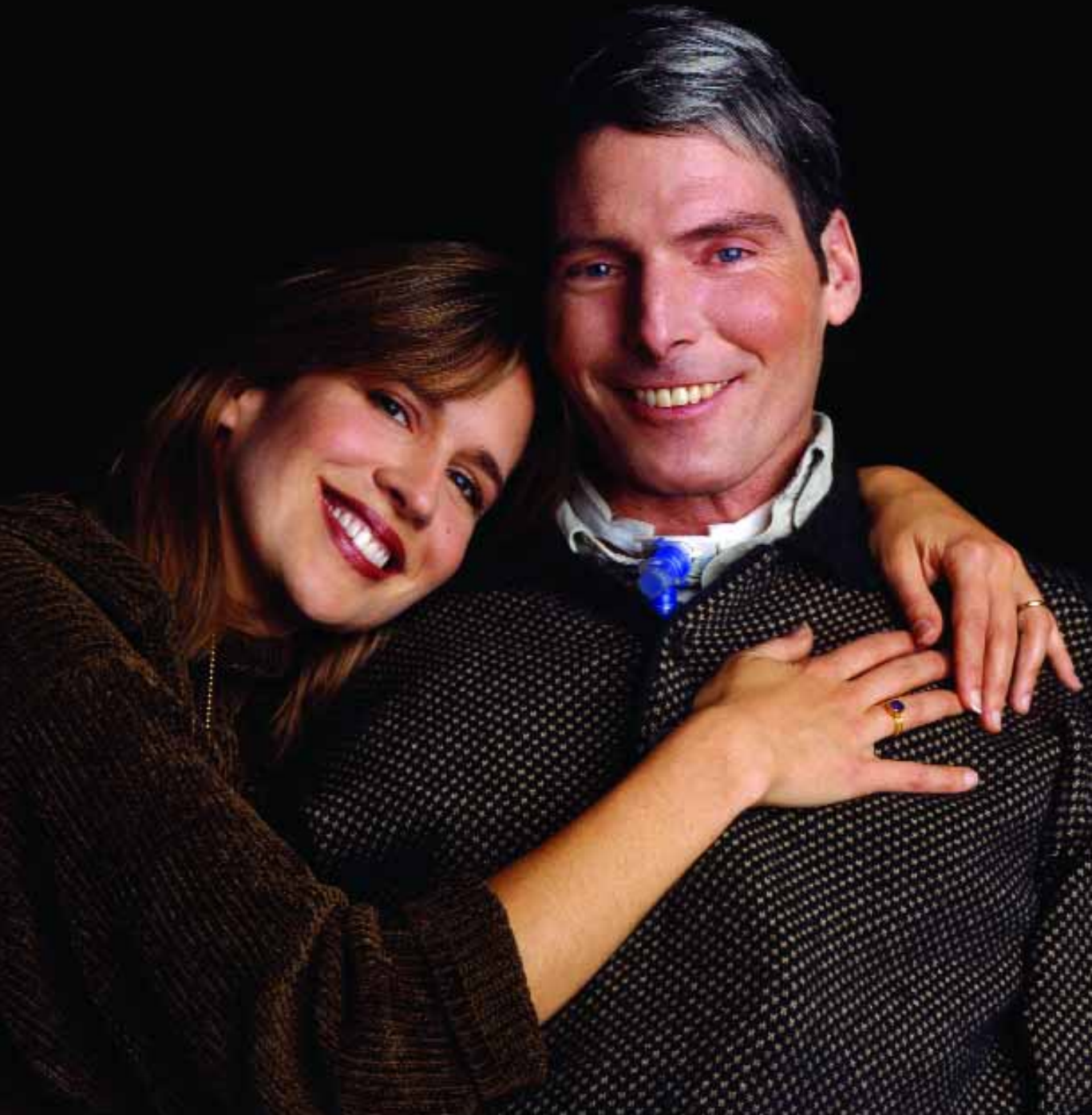


# *Go Forward.*

2006 Annual Results





**In 2006, we were honored to name  
CRISTINA CARLINO the first recipient  
of The Dana Reeve HOPE Award**

The award honors someone who, like Dana, faces life with grace and fortitude, someone who inspires us by giving selflessly and expecting the same from others. A person dedicated to perpetuating the hope that Dana brought to the world and who is a source of support and guidance to the Christopher and Dana Reeve Foundation.

Cristina, a long-time friend to CDRF, embodies all of those qualities.

In 1995, as she was launching a new business, *philosophy*, she learned of Christopher's accident and felt an immediate and unexplainable call to respond. She decided that charitable efforts would be a cornerstone of the company's mission and the inspiration for messages on its products. When a friend introduced her to the Reeves, she remembers an "instant meeting of the hearts."

*philosophy* could not be a more appropriate name for this special company. Several of its products have been created to honor Christopher and Dana's dreams, and profits from those products are donated to CDRF.

In 2006 Cristina unveiled *inner grace*, a shower gel to inspire inner peace and celebrate Dana Reeve, who will be forever admired, says Cristina, for "contagious light, laughter, and love."



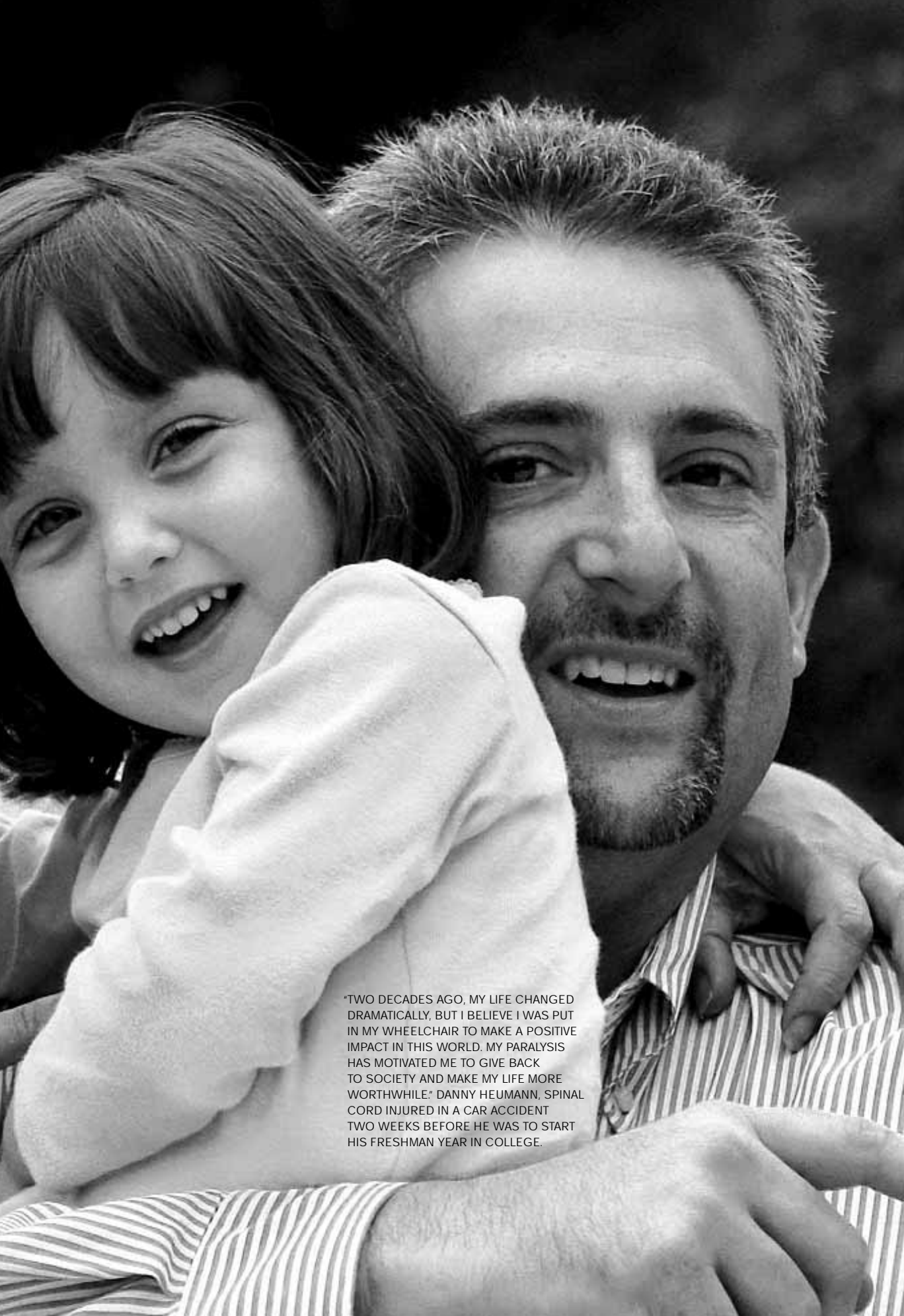


## Christopher and Dana Reeve Foundation

The Christopher and Dana Reeve Foundation is dedicated to curing spinal cord injury by funding innovative research, and improving the quality of life for people living with paralysis through grants, information and advocacy.

