



**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND
DANA REEVE FOUNDATION**

**FINANCIAL STATEMENTS,
OTHER FINANCIAL INFORMATION AND
REPORTS RELATED TO OFFICE OF MANAGEMENT
AND BUDGET - UNIFORM GUIDANCE**

DECEMBER 31, 2019 AND 2018

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Christopher Reeve Foundation
D/B/A Christopher and Dana Reeve Foundation
Short Hills, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the Christopher Reeve Foundation, D/B/A Christopher and Dana Reeve Foundation (the "Foundation") which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

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 of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

WISS & COMPANY, LLP

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards on page 26, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the financial statements. In addition, the accompanying supplementary information on the Statement of Functional Expenses is also presented for purposes of additional analysis and is not a required as part of the basic consolidated financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2020 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Wiss & Company

WISS & COMPANY, LLP

Florham Park, New Jersey
November 12, 2020

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION**

STATEMENTS OF FINANCIAL POSITION

ASSETS	December 31,	
	2019	2018
ASSETS:		
Cash and equivalents	\$ 3,365,871	\$ 1,161,085
Investments	141,393	121,787
Equity investment	-	969,709
Investment at cost	1,444,060	-
Grants receivable	1,557,328	714,181
Contributions receivable, net	1,415,873	2,562,432
Prepaid expenses	42,582	88,854
Security deposits and other	13,663	13,663
Intangible assets, net	35,343	63,603
Fixed assets, net	16,359	31,367
Total Assets	\$ 8,032,472	\$ 5,726,681
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	\$ 151,881	\$ 283,443
Accrued expenses	302,334	189,750
Quality of Life and other grants payable	963,677	523,879
Refundable advances	110,584	319,946
Research contracts payable	2,603,390	612,500
Total Liabilities	4,131,866	1,929,518
NET ASSETS:		
Without donor restrictions	3,900,606	2,410,019
With donor restrictions	-	1,387,144
Total Net Assets	3,900,606	3,797,163
Total Liabilities and Net Assets	\$ 8,032,472	\$ 5,726,681

See accompanying notes to financial statements.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER & DANA REEVE FOUNDATION**

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	Years Ended December 31,					
	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:						
Contributions	\$ 7,138,109	\$ 20,900	\$ 7,159,009	\$ 4,414,361	\$ 364,975	\$ 4,779,336
Grant revenue	8,697,669	-	8,697,669	6,279,745	-	6,279,745
Special events, net	2,001,001	-	2,001,001	1,709,955	-	1,709,955
Contributed services	7,647	-	7,647	20,000	-	20,000
Net investment return	(74,549)	-	(74,549)	(18,825)	-	(18,825)
Net assets released from restrictions	1,408,044	(1,408,044)	-	498,865	(498,865)	-
Total support and revenues	<u>19,177,921</u>	<u>(1,387,144)</u>	<u>17,790,777</u>	<u>12,904,101</u>	<u>(133,890)</u>	<u>12,770,211</u>
EXPENSES:						
<i>Program services:</i>						
Research program	5,389,240	-	5,389,240	2,745,762	-	2,745,762
Public education	872,650	-	872,650	951,815	-	951,815
Quality of life	8,677,405	-	8,677,405	5,843,719	-	5,843,719
	14,939,295	-	14,939,295	9,541,296	-	9,541,296
<i>Supporting services:</i>						
Management and general	973,264	-	973,264	816,448	-	816,448
Fundraising	1,774,775	-	1,774,775	1,630,548	-	1,630,548
	2,748,039	-	2,748,039	2,446,996	-	2,446,996
Total expenses	<u>17,687,334</u>	<u>-</u>	<u>17,687,334</u>	<u>11,988,292</u>	<u>-</u>	<u>11,988,292</u>
CHANGE IN NET ASSETS	<u>1,490,587</u>	<u>(1,387,144)</u>	<u>103,443</u>	<u>915,809</u>	<u>(133,890)</u>	<u>781,919</u>
NET ASSETS, BEGINNING OF YEAR	<u>2,410,019</u>	<u>1,387,144</u>	<u>3,797,163</u>	<u>1,494,210</u>	<u>1,521,034</u>	<u>3,015,244</u>
NET ASSETS, END OF YEAR	<u>\$ 3,900,606</u>	<u>\$ -</u>	<u>\$ 3,900,606</u>	<u>\$ 2,410,019</u>	<u>\$ 1,387,144</u>	<u>\$ 3,797,163</u>

