End of Year	<u><u>\$ 167,273</u></u>

See accompanying notes.

**THE ORTHOTICS AND PROSTHETICS FOUNDATION
FOR EDUCATION AND RESEARCH
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Orthotics and Prosthetics Foundation for Education and Research (the Organization) is a nonprofit, public charity organization established to advance education, clinical practice and the impact of research in the Orthotics and Prosthetics (O&P) profession. The Organization promotes and advances clinically relevant research in O&P through the development of evidence-based research priorities and competitive grants to support researchers of all stages. The Organization seeks to increase professional awareness and assist clinician shortages through scholarship opportunities for students currently attending or entering O&P clinician, assistant, and technician education programs. Professional development scholarships are made available to O&P educators to enhance the quality and impact of O&P professional practice. The Organization's overarching goal is to work collaboratively with O&P stakeholders to drive the advancements necessary across the domains of education and research to improve patient outcomes, increase care quality and enhance the value of O&P care amid the evolving healthcare landscape.

The Institute's viability is dependent on the success of program services and securing grants and contributions from donors.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Certain estimates relate to unsettled transactions and events as of the date of the financial statements. Other estimates relate to assumptions about the ongoing operations and may impact future periods. Accordingly, upon settlement, actual results may differ from estimated amounts.

Promises to Give

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. Based on these criteria, no allowance for uncollectable promises to give has been provided at December 31, 2024 since the Organization does not expect any material losses.

Investments

Investments if purchased are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less any external and direct internal investment expenses. Cash equivalents, and other securities and investments held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to \$500,000 of protection for each brokerage account with a limit of \$250,000 for claims of uninvested cash balances. The SIPC insurance does not protect against market losses on investments.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-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.

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, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, unconditional grant, or notification of a beneficial interest is received. Conditional promises to give and grants, 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 substantially met.

Advertising Costs

The Organization expenses the cost of advertising when incurred.

Functional Allocation of Expenses

The costs of programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include personnel expenses which are allocated on the basis of estimates of time and effort.

Income Tax Status

The Orthotics and Prosthetics Foundation for Education and Research is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to the Internal Revenue Code.

The Organization has adopted the provisions of the accounting pronouncement related to accounting for uncertainty in income taxes. The Organization recognized no interest or penalties in the statements of activities for the year ended December 31, 2024. If the situation arose in which the Organization would have interest to recognize, it would recognize this as interest expense and penalties would be recognized in other expenses. Currently, the prior three years are open under federal and state statute of limitations and remain subject to review and change. The Organization is not currently under audit, nor has the Organization been contacted by these jurisdictions.

Based on the evaluation of the Organization's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended December 31, 2024.

Subsequent Events

The Organization has evaluated subsequent events through July 25, 2025, which is the date the financial statements were available to be issued.

**THE ORTHOTICS AND PROSTHETICS FOUNDATION
FOR EDUCATION AND RESEARCH**

NOTE 2 - LIQUIDITY

Financial assets available for general use and without donor or other restrictions or designations limiting their use, within one year of the statements of financial position were comprised of the following:

		December 31, 2024
Cash	\$	167,273
Promises to Give, Current Unrestricted Portion		150,000
Investments		<u>2,225,679</u>
 Total Financial Assets		 2,542,952
 Less Amounts Not Available to be Used for General Operations Within One Year		
Net Assets with Donor Restrictions		<u>304,147</u>
 Total Financial Assets Available	 \$	 <u><u>2,238,805</u></u>

The Organization is funded primarily through donations. As part of the Organization's liquidity management, the Organization invests cash in excess of operating requirements in short-term money market funds.

NOTE 3 - CASH AND CASH FLOWS

At various times throughout the year, the Organization may have cash and cash equivalents in financial institutions in excess of insured limits. The Federal Deposit Insurance Corporation (FDIC) insures account balances up to \$250,000 for each business depositor.

For the purposes of the statement of cash flows, cash and cash equivalents include cash held in checking and money market accounts.

NOTE 4 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give were as follows:

Amounts Promised		
Within One Year	\$	200,000
In One to Five Years		600,000
 Less: Present Value Discount		 <u>84,933</u>
 Unconditional Promises to Give	 \$	 <u><u>715,067</u></u>

NOTE 5 - INVESTMENTS

Investments consisted of the following:

	December 31, 2024
Cash and Cash Equivalents	\$ 289,808
Mutual Funds	497,603
Exchange Traded Funds	1,438,268
Total Investments	\$ 2,225,679

NOTE 6 - FAIR VALUE MEASUREMENTS

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

LEVEL 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

LEVEL 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

LEVEL 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodology used for marketable securities measured at fair value. There have been no changes in the methodology used for the year ended December 31, 2024.

Mutual Funds (including Exchange-Traded Funds) – Valued at the daily closing price as reported by the fund. Funds held by the Organization are open-end funds that are registered with the SEC. These funds are required to publish their daily net asset value and to transact at that price. These funds held by the Organization are deemed to be actively traded.

The preceding method described may provide a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Organization's investments were valued at Level 1 at December 31, 2024.

Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credits risks. Due to the level of risks 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 change could materially affect account balances and amounts reported in the statements of financial position.

**THE ORTHOTICS AND PROSTHETICS FOUNDATION
FOR EDUCATION AND RESEARCH**

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with donor restrictions are restricted as follows:

	<u>December 31, 2024</u>
Subject to Expenditure for Specified Purpose	
Scholarships - Thranhard Fund	\$ 103,159
Scholarships - Haddon Fund	85,255
Scholarships - Changon Fund	40,765
Awards - Tamarack Fund	42,365
Awards - Fillauer Fund	20,713
Awards - Doctoral Training	11,890
Programming - Unconditional Promise to Give	<u>431,910</u>
	<u>736,057</u>
Subject to the Passage of Time	
Unconditional Promise to Give	<u>283,157</u>
 Total Net Assets with Donor Restrictions	 <u><u>\$ 1,019,214</u></u>

NOTE 8 - AFFILIATE ORGANIZATIONS & CONCENTRATIONS

Affiliates are groups that, prior to October 1, 2024, held restricted Board of Director seats at the Organization and provide in kind, financial, and/or material support to the Organization. The Organization held six total restricted seats for its organizational affiliates until October 1, 2024, there were two restricted Board seats for the American Academy of Orthotists and Prosthetists (“AAOP”); two for the American Board for Certification in Orthotics, Prosthetics and Pedorthics (“ABC”); and two for the American Orthotic & Prosthetic Association (“AOPA”). On October 1, 2024, the Organization amended and restated their bylaws to exclude the requirement to reserve Board of Director seats for the Affiliates.

As of and for the year ended December 31, 2024, donations from one affiliate organization (AOPA) accounted for 100% of total unconditional promises to give, while donations from two affiliates (AOPA and ABC) represented 87% of total contribution revenue.