### 2006 Annual Report

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"TWO DECADES AGO, MY LIFE CHANGED DRAMATICALLY, BUT I BELIEVE I WAS PUT IN MY WHEELCHAIR TO MAKE A POSITIVE IMPACT IN THIS WORLD. MY PARALYSIS HAS MOTIVATED ME TO GIVE BACK TO SOCIETY AND MAKE MY LIFE MORE WORTHWHILE." DANNY HEUMANN, SPINAL CORD INJURED IN A CAR ACCIDENT TWO WEEKS BEFORE HE WAS TO START HIS FRESHMAN YEAR IN COLLEGE.



**SHORTLY BEFORE SHE PASSED AWAY, DANA ASKED ME TO TAKE OVER AS CHAIR** of the remarkable organization that

she and Christopher founded. I did not replace her... no one could. Dana left such an enduring legacy of care and Chris such a strong tradition of research for a cure, that our mission was incredibly clear despite the fact that we lost both of them way too soon.

There are no better guides for our journey. So it was natural to change the name of the organization to affirm our dual objectives of cure and care. We operate under the banner of the Christopher and Dana Reeve Foundation. We do so with pride.

In our constant search for the cure, there is much cause for excitement. In laboratories and rehabilitation facilities all over the world we are gaining ground. At long last we are seeing paralyzed individuals regaining function from activity-based rehabilitation therapies we have championed. And we are funding a network of centers preparing to take the crucial and exciting step of commencing human clinical trials. While there is still so much work to do, we all have plenty to be excited about... solutions are within our grasp.

The funds you donate also help us provide care and nurturing for millions of people around the world through our Paralysis Resource Center and Quality of Life Grants. These grants were a passion of Dana's and she would be proud of what is being accomplished.

We continue to advocate in Washington for greater funding and for the rights of individuals and their families who are dealing with paralysis every day. So despite all of the truly outstanding progress made in Chris and Dana's name, we still need your help.

You have my promise that we are meticulous about investing the funds you grant us towards optimum results. The trade offs can be complicated and the judgment calls close.

But you will see miraculous progress in these pages. And you know that in the world of research, it can take 20 years to become an overnight success. So we temper our enthusiasm and keep our eyes focused on the horizon.

We still have miles to go, and these results are just the beginning.

Warmly,

A handwritten signature in black ink, appearing to read "Peter D. Kiernan III". The signature is fluid and cursive, with a long horizontal stroke at the end.

Peter D. Kiernan III, *Chairman, Board of Directors*



**OUR FOUNDATION FAMILY** had to catch its breath over the past year. None of us could have imagined the sense of loss following Dana's death.

Yet this experience revealed some remarkable things about the Reeve legacy and about this organization. Just like Christopher, Dana let a genie out of the bottle. There is no stopping what they started.

To paraphrase my colleague Peter Kiernan, the scientific results we witnessed in 2006 are spectacular beginnings – true precursors to the cures that Christopher imagined. Similarly, the level of public support that we received was no short-term expression of condolence, but rather a resounding vote of confidence in our mission – proof of the respect and attention that Dana demanded and won for those living with paralysis.

The members of Team Reeve, who braved the ING New York City Marathon, raised more money per participant than any other charity in 2006. A Magical Evening was another fundraising success. A host of long-time friends held record-breaking events in support of CDRE. *Good Morning America* devoted a lengthy segment to our groundbreaking NeuroRecovery Network. Our advocacy network attracted more people willing to speak out for science, quality of life, and hope. In October in Christopher's honor, members of the Student Society for Stem Cell Research held "Nothing is Impossible" candlelight vigils on college campuses across the country. The list goes on and on.

We will continue to drive our scientists' results to the finish line. We will continue Christopher's challenge that science move faster, but with the same tried and true approach that is now beginning to yield significant results. We will continue to raise global consciousness about paralysis. And we are not alone. We were uplifted in 2006 because the chorus of people helping us in this quest gets louder and stronger every year.

Sincerely,

A handwritten signature in dark ink, reading "Peter T. Wilderotter". The signature is fluid and cursive, with a large initial "P" and "W".

Peter T. Wilderotter, *President*

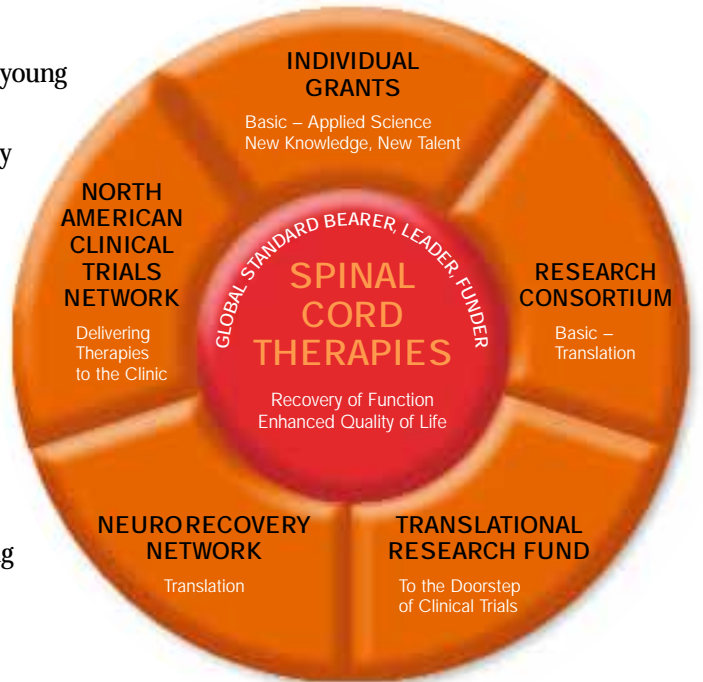


SIX YEAR OLD TWINS  
RYAN AND ALEX PITTS.  
ALEX SUFFERED A C6-C7  
COMPLETE SPINAL CORD  
INJURY DURING BIRTH.

# RESEARCH

CDRF will always champion talented young investigators and seasoned veterans pursuing novel ideas at the laboratory bench. We are also committed to nurturing their promising ideas for as long as it takes, over every hurdle, in order to transform their basic “discovery science” into results at the patient’s bedside.

To drive this “bench-to-bedside” progress, we have five programs that create a dynamic research continuum. For all programs, funding decisions are guided by panels of distinguished scientists.



## *CDRF Individual Research Grants*

### THE MISSION: CAST A WIDE NET

Individual grants are CDRF’s largest research program, the means by which we encourage new talent and ideas related to the spectrum of spinal cord injury and the many dysfunctions it causes, such as loss of bowel, bladder, and sexual control, pain, and spasticity. Over the life of this program, we have funded 544 labs worldwide with more than \$39 million to address such issues as neuroprotection, regeneration, growth inhibition, remyelination, axon guidance, rehabilitation, cell transplantation, and synapse formation.

### THE RESULTS: THE BUILDING BLOCKS OF SPINAL CORD SCIENCE

These investments are now bearing fruit that has been years in the making.

Among the numerous examples are the discoveries that:

- ▶ Neurons (nerve cells) can re-grow their axons (long fibers that link the cord nerves to parts of the body) if the unforgiving environment of the central nervous system is changed
- ▶ Understanding the scarring process at the molecular level sheds light on why scars act as physical and chemical roadblocks to regeneration
- ▶ Certain kinds of repetitive exercise can re-teach the spinal cord below an injury to control standing and stepping without input from the brain.

# The International Research Consortium

## THE MISSION: PURSUE A MULTI-DISCIPLINARY, COLLABORATIVE APPROACH TO SPINAL CORD REPAIR

The seven Principal Investigators in our Consortium are committed to an ambitious, dynamic research model that leverages their varied expertise and perspectives to examine combinations of potential interventions for spinal cord injury. To facilitate their research, each laboratory has at least one post-doctoral fellow (most have more) dedicated to Consortium projects, and CDRF has established key core laboratories at UC-Irvine and The Salk Institute.

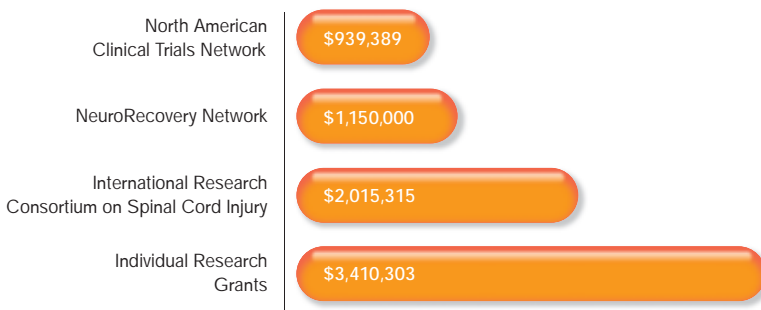
## THE RESULTS: A SYSTEMATIC EXPLORATION OF COMBINATIONS OF THERAPIES FOR SPINAL CORD REPAIR

This blending of disciplines and talents has yielded new discoveries and insights that would not necessarily have been possible from any single laboratory. All have high potential for human application.

Among many accomplishments in 2006, our Consortium:

- ▶ Engaged in 24 collaborative projects related to tissue repair, neuron activation and regeneration, inhibition of cord proteins that shut down regeneration, and physical therapy and training
- ▶ Had 23 CDRF-cited journal articles published
- ▶ Participated with members of CDRF's North American Clinical Trials Network in an international workshop to address challenges inherent in translating potential therapies to the clinic.