See accompanying notes to financial statements.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER & DANA REEVE FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR DECEMBER 31, 2019**

	Program Services			Support Services			Total Expenses 2019
	Research Program	Public Education	Quality of Life	Total	Management and General	Fund Raising	
Salaries and wages	\$ 458,619	\$ 392,783	\$ 1,919,483	\$ 2,770,885	\$ 325,166	\$ 858,713	\$ 1,183,879
Outsourced personnel	-	-	32,202	32,202	-	-	-
Other employee benefits	47,062	40,306	503,324	590,692	36,478	88,611	125,089
Payroll taxes	22,686	19,430	178,094	220,210	16,929	42,715	59,644
Total salaries and related expenses	528,367	452,519	2,633,103	3,613,989	378,573	990,039	1,368,612
Research - contracts and allocations	966,205	-	-	966,205	-	-	966,205
Research - Big Idea	3,620,939	-	-	3,620,939	-	-	3,620,939
Quality of life, health promotions and other grants and programs	-	-	4,074,152	4,074,152	-	-	4,074,152
Professional fees	14,738	123,260	775,510	913,508	139,510	84,932	224,442
Internet communications	-	11,074	211,744	222,818	2,769	13,843	16,612
Supplies	2,242	1,921	21,279	25,442	1,530	4,222	5,752
Telephone	3,449	2,953	24,399	30,801	2,352	6,493	8,845
Postage and shipping	1,429	1,224	51,495	54,148	975	2,691	3,666
Office rent	27,082	23,195	225,908	276,185	18,471	50,992	69,463
Equipment rental and maintenance	2,932	2,511	22,898	28,341	1,999	5,520	7,519
Conferences, conventions and meetings	-	-	170,141	170,141	2,223	-	2,223
Printing	7,253	7,254	72,514	87,021	7,253	7,254	14,507
Dues, subscriptions and registration fees	-	10,496	6,873	17,369	22,463	-	22,463
Insurance	48,548	-	24,274	72,822	24,274	-	24,274
Travel and lodging	52,515	51,760	186,060	290,335	84,247	28,148	112,395
Direct mail	5,155	20,620	-	25,775	-	60,141	60,141
Special events	48,158	96,315	-	144,473	269,074	337,104	606,178
Direct benefit to donor costs	-	-	-	-	-	137,750	137,750
Teams	-	-	-	-	-	148,313	148,313
Staff training	-	898	15,628	16,526	1,999	1,250	3,249
Advertising	-	28,646	57,375	86,021	-	9,548	95,569
Miscellaneous	52,955	31,775	92,940	177,670	10,592	10,591	21,183
Depreciation and amortization	7,273	6,229	11,112	24,614	4,960	13,694	18,654
Subtotal	5,389,240	872,650	8,677,405	14,939,295	973,264	1,912,525	2,885,789
Less: direct benefit to donor costs	-	-	-	-	-	(137,750)	(137,750)
Total expenses - 2019	\$ 5,389,240	\$ 872,650	\$ 8,677,405	\$ 14,939,295	\$ 973,264	\$ 1,774,775	\$ 2,748,039
Percentage of total expense	30%	5%	49%	84%	6%	10%	16%
							100%

See accompanying notes to financial statements.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER & DANA REEVE FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR DECEMBER 31, 2018**