## 2006 Research Funding Breakdown



## 2006 International Research Consortium on Spinal Cord Injury

Mary Bartlett Bunge, Ph.D.  
The Miami Project to Cure Paralysis  
Miami, FL

V. Reggie Edgerton, Ph.D.  
University of California  
Los Angeles, CA

James W. Fawcett, Ph.D.  
University of Cambridge  
Cambridge, UK

Fred H. Gage, Ph.D.  
The Salk Institute  
La Jolla, CA

Lorne M. Mendell, Ph.D.  
State University of New York  
Stony Brook, NY

Luis F. Parada, Ph.D.  
UT Southwestern  
Medical Center  
Dallas, TX

Martin E. Schwab, Ph.D.  
University of Zurich  
Zurich, Switzerland

## Consortium Advisory Panel

Albert J. Aguayo, M.D.  
Director, Center for Research in Neuroscience  
Montreal General Hospital  
Montreal, Quebec, Canada

Robert G. Grossman, M.D.  
Chairman, Department of Neurosurgery  
The Methodist Hospital  
Houston, TX

Guy M. McKhann, M.D.  
Johns Hopkins University  
The Zanvyl Krieger Mind/Brain Institute  
Baltimore, MD

Charles Tator, M.D., Ph.D.  
Professor of Neurosurgery  
University of Toronto  
Toronto Western Hospital  
Toronto, Ontario, Canada

# RESEARCH

## *The North American Clinical Trials Network (NACTN)*

### **THE MISSION: BUILD CLINICAL TRIAL INFRASTRUCTURE FOR SPINAL CORD INJURY**

CDRF created NACTN to move therapies for spinal cord injury from the laboratory to clinical trials with maximum safety to patients. It includes an expanding database of spinal cord injured people and a network of institutions committed to developing and using the same sets of assessment protocols.

### **THE RESULTS: PEOPLE, PLACES, AND PROTOCOLS AT THE READY**

Now, a common framework exists for clinical trial design and analysis. When researchers get the go-ahead for human trials, they can turn to the NACTN database to find appropriate subjects, and carry out those trials at NACTN sites where standardized protocols can deliver incontrovertible evidence of subjects' pre-trial and post-trial function. In this ongoing effort, the network:

- ▶ Enrolled its first database patient in 2005, and by year-end 2006 had registered more than 120 subjects
- ▶ Received a \$2.5 million contract from the US Department of Defense to expand its work to military and selected civilian hospitals
- ▶ Is working with a similar European clinical trials network to validate GRASSP (Graded, Refined Assessment of Strength, Sensibility, and Prehension), a more sensitive measure of hand function in individuals living with quadriplegia
- ▶ Began planning for a 2007 Phase I trial of a neuroprotective agent.



### **NACTN Centers**

The Methodist Hospital  
Houston, TX  
Robert G. Grossman, M.D.

University of Texas  
School of Public Health  
Houston, TX  
Biostatistics and Data  
Management Center  
for NACTN  
Ralph Frankowski, Ph.D.

University of Texas  
Health Science Center  
Houston, TX  
John W. Crommett, M.D.

University of Toronto  
Toronto, Ontario, Canada  
Michael G. Fehlings, M.D., Ph.D.  
Charles Tator, M.D.

Northwestern University,  
Rehabilitation Institute  
of Chicago  
Chicago, IL  
David Chen, M.D.  
William Zev Rymer, M.D., Ph.D.

University of Virginia  
Charlottesville, VA  
John Jane, M.D., Ph.D.  
Christopher Shaffrey, M.D.

University of Louisville  
Louisville, KY  
Susan Harkema, Ph.D.  
Christopher Shields, M.D.

University of Maryland  
Medical System  
Baltimore, MD  
Bizhan Aarabi, M.D.

## Translational Research Fund

### THE MISSION: MOVE EVIDENCE-BASED INTERVENTIONS TO THE DOORSTEP OF CLINICAL TRIALS

Translational Research Fund grants provide the final, added boost that some scientists need to translate their work to clinical trials. They carefully target mature projects that present a high likelihood of producing measurable improvements in the functioning of spinal cord injured individuals.

### THE RESULTS: INSURANCE FOR THE FINAL LEG OF THE CONTINUUM

CDRF is committed to ensuring that promising interventions do not stall on the way to patients because of lack of funds. A noteworthy example in 2006 was:

- ▶ Continuation of a multi-year grant to Dr. Stephen S. Strittmatter of Yale University. Dr. Strittmatter is developing a multi-drug therapy to shut down the spinal cord's inhibitory proteins, and promote axon (nerve fiber) sprouting. The grant is allowing him to continue testing this combinatorial treatment in rodent models to ascertain the most efficacious cocktail of drugs.

### Allocation of Funds devoted to Research and Research Infrastructure



# RESEARCH

## *The NeuroRecovery Network (NRN)*

### THE MISSION: DEVELOP AND EXPAND ACCESS TO ACTIVITY-BASED THERAPIES

The NRN is a perfect example of basic science being translated to the clinic and changing lives. Funded by CDRF through a cooperative agreement with the Centers for Disease Control and Prevention, it is a network of cutting-edge rehabilitation centers whose staffs have been trained in intensive activity-based treatments.

The Locomotor Training that NRN centers are now deploying is the result of research that CDRF began supporting decades ago. This program, currently working with individuals who have incomplete cervical and thoracic injuries, involves suspending patients in harnesses over treadmills while therapists move their legs to simulate walking.

### THE RESULTS: IMPROVED HEALTH, QUALITY OF LIFE AND FUNCTION

Participants, whose progress is compiled in a network-wide database, are experiencing a range of impressive results, including: recovered ability to stand and step; improved trunk stability; improved cardiovascular, pulmonary, and bladder function; and increased bone density. Efforts in 2006 to grow this exciting program included:

- ▶ Having more than 100 patients engaged in Locomotor Training
- ▶ Adding two new centers, for a total of seven
- ▶ Training 72 clinicians from seven other institutions about the science behind activity-based therapy and Locomotor Training
- ▶ Initiating plans to expand the network faster by adapting its deployment model via existing community-based rehabilitation centers and health/wellness clinics.

MEMBERS OF THE CDRF  
NEURORECOVERY NETWORK  
DELIVERING ACTIVITY-BASED  
THERAPY TO A PATIENT.



### NeuroRecovery Network Centers

Susan Harkema, Ph.D.  
NRN Director  
University of Louisville

Boston Medical Center  
Boston, MA

Frazier Rehab Institute  
Louisville, KY


The Institute for  
Rehabilitation and  
Research  
Houston, TX

Kessler Medical  
Rehabilitation Research  
and Education Center/  
Kessler Institute for  
Rehabilitation  
West Orange, NJ

Magee Rehabilitation  
Hospital  
Philadelphia, PA

Ohio State University  
Medical Center - Dodd Hall  
Columbus, OH

Shepherd Center  
Atlanta, GA



CHASE FORD, 3 YEARS OLD,  
WALKING THANKS TO  
INTENSIVE TRAINING IN  
CDRF'S NEURORECOVERY  
NETWORK.

# CHRISTOPHER AND DANA REEVE PARALYSIS RESOURCE CENTER

Dana Reeve never forgot the panic that grips a family in the throes of a spinal cord injury. From that insight came this uplifting result.

The Paralysis Resource Center (PRC) is the place where real people are on the other end of the phone or computer with the information and compassion that those affected by paralysis, caregivers, and family members need at every stage of their experience. There is no other place like it in the world. By year-end 2006, after just five years:

- ▶ PRC counselors had assisted 30,000 people from every continent, over the phone and through email
- ▶ Its newly-expanded library of 16 educational streaming videos had received more than 50,000 views
- ▶ It had distributed, free-of-charge, more than 49,000 English copies and more than 9,000 Spanish copies of its *Paralysis Resource Guide*
- ▶ Its website had received over 15 million hits from nearly 1.5 million unique visitors, and had a fresh design featuring easier navigation, instructions on hands-free computer use, links to more resources, and a “New Paralysis Toolkit” for the newly injured.



\*PRC is funded through a cooperative agreement with the Centers for Disease Control and Prevention. (Award no. U10-CCU220379)

In 2006, the PRC also laid the groundwork for a military outreach program for injured Iraq war veterans, and found more ways to spread hope through its Quality of Life Grants, Multicultural Outreach Program, and new CarePages.

### **QUALITY OF LIFE GRANTS**

Since this program's 1999 inception, a total of \$9.4 million has been awarded to over 1,100 creative programs and projects that improve life for people coping with paralysis. Grants are awarded twice annually in thirteen categories. Among the hundreds of beneficiaries in 2006 were:

- ▶ Adventure and sports programs including horseback riding, fishing, SCUBA diving, basketball, sailing, curling, a project to adapt a portion of the Appalachian Trail, and Able Flight, a program created by pilots to bring the life-changing experience of flight to individuals with spinal cord injuries
- ▶ Ramp-building and other construction projects, including a Habitat for Humanity accessible home in Matthews, North Carolina
- ▶ The Dancing Wheels after-school movement class, and many other arts and theater programs
- ▶ Organizations to expand employment opportunities for people with disabilities
- ▶ Programs to expand access to assistive technology, including special computer equipment for those with severe spinal cord injuries
- ▶ Many other pioneering outreach efforts, notably Canine Partners for Life, and Miracle Flights for Kids, a nonprofit that allies with pilots, commercial airlines, and sponsors to fly children to and from treatments as many times as needed.