	Program Services			Support Services			Total Expenses 2018
	Research Program	Public Education	Quality of Life	Management and General	Fund Raising	Total	
Salaries and wages	\$ 385,819	\$ 414,058	\$ 1,747,210	\$ 2,547,087	\$ 761,207	\$ 1,006,017	\$ 3,553,104
Outsourced personnel	-	-	33,449	33,449	-	-	33,449
Other employee benefits	49,969	53,627	481,357	584,953	99,248	131,084	716,037
Payroll taxes	20,184	21,662	160,861	202,707	40,089	52,932	255,639
Total salaries and related expenses	455,972	489,347	2,422,877	3,368,196	900,544	1,190,033	4,558,229
Research contracts and allocations	1,384,562	-	-	1,384,562	-	-	1,384,562
Research - Big Idea	139,910	3,074	-	142,984	-	-	142,984
Quality of life, health promotions and other grants and programs	-	-	1,754,862	1,754,862	-	-	1,754,862
Professional fees	538,725	190,895	554,073	1,283,693	86,815	191,981	1,475,674
Internet communications	-	9,273	301,641	310,914	11,592	13,910	324,824
Research contract reviewer fees	4,000	-	-	4,000	-	-	4,000
Supplies	1,960	2,103	15,498	19,561	3,892	5,132	24,693
Telephone	3,071	3,296	22,634	29,001	6,100	8,044	37,045
Postage and shipping	1,171	1,257	48,728	51,156	2,326	3,067	54,223
Office rent	28,590	30,682	234,219	293,491	56,785	74,879	368,370
Equipment rental and maintenance	2,556	2,743	21,770	27,069	5,077	6,695	33,764
Conferences, conventions and meetings	-	-	54,594	54,594	-	3,173	57,767
Printing	4,937	4,937	81,912	91,786	4,937	9,874	101,660
Dues, subscriptions and registration fees	-	10,633	8,823	19,456	-	15,950	35,406
Insurance	33,245	-	16,623	49,868	-	16,623	66,491
Library	-	-	9,540	9,540	-	-	9,540
Travel and lodging	41,025	39,610	163,141	243,776	43,395	118,702	362,478
Direct mail	10,616	42,464	-	53,080	123,855	123,855	176,935
Special events	35,174	70,348	-	105,522	246,219	510,909	616,431
Direct benefit to donor costs	-	-	-	-	117,500	117,500	117,500
Teams	-	-	-	-	110,262	110,262	110,262
Staff training	-	-	19,198	19,198	-	-	19,198
Advertising	-	11,606	41,686	53,292	3,869	3,869	57,161
Miscellaneous	53,064	31,838	62,467	147,369	10,612	21,224	168,593
Depreciation and amortization	7,184	7,709	9,433	24,326	14,268	18,814	43,140
Subtotal	2,745,762	951,815	5,843,719	9,541,296	1,748,048	2,564,496	12,105,792
Less: direct benefit to donor costs	-	-	-	-	(117,500)	(117,500)	(117,500)
Total expenses - 2018	\$ 2,745,762	\$ 951,815	\$ 5,843,719	\$ 9,541,296	\$ 1,630,548	\$ 2,446,996	\$ 11,988,292
Percentage of total expense	23%	8%	49%	80%	14%	20%	100%

See accompanying notes to financial statements.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER & DANA REEVE FOUNDATION**

STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 103,443	\$ 781,919
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation and amortization	43,268	43,140
Change in contributions receivable discount	71,305	(43,375)
Change in value of split-interest agreement	-	4,591
Net unrealized/realized (gain) loss on investments	(10,767)	23,893
(Increase) decrease in assets:		
Grants receivable	(843,147)	1,248,436
Contributions receivable	1,075,254	(840,982)
Prepaid expenses, security deposits, and other	46,272	17,997
(Increase) decrease in liabilities:		
Accounts payable	(131,562)	135,525
Accrued expenses	112,584	19,862
Quality of Life and other grants payable	439,798	152,572
Refundable advances	(209,362)	(113,672)
Research contracts payable	1,990,890	(1,793,568)
Net cash flows from operating activities	2,687,976	(363,662)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(1,868,873)	(100,340)
Proceeds from sale of investments	399,724	95,741
Proceeds from equity method investments (liquidity)	985,959	-
Purchase of fixed assets	-	(5,326)
Net cash flows from investing activities	(483,190)	(9,925)
Net change in cash and cash equivalents	2,204,786	(373,587)
Cash and cash equivalents at beginning of year	1,161,085	1,534,672
Cash and cash equivalents at end of year	\$ 3,365,871	\$ 1,161,085

See accompanying notes to financial statements.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies:

Nature of the Organization - The Foundation, a non-profit corporation, was formed in April 1999 from the merger of the American Paralysis Association and a previous entity named the Reeve Foundation. In August 2005, the Christopher Reeve Paralysis Foundation changed its name to Christopher Reeve Foundation (“CRF” or the “Foundation”). Subsequently, in February 2007, the Foundation registered with the State of New Jersey the name Christopher and Dana Reeve Foundation to be used as an alternate name for its business activities.

The specific programs and services provided by the Foundation include the following:

Research Program - The Foundation is dedicated to curing spinal cord injuries by funding innovative research and improving the quality of life for people living with paralysis through grants, information, and advocacy. Toward 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.

Public Education - Effective September 30, 2001, CRF was awarded a \$2,000,000 federal grant from the Centers for Disease Control (“CDC”) 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 that 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.

Quality of Life - The Foundation impacts and empowers people living with paralysis, their families and caregivers by providing grants to nonprofit organizations whose projects and initiatives foster inclusion, involvement and community engagement, while promoting health and wellness for those affected by paralysis.

Estimates and Uncertainties - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of net revenue and expenses during each reporting period. Actual results, as determined at a later date, could differ from those estimates.

Cash and Equivalents - Cash and equivalents include money market accounts and all other highly liquid short-term investments purchased with maturities of three months or less.

Concentration of Credit Risk - The Foundation’s cash balances in financial institutions are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 each. At times, such balances may be in excess of the FDIC insurance limit.

Investments - Investments are reported at fair values except those investments where it is not practical to estimate fair market value which are recorded at cost, generally based on current market quotations. All investment income is without donor restrictions as to use. Fair value is defined as 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 (an exit price). All transactions are recorded on a trade-date basis. The cost of securities sold is determined using the specific identification method. The Foundation reviews its investments annually for impairment. Management has determined there are no other than temporary losses as of December 31, 2019 and 2018.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

The investments are protected by the Securities Insurance Protection Corporation (“SIPC”), which provides limited insurance in certain circumstances for securities. The insurance is limited to \$500,000 and does not protect against investment losses. At times, such balances may be in excess of SIPC insured limits.

Net investment return/(loss) is reported in the statements of activities and changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Realized gains and losses are calculated based on the difference between the cost of the investments and the proceeds received from the sale of the respective investments. Changes in unrealized gains and losses, net, are calculated based on the change in the difference between the cost and fair values of investments at December 31 of the current year compared to the cost and fair values of investments at December 31 of the prior year.

Equity Investment - Investee companies that are not consolidated, but over which the Foundation exercises significant influence, are accounted for under the equity method of accounting. Whether or not the Foundation exercises significant influence with respect to an Investee depends on the evaluation of several factors including, among others, representation on the Investee company’s board of directors and ownership level, which is generally a 20% to 50% interest in the voting securities of the Investee company. Under the equity method of accounting, an Investee company’s accounts are not reflected within the Foundation’s Statements of Financial Position and Statements of Activities and Changes in Net Assets; however, the Foundation’s share of the earnings or losses of the Investee company is reflected in the caption “Investment income/(loss)” in the Statements of Activities and Changes in Net Assets. Reeve Foundation – Presidio Partners NRT, L.P. (“Presidio Partners NRT”) are accounted for under the equity method of accounting. The Foundation’s carrying value in an equity method Investee company is reflected in the caption “Equity Investment” in the Statements of Financial Position. Dividends under the equity method reduces the investment value.