QUALITY OF LIFE GRANTS FUND SERVICES AND ACTIVITIES SO THAT PEOPLE LIVING WITH PARALYSIS CAN PARTICIPATE IN ALL AREAS OF LIFE.

## MULTICULTURAL OUTREACH

The PRC realized that few inquiries were coming from minority populations, although spinal cord injuries were increasing among these groups. Therefore, in 2005, the PRC launched a Multicultural Outreach Program, enlisting the help of celebrity ambassadors and more than a dozen partner organizations to reach the Hispanic, African-American, Asian-American/Pacific Islander, and Native American communities. In 2006, those efforts already began to show impressive results. For example:

- ▶ Actor Wilmer Valderrama, best known for his role in the hit TV series *That 70's Show*, became a PRC ambassador to connect with young people particularly in the Hispanic community. Among his appearances was a visit to Rancho Los Amigos National Rehabilitation Center, Downey, California, where he spoke with patients and joined in a wheelchair basketball game.
- ▶ Vietnamese-American actor Dustin Nguyen and his wife Angela, who sustained a C4-C5 spinal cord injury, held a press briefing in Los Angeles that attracted significant print and broadcast coverage targeted to the Asian-American community.
- ▶ Specially targeted events and press briefings generated an increase in contact with the PRC from minority communities, with the greatest increase coming from Hispanic callers.

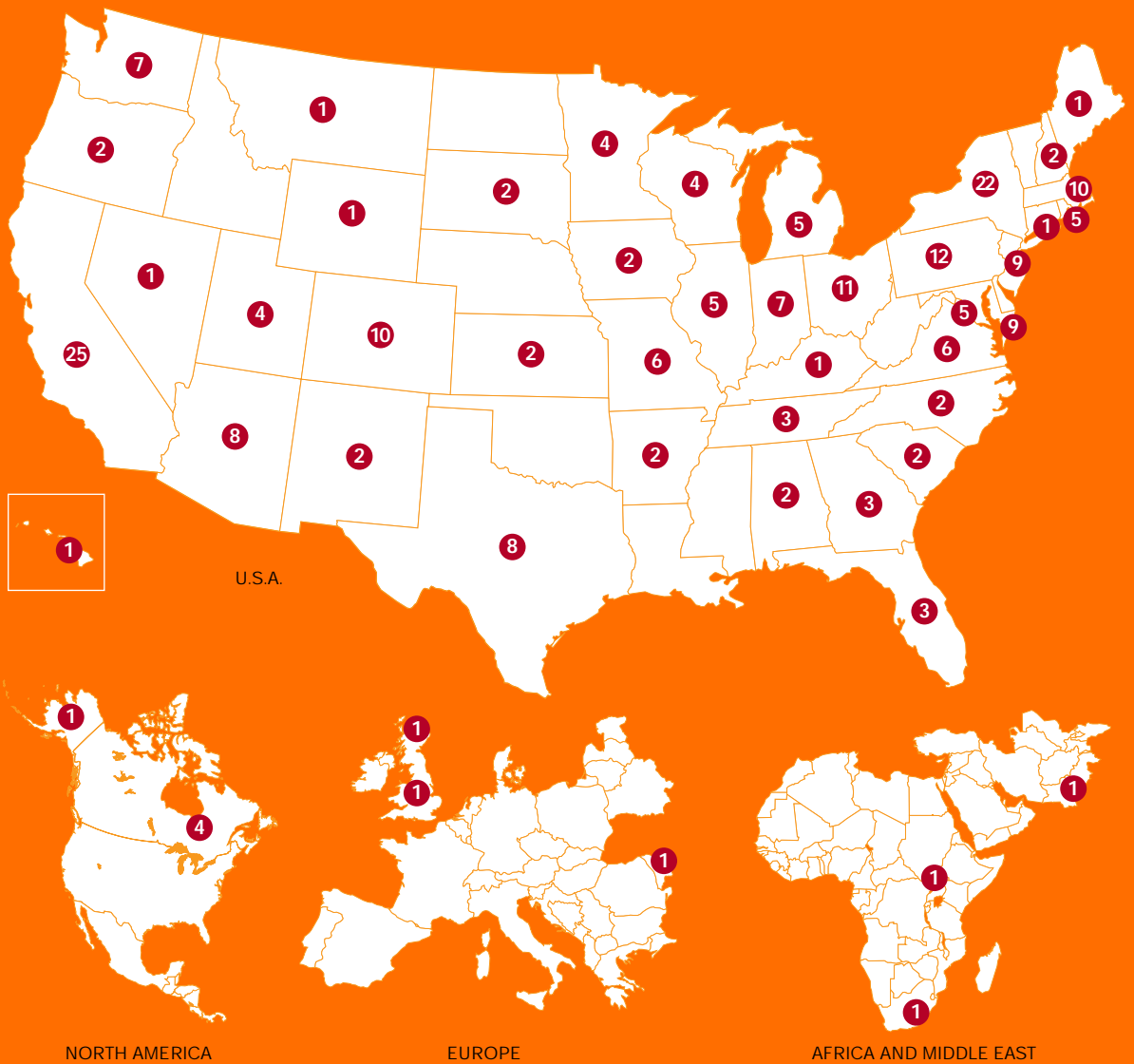
## CAREPAGES

The PRC now enables individuals to use its website to set up free, private web pages to help family and friends stay in touch before, during, and after hospitalization. Users can easily share information, update many people simultaneously, post up to 52 photos, invite and monitor visitors, and post messages on their private message boards.



CDRF AMBASSADOR WILMER VALDERRAMA VISITS THE RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER AND PARTICIPATES IN A BASKETBALL GAME WITH MEMBERS OF THE RENEGADES.

## 2006 QUALITY OF LIFE GRANTS



State	# of Grants	State	# of Grants	State	# of Grants	Country	# of Grants
Alabama	2	Kansas	2	North Carolina	2	INTERNATIONAL	
Alaska	1	Kentucky	1	Ohio	11	Canada	4
Arizona	8	Maine	1	Oregon	2	England	1
Arkansas	2	Maryland	9	Pennsylvania	12	Pakistan	1
California	25	Massachusetts	10	Rhode Island	5	Republica Moldova	1
Colorado	10	Michigan	5	South Carolina	2	Scotland	1
Connecticut	1	Minnesota	4	South Dakota	2	South Africa	1
DC	5	Missouri	6	Tennessee	3	Uganda	1
Florida	3	Montana	1	Texas	8		
Georgia	3	Nevada	1	Utah	4	Total Grants	
Hawaii	1	New Hampshire	2	Virginia	6	Awarded in 2006:	<b>229</b>
Illinois	5	New Jersey	9	Washington	7	Total \$ Awarded in 2006:	<b>\$1,567,843</b>
Indiana	7	New Mexico	2	Wisconsin	4		
Iowa	2	New York	22	Wyoming	1		

# ADVOCACY

Our 2006 results prove how empowering hope can be. Tens of thousands of people answered our calls to action, and very special advocates stepped forward to speak out. Together, in a variety of ways, we made a difference and educated lawmakers to realize the vast returns that come from a national commitment to research, rehabilitation, disability rights, and quality of life.

## THE CDRF ACTION NETWORK

The CDRF website continued to evolve both as a premier information center and a hub for grassroots activism. Thousands registered online to use our links and “action tools,” received e-mail updates on legislation, and answered our alerts to contact members of Congress and join us in Washington. It is a passionate community that wants to keep abreast of government initiatives and make an impact.

## CDRF SPECIAL ADVOCATES

We are forever inspired by people who strive to channel their experiences with paralysis into action. Two advocates who made invaluable contributions to our 2006 results were Melissa Pitts and Carl Richards.

Six years ago, Melissa gave birth to twins Alex and Ryan. While Ryan was placed in her arms, Alex was rushed to intensive care. He suffered a C6-C7 complete spinal cord injury during delivery, and Melissa, a physical therapist, knew exactly what that meant. Alex has received multiple types of therapy, including activity-based therapy which Melissa has used with some of her own patients. Everyday, she sees the benefits it brings Alex in improved health and muscle mass, and credits CDRF for its widespread support of activity-based therapy and its efforts to train and encourage others to participate in its use. Melissa now eloquently argues in support of innovative interventions, and even produced a video appeal to President Bush.



ADVOCATE MELISSA PITTS  
WITH SONS RYAN AND ALEX.

CARL RICHARDS ATTENDING THE 2006  
WORKING 2 WALK RALLY IN WASHINGTON, D.C.

Carl's life also changed in an instant. The day he was to bring his wife and newborn daughter home from the hospital, he was working on a rooftop and fell 30 feet through a skylight. He was left living with quadriplegia. Given the gravity of his injuries and complications, doctors told him to "expect very little." Carl never gave up. After years of effort and an open mind toward the latest technologies, he now works as a stock trader and web designer; he raises awareness and communicates with people worldwide through his website; and he has traveled to Washington, D.C. to urge members of Congress to back spinal cord research and assistance.



Both Melissa and Carl have become tireless advocates for individuals living with paralysis. Both are active members of our Action Network and participants in our Washington rallies. No doubt Carl would agree with Melissa, who says, when Alex was born "everyone was afraid to use 'hope' as a word. I feel I can use 'hope' now."