If the Foundation’s carrying value in an equity method Investee company is reduced to zero, no further losses are recorded in the Foundation’s financial statements unless the Foundation guaranteed obligations of the Investee company or has committed additional funding. If the Investee company subsequently reports income, the Foundation will not record its share of such income until it equals the amount of its share of losses not previously recognized.

Investment at Cost - The Foundation owns less than 20% in NRT Holdings, LLC (“NRT Holdings”). These investments are carried at cost. Management reviews these investments annually for impairment.

For certain equity securities without readily determinable fair values, the Foundation has elected the measurement alternative under which the Foundation measures these investments at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

Grants Receivable - Grants receivable, all due within one year, represent amounts due from grantors, based on terms of the related grant agreements. The Foundation determines the need for an allowance based on history of write-offs, levels of past due accounts and its relationships with, and economic status of its grantors. No provision is made for uncollectible amounts since management expects to collect the entire grants receivable balance.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

Contributions Receivable - Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable are recorded at net present value using a present value discount rate established at the time the promise is received. Amortization of the resulting discount is recognized as additional contribution revenue. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. Based on contributor's history, collections, ability to pay and current credit conditions, accounts are written off when deemed uncollectible.

Split Interest Agreement - The Foundation had a receivable in an irrevocable charitable lead annuity trust administered by a third party. Under the terms of the agreement, the trustee distributed \$15,000 a year to the Foundation for the 10-year annuity period. The Foundation recorded the agreement in the accompanying statements of financial position at the present value of future distributions. The discount rate used in 2017 was 5%. The split interest agreement was fully collected in 2018.

Intangible Assets - Website development costs representing website application, infrastructure and graphics development have been capitalized in accordance with *FASB ASC 350* and reported as Intangible assets in the Statements of Financial Position. These assets are being amortized using the straight-line method over its estimated useful life of 5 years. Intangibles had a balance of \$35,343 and \$63,603 as of December 31, 2019 and 2018, respectively. Amortization expense totaled \$28,260 and \$28,260 in 2019 and 2018, respectively. All other costs in the planning stage have been expensed.

Fixed Assets - The Foundation capitalizes all fixed asset acquisitions in excess of \$5,000. Purchased equipment is recorded at cost. Depreciation on purchased equipment is provided on the straight-line method over an estimated useful life of five years. Leasehold improvements are amortized over the period of the respective lease using the straight-line method.

Long-Lived Assets - The Foundation evaluates all long-lived assets for impairment. Long-lived assets and intangible assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the carrying amount is not fully recoverable, an impairment loss is recognized to reduce the carrying amount to fair value, and is charged to expense in the period of impairment. At December 31, 2019 and 2018 management has determined that these assets are not impaired.

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

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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. The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other 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 statements of activities as net assets released from restrictions.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

Support and Revenues -

Contribution Revenue - Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or 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 substantially met.

Grant Revenue and Refundable Advances - The Foundation was awarded federal grants from both the Administration for Community Living (“ACL”) and the Department of Defense (“DOD”). These grants are cost reimbursement contracts meaning the foundation recognizes grant revenue as qualified grant expenses are incurred. Consequently, at December 31, 2019 and 2018, conditional contributions approximating \$5,920,449 and \$4,719,600, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements. The Foundation records conditional grants as a refundable advance when cash is received until it is expended for the purpose of the grant or contract.

Contributed Services - In the normal course of business, the Foundation receives contributed services from volunteers, including officers and directors, to support fundraising and administrative activities. In accordance with authoritative guidance, the value of these contributed services is not reflected in the accompanying financial statements.

Special Events, net – Contributions made for special events are recognized in the year the contribution is made, regardless of when the event takes place based upon the unconditional nature of the contributions. In cases where there is a benefit received by the donor, the fair market value of the value to be received by the donor is recognized as deferred revenue until the year the event occurs. Special events revenue is net of direct benefit to donor costs consisting of meals and entertainment totaling \$137,750 and \$117,500 for the years ended December 31, 2019 and 2018, respectively.

Functional Allocation of Expenses - The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

The Foundation allocates salaries and indirect expenses into functional categories related to program and supporting services based on 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 informational materials and performing other activities that include fundraising are allocated to program and supporting services on the basis of the content of the material.

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 are approved and/or formally signed by CRF and the grantee. Contracts and awards are unconditional, but are subject to routine performance requirements by the recipient. Grants payable in more than one year are discounted to the present value of future payments, which approximates fair value. Any returns are recorded in the year the contract ends, which is when a determination of any unspent funds is made.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

The Foundation has conditional commitments to give to several consultants and universities for the Big Idea. The Big Idea is an early feasibility study that evaluates the effectiveness of epidural stimulation in improving cardiovascular function, as well as the ability to facilitate standing and voluntary movements. Conditional commitments to give are not recorded as a liability or an expense until the research contract milestones are met. Accordingly, liabilities and expenses in the amounts of \$4,299,000 and \$7,781,000, which the Foundation expects to incur over the remaining years through 2021, have not been recorded in the accompanying financial statements as of December 31, 2019 and 2018, respectively.

Advertising Expenses - Advertising costs are expensed as incurred and totaled \$95,570 in 2019 and \$57,161 in 2018.

Income Taxes - The Foundation qualifies as a charitable organization as defined by Internal Revenue Code (the "Code") Section 501(c)(3) and, accordingly, is exempt from Federal income taxes under Section 501(a) of the Code. The Foundation has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a)(1) of the code. Additionally, since the Foundation is publicly supported, contributions to the Foundation qualify for the maximum charitable contribution deduction under the Code. The Foundation is also exempt from New Jersey State income tax.

Uncertain Tax Positions - Accounting principles generally accepted in the United States require management to evaluate uncertain tax positions taken by the Foundation. The financial statements effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Foundation and has concluded that as of December 31, 2019, there are no uncertain positions taken or expected to be taken. Other significant tax positions include its determination of whether any amounts are subject to unrelated business income tax (UBIT). Management has determined that the Foundation had no activities subject to UBIT in the years ended December 31, 2019 and 2018. The Foundation has recognized no interest or penalties related to uncertain tax positions. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to federal or state income tax examinations for years prior to 2016 and 2015, for the State of New Jersey, respectively.

Newly Adopted Accounting Pronouncements - In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-19, "Revenue from Contracts with Customers (Topic 606)," requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard replaces most existing revenue recognition guidance in U.S. GAAP and permits the use of either a full retrospective or modified retrospective approach. In August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2018. Analysis of various provisions of this standard resulted in no significant changes in the way the Foundation recognizes revenue, and therefore under the modified retrospective approach, there is no cumulative impact on the Foundation's financial position, change in net assets, and cash flows. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

In June 2018, the FASB issued ASU No. 2018-08, "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)." The amendments in this standard clarifies and improves guidance concerning 1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the Topic 958, Not-for-Profit Entities or as exchange (reciprocal) transactions subject to other guidance and 2) determining where the contribution is conditional. This ASU is effective for annual periods beginning after December 15, 2018. The ASU has been applied on a modified prospective basis and had no material impact to the Foundation.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

Newly Issued Accounting Pronouncements - In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expenses recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Management is currently evaluating the impact of this ASU on the financial statements.

Reclassification - Certain prior period amounts have been reclassified to conform to the current year presentation. Such reclassifications were limited to the statements of financial position and cash flow presentations and did not impact the change in net assets.

Subsequent Events - Management has reviewed and evaluated all events and transactions from December 31, 2019 through November 12, 2020, the date that the financial statements are available for issuance. The effects of those events and transactions that provide additional pertinent information about conditions that existed at the statement of financial position date have been recognized in the accompanying financial statements.