## LEGISLATIVE RESULTS

Through the combined efforts of our advocates and professional lobbying arm, CDRF works to influence the legislative agenda. Among our 2006 achievements:

- ▶ We were instrumental in the passage of the Stem Cell Research Enhancement Act (HR 810) by the 109th Congress, which would have lifted some of the restrictions on current stem cell policy.
- ▶ The 2006 Working 2 Walk Symposium and Rally was the direct result of our network in action. Hosted by actress Susan Sarandon, this second annual "lobby day" drew more than 150 spinal cord patient-advocates to Washington, D.C. for an advocacy workshop, scientific meeting, and Capitol Hill rally. Participants also met with key lawmakers to urge passage of the bipartisan Christopher Reeve Paralysis Act.
- ▶ Thanks to Dana Reeve and CDRF's ongoing advocacy efforts, the Lifespan Respite Care Act was passed in the 109th Congress – a huge victory for family caregivers. Through competitive grants, the Act expands access to respite care, improves local coordination of services, and provides information on respite options and payment plans.

# SPECIAL EVENTS

CDRF acknowledges and thanks everyone around the country who have helped to raise the funds that sustain our mission. The following are just a few of those special events held in 2006.



## *Team Reeve* November 5, 2006

"Bigger and better" doesn't come close to celebrating the 2006 results from Team Reeve, our athletic fundraising program. Teammates participate in marathons, triathlons, cycling and adventure races throughout the U.S. to raise money and awareness for CDRF's spinal cord injury research and Quality of Life programs.

In only its second year, Team Reeve partnered with the Achilles Track Club to field participants in the 2006 ING New York City Marathon. Our intrepid competitors – who are spinal cord injured, acquainted with people affected by paralysis, or simply inspired by our mission – set a new bar for raising funds for CDRF.

All of our 20 Team Reeve runners completed this world-class event, raising an incredible \$120,000 for CDRF. Their achievement was a nearly five-fold increase over the total raised by our 2005 team and the most raised per participant for any other charity in 2006!

With their growing numbers and passion, everyone associated with Team Reeve truly embodies our drive to *Go Forward!*

ABOVE: DIANA TAYLOR.

BOTTOM LEFT TO RIGHT: TOM DEGRAAN, PETER WILDEROTTER, MARK ZENOBIA, HENRY STIFEL, MARK FRIESS, NIRAV SHAH.

OPPOSITE PAGE CLOCKWISE FROM TOP LEFT: BARBARA WALTERS, ALEXANDRA, WILL AND MATTHEW REEVE, HARVEY FIERSTEIN AND MERYL STREEP, *THE JERSEY BOYS*, PETER AND EADDO KIERNAN, NATHAN LANE, AND JENN GAMBATESE AND JOSH STRICKLAND FROM *TARZAN*.





## ***A Magical Evening*** November 6, 2006

A galaxy of stars and friends made *A Magical Evening 2006* a moving remembrance of Christopher and Dana, and, most importantly, an affirmation of the strength and momentum that CDRF carries into the future.

Hosted by Harvey Fierstein and Bebe Neuwirth, the event featured a video tribute to the Reeves introduced by Barbara Walters and a Broadway tribute by Donny Osmond and stars from *The Jersey Boys*, *The Times They Are A-Changin'*, and *Tarzan*. Other special guests included Meryl Streep, Nathan Lane and Joan Collins.

The evening continued to sparkle with the first Dana Reeve HOPE Award presented by Matthew, Alexandra, and Will Reeve to inspiring entrepreneur and CDRF friend Cristina Carlino. We also presented our Visionary Leadership Award to two very deserving individuals – Bruce C. Ratner, president and CEO of Forest City Ratner Companies, and The Honorable Thomas H. Kean, former governor of New Jersey and chairman of the Robert Wood Johnson Foundation.

Attendees also witnessed results before their eyes when three-year-old Chase Ford walked across the stage waving to the crowd. Eighteen months earlier, an accident paralyzed Chase from the neck down. Contributing to his astonishing recovery was his participation in CDRF's NeuroRecovery Network, which uses groundbreaking physical therapy to restore neural connections.

To paraphrase Alexandra Reeve, *A Magical Evening*, which raised \$2.5 million, confirmed CDRF's commitment to never rest, and to *Go Forward* with optimism to champion the work that Christopher and Dana pioneered.



# SPECIAL EVENTS



## ***Annual Orange County Fundraiser*** May 6, 2006

For the first time, the Orange County Chapter of CDRF held its annual fundraiser at the Marconi Automotive Museum in Tustin, California, home to a \$30 million car collection. Actor, writer, and musician Stephen Collins paid tribute to his friends Christopher and Dana, while guests raised over \$60,000 and mingled with CDRF Quality of Life Grant recipients.

## ***Summer Solstice Celebration in the Hamptons*** June 23, 2006

CDRF's second annual benefit at B. Smith's restaurant in Sag Harbor, New York, was filled with music, cocktails, and special guests, and raised \$100,000.

## ***Ricky James/Next Steps Foundation Golf Tournament*** September 21, 2006

Ricky, a rising star on the amateur motocross circuit, was paralyzed in an accident during a 2005 competition at the age of 16. Ricky has gone on to lead a fulfilling life and is determined to get back on his feet and his bike. To move that day closer, he generously donated \$45,000 to CDRF from his second annual golf fundraiser at the Trilogy Golf Club in Glen Ivy, California.

## ***Los Angeles Gala*** September 27, 2006

CDRF's second Los Angeles Gala was hosted by actor John Lithgow and raised \$300,000. Among the 300 guests were CDRF Board members Alexandra Reeve and Robin Williams, and actors Stephen Collins, Brandon Routh, and Wilmer Valderrama.

## ***A Step Toward Hope*** October 20, 2006

This second annual gala hosted by Miles Technologies of Moorestown, New Jersey, was held at the elegant Enterprise Center in Mount Laurel. New Jersey native Joe Piscopo and other area celebrities joined guests to pay tribute to Christopher and Dana Reeve and raised close to \$100,000.

## ***Life Rolls On Foundation – Jesse Billauer***

Jesse was a champion surfer when he suffered a C6 spinal cord injury while surfing at Zuma Beach, California. Through his Life Rolls On Foundation, he has been a tireless supporter of spinal cord research and an inspiration to everyone he meets, organizing events and fundraisers that bring people with and without disabilities together. In 2006, he donated \$50,000 to CDRF as a Gold Sponsor of our Los Angeles Gala.

## ***College Charity Bowl Foundation***

The College Charity Bowl Foundation (CCBF) was founded by the Sigma Nu Fraternity at the University of Mississippi, who in 1989 held the first "Charity Bowl" fundraising game to raise money for the care of Chucky Mullins, an Ole Miss defensive back who had become spinal cord injured during a football game. Although Chucky died in 1991 from complications related to his spinal cord injury, Sigma Nu has continued to hold this annual event to raise needed funds for spinal cord research. Since 2002 CDRF has been one of the beneficiaries of this event. In 2006, CCBF raised \$30,000 for CDRF, bringing its total support to the Foundation to over \$100,000.

OPPOSITE PAGE:

WILMER VALDERRAMA  
AND JESSE BILLAUER.

SMALL INSETS TOP TO  
BOTTOM: RICKY JAMES  
WITH FAMILY AND  
FRIENDS. THE STIFEL  
FAMILY. GUESTS ENJOY  
THE SILENT AUCTION AT  
THE ORANGE COUNTY  
FUNDRAISER.

# SPECIAL FRIENDS



"HE VOWED  
TO BE PART  
OF THE  
EFFORT  
TO CURE  
PARALYSIS"

## SCOTT REMINGTON

Scott is a woodsman, born and bred in the Adirondack region of upstate New York. In 1999, he was a 33-year-old logger and ambitious entrepreneur who had started his own company at the age of 28 and quickly gained a reputation as one of the most skilled woodsmen in the region. Few loggers matched Scott's ability to clear timber with so little impact on the surrounding forest. Scott says the forest is where he has always been most at home. He can look at any tree, name its species, and tell you what it would fetch on the market.

Then, on May 25, 1999, his life shattered, when the top of a tree – hanging in the canopy above – crashed down and slammed into him from behind.

It is a miracle that Scott lived, but the accident left him living with paraplegia. It is also a miracle that, after a grueling recovery, he was able to think beyond what was taken away and focus on others, especially children and those whose injuries have left them in far worse condition. When Scott returned from rehab, he vowed to be part of the effort to cure paralysis, and gathered his family and close friends to hold a benefit for CDRF. In 2006, for the seventh year in a row, Scott's benefit on the shores of Brant Lake in the heart of the Adirondack Mountains drew more than 500 guests. Raising over \$40,000, the annual community celebration brought Scott's total contribution to CDRF to nearly a quarter of a million dollars.



PHOTO BY PETE BANNAN

## KATIE SAMSON

A TV news reporter who interviewed Katie got it exactly right when he said, "You are an amazing person, you have taken adversity on head first." Katie is one of those rare people who, in the face of tragedy, refuses to look back. She was a star lacrosse player at Radnor High School outside Philadelphia and at Middlebury College where she helped to lead her team to two championships.