In early 2020, the novel coronavirus COVID-19 spread to the United States. Foundation operations could be disrupted by large-scale regional events such as the recent outbreak. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of this disruption. Notwithstanding, the Foundation is monitoring regional developments and proceeding with proactive strategies to minimize any impact to operations. At this time, the financial impact and duration cannot be reasonably estimated.

The Foundation applied for and received a loan in the amount of approximately \$487,000 pursuant to the Paycheck Protection Program which is part of the Coronavirus Aid, Relief, and Economic Security Act (“CARES”), enacted on March 27, 2020. This loan is subject to forgiveness if certain criteria are met by the Foundation. Given the uncertainty related to COVID-19, management cannot reasonably estimate the overall impact on the Foundation’s financial statements related to these matters.

Note 2 - Availability and Liquidity

The following represents the Foundation’s financial assets at:

	December 31,	
	2019	2018
Financial assets at year end:		
Cash and equivalents	\$ 3,365,871	\$ 1,161,085
Investments	141,393	121,787
Current portion of contributions receivable, net (Note 7)	947,178	1,902,325
Less: purpose restricted net assets (Note 11)	<u>-</u>	<u>(1,387,144)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 4,454,442</u>	<u>\$ 1,798,053</u>

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

Note 2 - Availability and Liquidity (continued):

As part of the Foundation's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in short-term investments. In the event of an unanticipated liquidity need, the Foundation also could draw upon \$250,000 of an available line of credit (as further discussed in Note 10).

Note 3 - Fair Value Measurements - Recurring:

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements FASB ASC 820, establishes a framework for measuring fair value. That framework 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 measurement) and the lowest priority to unobservable inputs (level 3 measurement.) The carrying amounts of cash and equivalents, accounts receivable and accounts payable included in the accompanying statements of financial position approximated fair value at December 31, 2019 and 2018. These assets and liabilities are not presented in the following tables. 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 Foundation 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;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

- *Marketable equity securities/Mutual Funds* - Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are 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.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

Note 3 - Fair Value Measurements-Recurring (continued):

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2019 and 2018:

<i>Assets at Fair Value as of December 31, 2019</i>				
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Mutual funds:				
S&P Preferred Stock Index	\$ 103,373	\$ -	\$ -	\$ 103,373
Marketable equity securities:				
Industrials	38,020	-	-	38,020
Total	<u>\$ 141,393</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,393</u>
 <i>Assets at Fair Value as of December 31, 2018</i>				
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Mutual funds:				
S&P Preferred Stock Index	\$ 94,133	\$ -	\$ -	\$ 94,133
Marketable equity securities:				
Industrials	27,654	-	-	27,654
Total	<u>\$ 121,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,787</u>

Note 4 - Equity Investment:

At December 31, 2018, the Foundation's investments in companies that are accounted for on the equity method of accounting consist of a 37.19% investment in Reeve Foundation – Presidio Partners NRT, L.P. ("NRT") purchased for \$1,000,000 on October 31, 2016. These investments were dissolved during 2019 and \$985,959 were distributed and invested in NRT Holdings, LLC ("NRT Holdings").

The Foundation's investments accounted for on the equity method of accounting are \$0 and \$969,709 as of December 31, 2019 and 2018, respectively.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

Note 4 - Equity Investment (continued):

Listed below is the summarized financial information of Presidio Partners NRT:

	December 31,	
	2019	2018
Condensed income statement information:		
Net revenues	\$ -	\$ -
Gross margin	\$ -	\$ -
Net income (loss)	\$ -	\$ (23,222)
Foundation's equity in net income (loss) of affiliates	\$ -	\$ (8,637)
Condensed balance sheet information:		
Current assets	\$ -	\$ 14,393
Noncurrent assets	-	2,240,614
Total assets	\$ -	\$ 2,255,007
Current liabilities	\$ -	\$ 22,060
Noncurrent liabilities	-	-
Equity	-	2,232,947
Total liabilities and equity	\$ -	\$ 2,255,007

The following tables illustrate the captions used in the Foundation's Statements of Financial Position and Statements of Activities and Changes in Nets Assets for its equity basis method investments described above.