In January 2000, she suffered a severe spinal cord injury that left her paralyzed from the chest down, but she went on to graduate on the dean's list and earn an advanced degree at the University of Arizona. She also continues to coach lacrosse and compete in a variety of sports. Through her Katie Samson Foundation, she also raises money for and awareness about the need for spinal cord research, while sponsoring premier lacrosse competitions.

The annual Katie Samson Lacrosse Festival, run by volunteers from the Philadelphia-area lacrosse community, has earned a reputation as a premier lacrosse competition for boys and girls from public and private schools throughout the Mid-Atlantic region.

The 2006 event drew over 5,000 attendees and extensive media coverage. And from the proceeds, Katie donated \$40,000 to CDRF, bringing her total contribution to the Foundation to more than \$200,000.

## SAM SCHMIDT

It is no exaggeration to say that Sam was born to race. His father was a drag racing competitor and his family regularly attended racing events and worked on racecars. Sam began competing in motocross in Southern California at the age of five! He later moved on to the more traditional sports of football, basketball, and baseball, then earned both Bachelor and Master degrees in Business Administration at Pepperdine University and began climbing the corporate ladder for a hospital chain.

The racing bug, however, continued to bite. In his 20s, he began helping his uncle, a stock car racer, but couldn't resist the urge to get behind the wheel. In the 1990s, he left the corporate world and began competing in and winning Sports Car Club of America events across the US. In 1997, Sam accomplished his dream of driving in the Indy 500 by entering the Indy Racing League Series. He was victorious in the Vegas 500 in 1999, and heading toward the 2000 racing season when his life changed forever.

On January 6, 2000, during a practice round at the Walt Disney World Speedway, his car hit the wall. Sam was rendered a quadriplegic with a C3-C5 spinal cord injury. Thanks to his strong faith and the loving support of his family, friends, and the racing community, Sam realized how lucky he was to survive, and decided that his life had a larger purpose.

While still in the rehabilitation hospital, Sam along with some of his closest friends, formed the Sam Schmidt Paralysis Foundation. Over the years the Foundation's mission has evolved and now in addition to funding spinal cord research, it includes the highly acclaimed Day at the Races, which Sam personally hosts across the country to treat newly injured people to a day of camaraderie, motivational speakers, and the thrill of an Indy race event. The Foundation also provides college scholarships for individuals living with a spinal cord injury or paralysis, and works tirelessly in its advocacy efforts both locally and nationally on behalf of the paralysis community.

"SAM REALIZED HOW LUCKY HE WAS TO SURVIVE, AND DECIDED THAT HIS LIFE HAD A LARGER PURPOSE"

In those efforts, Sam formed a special bond with CDRF. He is an active supporter of CDRF's research programs, while CDRF has provided Quality of Life Grants to support Sam's Racing to Recovery events, including Sam Schmidt's Day at the Races.

Just 14 months after Sam's accident he founded Sam Schmidt Motorsports and began traveling the country, managing his own race team and pursuing his life long passion for competition. His reputation as a team owner and mentor to young drivers continues to reach new levels of success and his drivers have won Indy Pro Series Championships in 2004, 2006 and 2007.





# DONOR PROFILE

## AN INJURED NEPHEW'S COURAGE AND COMPASSION INSPIRE LONG-TERM GIFT TO CDRF

"One word – Michael."

When asked what motivated her late aunt, Margot Marx, to include the Christopher and Dana Reeve Foundation in her estate plans, Susanne Glazer instantly speaks of her late son, Michael Mandel. In a span of less than two years, Susanne's remarkable aunt and inspirational son passed away. They both lived incredibly full lives, and their legacies continue to have a profound impact on others.

Their family's story is a connection of dots, each as amazing as the next.

Susanne remembers the morning in 1978 she received that phone call, the one when she learned that her then 22 year-old son had been in an accident at the camp where he worked.

Right away, she understood. Michael's neck was broken. He couldn't move. But for the nearly thirty years during which Michael Mandel lived with quadriplegia, he was constantly on the move. Completing a second college degree. Becoming active in his St. Louis community. Helping others like him through a local independent living center. Spending time with friends and family, including his great-aunt, Margot.

Margot Marx was a woman ahead of her time. Margot worked in Manhattan's diamond district while Margot's sister, Susanne's mother, worked as a hat designer and maker. Many of Susanne's relatives had left Germany during or after World War II – including her father, a psychiatrist and neurologist who had endured several months in a concentration camp and later went on to work with veterans

In creating a charitable remainder trust to provide for Michael and Susanne, Margot wanted to do all she could to help her great-nephew and niece. Beyond their lifetimes, Margot and Michael both wanted to continue supporting research to find cures for spinal cord injury. Margot's trust names the Christopher and Dana Reeve Foundation as its residual beneficiary.

Though days and nights are difficult for Susanne, she takes comfort from knowing that the Christopher and Dana Reeve Foundation is carrying out the work that was so important to him. She also appreciates the outpouring of support she has received from friends of Michael, many of whom sent donations to CDRF in his memory.

As one of his former teachers wrote after Michael's death, "A friend of Michael's was a friend forever...His tragedy never changed who he was, a friend who cared deeply about others and sharing in their lives...Michael lived his life with great honesty, humor and compassion for others. It was a life well lived that contributed much to many."



MICHAEL MANDEL AND  
SUSANNE GLAZER



MARGOT MARX

FOR MORE INFORMATION  
ABOUT INCLUDING  
CDRF IN YOUR ESTATE  
PLAN OR MAKING A  
GIFT IN MEMORY OR  
HONOR OF A LOVED ONE,  
PLEASE CONTACT CDRF'S  
DEVELOPMENT OFFICE  
AT 800-225-0292 x7229

# FINANCIAL STATEMENTS CHRISTOPHER REEVE FOUNDATION

(FORMERLY CHRISTOPHER REEVE PARALYSIS FOUNDATION)

*Years ended December 31, 2006 and 2005*  
with Report of Independent Auditors

## *Report of Independent Auditors*

### **The Board of Directors Christopher Reeve Foundation**

We have audited the accompanying statements of financial position of Christopher Reeve Foundation as of December 31, 2006 and 2005, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Foundation's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Christopher Reeve Foundation at December 31, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

  
May 29, 2007

## Statements of Financial Position

	December 31	
	2006	2005
<b>Assets</b>		
Cash and cash equivalents	\$ 2,077,565	\$ 3,357,950
Investments (Note 2)	6,276,468	7,694,149
Contributions receivable, net of allowance (Note 3)	3,590,517	2,443,743
Grant receivable (Note 4)	1,650,584	820,199
Prepaid expenses	396,760	231,151
Security deposits and other	30,826	30,826
Fixed assets, net (Note 5)	213,679	282,387
<b>Total assets</b>	<b>\$ 14,236,399</b>	<b>\$ 14,860,405</b>
<b>Liabilities and net assets</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 168,104	\$ 540,679
Accrued liabilities	224,524	211,206
Research contracts payable (Note 6)	4,260,956	4,470,525
Quality of life and other grants payable (Note 6)	472,024	–
<b>Total liabilities</b>	<b>5,125,608</b>	<b>5,222,410</b>
<b>Net assets – unrestricted</b>	<b>9,110,791</b>	<b>9,637,995</b>
<b>Total liabilities and net assets</b>	<b>\$ 14,236,399</b>	<b>\$ 14,860,405</b>

See accompanying notes.

# Statements of Activities

	Year ended December 31	
	2006	2005
Revenues, gains and other support:		
Contributions <i>(Notes 3 and 7)</i>	\$ 11,056,266	\$ 10,893,914
Grant revenue <i>(Note 4)</i>	5,237,890	5,449,833
Investment income <i>(Note 2)</i>	747,086	383,021
Other income	–	34,667
Total revenues, gains and other support	17,041,242	16,761,435
Expenses:		
Program services:		
Research program <i>(Note 6)</i>	8,041,233	8,540,760
Public education	1,013,696	1,013,043
Quality of life <i>(Note 6)</i>	4,748,637	4,923,789
	13,803,566	14,477,592
Supporting services:		
Management and general <i>(Note 3)</i>	1,618,927	1,063,439
Fund raising <i>(Notes 7 and 8)</i>	2,145,953	2,046,833
	3,764,880	3,110,272
Total expenses	17,568,446	17,587,864
Decrease in net assets	(527,204)	(826,429)
Net assets – unrestricted at beginning of year	9,637,995	10,464,424
Net assets – unrestricted at end of year	\$ 9,110,791	\$ 9,637,995

See accompanying notes.

## Statements of Cash Flows

	Year ended December 31	
	2006	2005
<b>Cash flows used in operating activities</b>		
Change in unrestricted net assets	\$(527,204)	\$ (826,429)
Adjustments to reconcile change in unrestricted net assets to net cash used in operating activities:		
Provision for uncollectible pledges	500,000	–
Depreciation	107,290	132,900
Unrealized appreciation of investments	(496,924)	(70,388)
Increase in contributions receivable, net	(1,646,774)	(767,313)
(Increase) decrease in grant receivable	(830,385)	140,264
Increase in prepaid expenses and security deposits	(165,609)	(94,148)
Decrease in accounts payable and accrued liabilities	(359,257)	(6,495)
Decrease in research contracts payable	( 209,569)	(95,636)
Increase (decrease) in quality of life grants payable	472,024	(100,000)
<b>Net cash used in operating activities</b>	<b>(3,156,408)</b>	<b>(1,687,245)</b>
<b>Cash flows provided by investing activities</b>		
Purchases of investments	(2,243,415)	(733,944)
Proceeds from sale of investments	4,158,020	2,455,356
Purchase of fixed assets	(38,582)	(103,125)
<b>Net cash provided by investing activities</b>	<b>1,876,023</b>	<b>1,618,287</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,280,385)</b>	<b>(68,958)</b>
Cash and cash equivalents at beginning of year	3,357,950	3,426,908
<b>Cash and cash equivalents at end of year</b>	<b>\$ 2,077,565</b>	<b>\$ 3,357,950</b>

See accompanying notes.

# Statement of Functional Expenses

Year ended December 31, 2006 with Comparative Totals for 2005

	PROGRAM SERVICES				SUPPORTING SERVICES			TOTAL EXPENSES	
	Research Program	Public Education	Quality of Life	Total	Management & General	Fund Raising	Total	2006	2005
Salaries and wages	\$236,487	\$221,066	\$1,121,424	\$1,578,977	\$374,604	\$476,318	\$850,922	\$2,429,899	\$2,217,882
Outsourced personnel	–	–	9,210	9,210	–	–	–	9,210	–
Other employee benefits	25,211	25,530	271,387	320,128	39,901	50,758	90,659	410,787	378,784
Payroll taxes	13,092	12,228	112,721	138,041	20,720	26,349	47,069	185,110	186,942
Total salaries and related expenses	274,790	256,824	1,514,732	2,046,356	435,225	553,425	988,650	3,035,006	2,783,608
Research contracts and allocations	7,540,279	–	–	7,540,279	–	–	–	7,540,279	7,968,546
Quality of life, health promotion and other awards	–	–	1,712,417	1,712,417	–	–	–	1,712,417	1,793,714
Distance learning program	–	–	172,113	172,113	–	–	–	172,113	496,348
Professional fees	4,493	50,190	324,355	379,038	285,162	80,480	365,642	744,680	863,843
Internet communications	6,195	24,779	71,882	102,856	–	24,778	24,778	127,634	148,382
Government relations	15,160	212,400	–	227,560	26,550	11,390	37,940	265,500	99,500
Research contract reviewer fees	26,100	–	–	26,100	–	–	–	26,100	44,450
Supplies	2,298	2,144	39,966	44,408	3,676	4,596	8,272	52,680	50,761
Telephone	3,902	3,642	42,930	50,474	6,244	7,805	14,049	64,523	84,941
Postage and shipping	6,002	6,002	68,676	80,682	2,183	5,893	8,076	88,758	67,250
Office rent	28,544	26,958	237,074	292,576	45,988	57,089	103,077	395,653	353,112
Equipment rental and maintenance	3,441	3,250	31,979	38,670	5,544	6,883	12,427	51,097	37,537
Conferences, conventions and meetings	5,665	2,833	62,833	71,331	10,764	2,833	13,597	84,928	42,989
Printing	5,752	11,897	116,877	134,526	13,651	34,433	48,084	182,610	211,580
Dues, subscriptions and registration fees	–	8,457	3,475	11,932	12,686	–	12,686	24,618	28,520
Insurance	–	–	25,000	25,000	22,817	–	22,817	47,817	50,294
Library	–	–	41,482	41,482	–	–	–	41,482	50,221
Travel and lodging	8,009	15,216	177,407	200,632	16,818	26,428	43,246	243,878	231,170
Direct mail	62,883	251,535	–	314,418	–	733,645	733,645	1,048,063	1,107,165
Moving	–	–	553	553	838	–	838	1,391	11,001
Special events	28,862	115,446	–	144,308	199,941	432,924	632,865	777,173	694,620
Staff training	–	–	3,937	3,937	744	–	744	4,681	5,156
Advertising	–	4,421	23,691	28,112	–	13,264	13,264	41,376	45,216
Miscellaneous	8,451	7,982	27,517	43,950	13,616	16,901	30,517	74,467	24,185
Superman tags	–	–	–	–	–	112,232	112,232	112,232	160,855
Provision for uncollectible pledges	–	–	–	–	500,000	–	500,000	500,000	–
Depreciation	10,407	9,720	49,729	69,856	16,480	20,954	37,434	107,290	132,900
Total expenses	\$8,041,233	\$1,013,696	\$4,748,637	\$13,803,566	\$1,618,927	\$2,145,953	\$3,764,880	\$17,568,446	\$17,587,864
Percentage of total expenses	46%	6%	27%	79%	9%	12%	21%	100%	100%
Percentage of total expenses, excluding direct mail expenses	48%	4%	29%	81%	10%	9%	19%	100%	100%

See accompanying notes.

# Statement of Functional Expenses

Year ended December 31, 2005

	PROGRAM SERVICES				SUPPORTING SERVICES			TOTAL EXPENSES 2005
	Research Program	Public Education	Quality of Life	Total	Management & General	Fund Raising	Total	
Salaries and wages	\$244,452	\$299,336	\$1,013,812	\$1,557,600	\$320,089	\$340,193	\$660,282	\$2,217,882
Other employee benefits	32,894	41,529	215,519	289,942	43,065	45,777	88,842	378,784
Payroll taxes	15,293	19,501	110,841	145,635	20,023	21,284	41,307	186,942
Total salaries and related expenses	292,639	360,366	1,340,172	1,993,177	383,177	407,254	790,431	2,783,608
Research contracts and allocations	7,968,546	-	-	7,968,546	-	-	-	7,968,546
Quality of life, health promotion and other awards	-	-	1,793,714	1,793,714	-	-	-	1,793,714
Distance learning program	-	-	496,348	496,348	-	-	-	496,348
Professional fees	7,071	62,024	396,534	465,629	240,166	158,048	398,214	863,843
Internet communications	10,679	42,714	52,276	105,669	-	42,713	42,713	148,382
Government relations	5,274	73,332	-	78,606	17,014	3,880	20,894	99,500
Research contract reviewer fees	44,450	-	-	44,450	-	-	-	44,450
Supplies	2,269	2,681	39,683	44,633	2,971	3,157	6,128	50,761
Telephone	7,931	9,370	46,219	63,520	10,383	11,038	21,421	84,941
Postage and shipping	4,862	4,862	51,273	60,997	1,563	4,690	6,253	67,250
Office rent	34,912	41,213	182,812	258,937	45,640	48,535	94,175	353,112
Equipment rental and maintenance	3,649	4,307	19,738	27,694	4,770	5,073	9,843	37,537
Conferences, conventions and meetings	-	-	44,443	44,443	-	(1,454)	(1,454)	42,989
Printing	10,993	7,278	142,917	161,188	24,681	25,711	50,392	211,580
Dues, subscriptions and registration fees	-	9,760	4,118	13,878	14,642	-	14,642	28,520
Insurance	-	-	25,000	25,000	25,294	-	25,294	50,294
Library	-	-	50,221	50,221	-	-	-	50,221
Travel and lodging	7,943	15,508	167,853	191,304	17,021	22,845	39,866	231,170
Direct mail	66,430	265,720	-	332,150	-	775,015	775,015	1,107,165
Moving	-	-	2,639	2,639	8,362	-	8,362	11,001
Special events	22,381	89,524	-	111,905	246,999	335,716	582,715	694,620
Staff training	-	-	1,318	1,318	3,838	-	3,838	5,156
Advertising	-	8,597	10,827	19,424	-	25,792	25,792	45,216
Miscellaneous	2,898	3,424	10,036	16,358	3,794	4,033	7,827	24,185
Superman tags	-	-	-	-	-	160,855	160,855	160,855
Depreciation	47,833	12,363	45,648	105,844	13,124	13,932	27,056	132,900
Total expenses	\$8,540,760	\$1,013,043	\$4,923,789	\$14,477,592	\$1,063,439	\$2,046,833	\$3,110,272	\$17,587,864
Percentage of total expenses	49%	5%	28%	82%	6%	12%	18%	100%
Percentage of total expenses, excluding direct mail expenses	51%	5%	30%	86%	6%	8%	14%	100%

See accompanying notes.

# Notes to Financial Statements

December 31, 2006 and 2005

## 1 Organization, Business and Summary of Significant Accounting Policies

### Organization and Business

In August 2005, the Christopher Reeve Paralysis Foundation (“CRPF”) changed its name to Christopher Reeve Foundation (“CRF” or the “Foundation”). The Foundation, a non-profit corporation, was formed on April 21, 1999 from the merger of the American Paralysis Association (“APA”) and a previous entity named the Christopher Reeve Foundation.

The primary purpose of the Foundation is to fund research directed toward finding a cure for paralysis. Towards this goal, CRF directs its public education program to increase public awareness of paralysis and CRF’s involvement in finding a cure along with efforts to educate the public about issues and solutions to improve the quality of life of those disabled as a result of spinal cord injuries and other forms of paralysis. Research contracts are granted after approval of the research program by CRF’s Science Advisory Council and Board of Directors. The Board also approves quality of life grants.

Effective September 30, 2001, CRF was awarded a \$2,000,000 federal grant from the Centers for Disease Control to establish the Christopher and Dana Reeve Paralysis Resource Center. The Resource Center, which is part of CRF’s Quality of Life Program, is a stand-alone facility which began operations in May 2002. It provides educational materials, referral services and self-help guidance to people with paralysis, their families and caregivers. It also awards quality of life grants to organizations working in the paralysis community. Effective June 1, 2006, CRF was awarded an additional \$5,508,000 in federal grants for the Resource Center to continue its operations. Since the initial grant of \$2,000,000, CRF has been awarded additional federal grants from the CDC amounting to \$19,227,000 to continue the operations of the Resource Center.

### Basis of Presentation

The Foundation’s financial statements have been prepared on the accrual basis of accounting and in accordance with Statements of Financial Accounting Standards No. 116, *Accounting for Contributions Received and Contributions Made* and No. 117, *Financial Statements of Not-for-Profit Organizations*. These statements require that resources be classified for accounting and reporting purposes into separate classes of net assets (unrestricted, temporarily restricted, and permanently restricted) based on the existence or absence of donor-imposed restrictions.

### Cash and Cash Equivalents

The Foundation considers highly-liquid investments with maturities of three months or less when purchased to be “cash equivalents.”

### Investments

Investments are generally reported at fair values based upon current market quotations. Investments in the off shore limited partnership is based on the Foundation’s interest in the net book value of stock shares as presented in the audited financial statements as of December 31, 2006 and 2005. All investment income is unrestricted as to use.

### Contributions

Contributions received, including unconditional promises to give, are recognized as revenue in the period received at their fair values. Contributions for which donors have not stipulated restrictions, as well as contributions for which donors have stipulated restrictions, but which are met within the same reporting period, are reported as unrestricted support.

In the normal course of business, the Foundation receives donated services from volunteers, including officers and directors, and affiliated organizations to support fund raising and administrative activities. In accordance with Statement of Financial Accounting Standards No. 116, the value of these contributed services is not reflected in the accompanying financial statements.

### Donated Assets

Donated assets are recorded at the fair market value at the date of donation, and as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

### Grant Revenue

Grant revenue is recognized as grant expenses are incurred relating to the Christopher and Dana Reeve Paralysis Resource Center. Such expenses are initially funded by CRF and subsequently billed to and reimbursed under a federal grant.

### Research Contracts, Quality of Life Grants and Health Promotion Awards

Research contracts, quality of life grants and health promotion awards are expensed in the year the contract/grant/awards is approved and/or formally signed by CRF and the grantee. Contracts and awards are subject to routine performance requirements by the recipient.

### Fixed Assets

Purchased equipment is recorded at cost and donated equipment is recorded at fair market value at the date of donation. Depreciation is provided on the straight-line method over estimated useful lives.

### Allocation of Expenses into Functional Categories

CRF allocates salaries and indirect expenses into functional categories related to program and supporting services based upon time spent in the various functions by the president and other Foundation personnel, and other appropriate bases of allocation.

Joint costs incurred in connection with mailing of informational materials and performing other activities that include fund raising are allocated to program and supporting services on the basis of the content of the material.

### Income Taxes

The Internal Revenue Service has determined that the Foundation is tax-exempt under Section 501(c)(3) of the Internal Revenue Code.

## Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## Reclassifications

Certain 2005 balances have been reclassified to conform to the current year presentation.

## 2 Investments

Investments consist of the following:

	December 31	
	2006	2005
Certificates of deposit and United States Government obligations	\$ 1,397,420	\$ 2,949,629
Corporate bonds	597,420	1,149,131
Marketable equity securities	3,515,554	3,286,323
Off shore limited partnership	766,074	309,066
	<u>\$ 6,276,468</u>	<u>\$ 7,694,149</u>
Investment income:		
Realized gains	\$ 250,162	\$ 312,633
Unrealized gains (losses)	496,924	70,388
	<u>\$ 747,086</u>	<u>\$ 383,021</u>

The Foundation's investment in the off shore limited partnership above includes 169,065 and 175,040 shares of Welch Life Sciences Fund, Ltd. with a net average value of \$1,931.53 and \$1,765.49 per share as of December 31, 2006 and 2005, respectively, along with 379,525 shares of Welch Entrepreneurial Fund, Ltd. with a net average value per share of \$1,158.08 at December 31, 2006. The fair value amount is based on the net book value of stock shares as presented in the audited financial statements as of December 31, 2006 and 2005.

## 3 Contributions Receivable

As of December 31, 2006, contributions receivable includes \$3,400,000 of pledges, payable over the next four years, from members of the Foundation' Board of Directors and are due as follows:

	December 31	
	2006	2005
Less than one year	\$ 2,206,196	\$ 2,443,743
More than one year	2,260,000	—
	<u>4,466,196</u>	<u>2,443,743</u>
Less: unamortized discount and allowance for uncollectible amounts	(875,679)	—
	<u>\$ 3,590,517</u>	<u>\$ 2,443,743</u>

Amounts due in more than one year are discounted to present value using a discount rate of 5%. The unamortized discount at December 31, 2006 amounted to \$375,679. There was no unamortized discount at December 31, 2005.

During the year ended December 31, 2006, the Foundation established a \$500,000 allowance for the potential non collection of the remaining balance of a 2005 pledge. There was no allowance for uncollectible amounts at December 31, 2005.

#### 4 Grant Receivable

Grant receivable represents Resource Center expenses incurred in December and reimbursed in January under the federal grant with the Centers for Disease Control.

#### 5 Fixed Assets

Fixed assets, net, consist of the following:

	December 31	
	2006	2005
Furniture, fixtures, equipment and software	\$ 822,894	\$ 784,312
Research equipment	188,580	188,580
Less accumulated depreciation	(797,795)	( 690,505)
Fixed assets, net	\$ 213,679	\$ 282,387

#### 6 Research Contracts Payable

Research program expense includes those research contracts approved and/or formally signed by CRF and the grantee during the year. However, certain research contracts have cash payment schedules that extend beyond one year. The details of research contracts expensed and payable are as follows:

	2005	2004
Research contracts payable, beginning of year	\$ 4,470,525	\$ 4,566,161
Research contracts awarded, net	6,988,945	7,354,976
	11,459,470	11,921,137
Contract payments made	7,198,514	7,450,612
Research contracts payable, end of year	\$ 4,260,956	\$ 4,470,525

Scheduled contract payments of the research contracts payable at December 31, 2006 are as follows:

2007	\$ 3,583,099
2008	677,857
	\$ 4,260,956

Quality of Life grants are awarded twice a year. The grants payable at December 31 are disbursed prior to the end of the May 31 grant year. Quality of Life grants awarded in 2006 and 2005 amounted to approximately \$1,570,678 and \$1,538,480, respectively.

#### 7 Direct Mail Program

The Foundation conducts a Direct Mail Program, the purpose of which is to increase public awareness and support for CRF's mission to provide research to find a cure for spinal cord injuries and improve the quality of life of those affected. For the years ended December 31, 2006 and 2005, the Program generated revenues of \$2,193,129 and \$2,666,656, respectively, and expenses of \$1,048,063 and \$1,107,165, respectively.

## 8 Functional Expense Allocations

In years 2006 and 2005, CRF conducted activities that included appeals for contributions as well as program and management and general components. Those activities included direct mail campaigns and special events. Joint costs for those activities were allocated as follows:

	December 31	
	2006	2005
Program services	\$ 458,726	\$ 444,055
Management and general (all special events)	199,941	246,999
Fund raising	1,166,569	1,110,731
	<u>\$ 1,825,236</u>	<u>\$ 1,801,785</u>

For the years ended December 31, 2006 and 2005, program services include \$314,418 and \$332,150 for direct mail, respectively, and \$144,308 and \$111,905 for special events, respectively. For the years ended December 31, 2006 and 2005, fund raising includes \$733,645 and \$775,015 for direct mail, respectively, and \$432,924 and \$335,716 for special events, respectively.

## 9 Leases

At December 31, 2006, minimum lease payments under noncancellable operating leases for the rental of office space and equipment are as follows:

2007	\$ 368,447
2008	340,842
2009	340,842
2010	349,552
2011	352,962
	<u>\$ 1,752,645</u>

Total rental expense was \$395,653 for 2006 and \$353,112 for 2005.

## 10 Employee Benefit Plans

The Foundation has a 401(k) pension plan for the benefit of its employees. Under the plan, CRF makes a mandatory contribution of 3% of an eligible employee's monthly salary, which is vested immediately. The Foundation also has the option of making additional discretionary contributions which are subjected to a graduated vesting schedule, depending on the employee's length of service, over as long as six years. For years 2006 and 2005, the additional contribution was 1.5%. Employer contributions charged to operations were \$81,441 in 2006 and \$78,229 in 2005.

## 11 Subsequent Event

On February 26, 2007, the Christopher Reeve Foundation, A New Jersey Nonprofit Corporation, registered with the State of New Jersey the name Christopher and Dana Reeve Foundation to be used as an alternate name for the Foundation's business activities.

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"IT COMES DOWN TO US. YOU HAVE TO TAKE ACTION, AND BELIEVE ME, IT WORKS. WE HAVE THE POWER TO MAKE AN ENORMOUS DIFFERENCE. ULTIMATELY, THE PEOPLE HAVE THE POWER." Christopher Reeve 2002



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***Go Forward.***