	December 31,	
	2019	2018
<u>Statement of Financial Position Presentation</u>		
Equity Investment	\$ -	\$ 969,709
<u>Statement of Activities and Changes in Net Assets Presentation</u>		
Investment loss	\$ -	\$ (8,637)

Note 5 – Investment at Cost

At December 31, 2019, the Foundation's investments in companies that are accounted for on the cost method of accounting consist of a 17.96% investment in NRT Holdings, LLC ("NRT Holdings") purchased for \$1,444,060, which consisted of \$561,111 paid on October 1, 2019 and the \$985,959 distributed from NRT, less investment expenses.

The Foundation's investments accounted for on the cost method of accounting are \$1,444,060 and \$0 as of December 31, 2019 and 2018, respectively.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

Note 6 - Grants Receivable:

Grants receivable represent contractual expenses incurred and reimbursable under federal grants with the Administration for Community Living ("ACL") and the Department of Defense ("DOD").

	December 31,	
	2019	2018
Administration for Community Living	\$ 1,276,782	\$ 695,563
Department of Defense	280,546	18,618
	\$ 1,557,328	\$ 714,181

Note 7 - Contributions Receivable:

As of December 31, 2019 and 2018, contributions receivable included \$1,100,000 and \$1,160,000, respectively, of contributions receivable from members of the Foundation's Board of Directors. The Foundation's contributions receivable are due as follows:

	December 31,	
	2019	2018
Less than one year	\$ 1,447,178	\$ 2,402,325
One to five years	540,000	750,000
	1,987,178	3,152,325
<i>Less:</i> Amount to reduce to present value (discount rates of 2.93%)	71,305	89,893
Allowance for uncollectible contributions	500,000	500,000
	571,305	589,893
	\$ 1,415,873	\$ 2,562,432

Note 8 - Fixed Assets:

Fixed assets, net are comprised as follows:

	December 31,	
	2019	2018
Furniture, fixtures, equipment & software	\$ 1,024,645	\$ 1,024,645
Research equipment	188,580	188,580
	1,213,225	1,213,225
<i>Less:</i> Accumulated depreciation and amortization	1,196,866	1,181,858
Fixed Assets, net	\$ 16,359	\$ 31,367

Depreciation and amortization expense totaled \$15,008 and \$14,880 in 2019 and 2018, respectively.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

Note 9 - Direct Mail Program:

The Foundation conducts a Direct Mail Program (the “Program”), the purpose of which is to increase public awareness and support for the Foundation’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, 2019 and 2018, the Program generated revenues of \$806,518 and \$818,293, respectively, which are included in contributions on the statements of activities and changes in net assets, and expenses of \$85,916 and \$176,935, respectively, which are reported under direct mail on the statement of functional expenses.

Note 10 - Line of Credit:

On February 26, 2011, the Foundation entered into a \$500,000 loan agreement with a financial institution to fund advances made, and to be reimbursed, under the DOD contract. In December 2012, at management’s request, the loan line was reduced to \$250,000. The line of credit is collateralized by investments the Foundation has on deposit with the institution. Interest on the loan was 4.04% and 4.88% at December 31, 2019 and 2018, respectively. At December 31, 2019 and 2018, the Foundation had not drawn down any amount from its line of credit.

Note 11 - Net Assets With Donor Restrictions:

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

	December 31,	
	2019	2018
Subject to expenditure for specified purpose:		
The Big Idea	\$ -	\$ 1,387,144

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of the time or other events specified by the donors as follows for the years ended December 31, 2019 and 2018:

	December 31,	
	2019	2018
Satisfaction of purpose restrictions:		
The Big Idea	\$ 1,408,044	\$ 498,865

Note 12 - Functional Expense Allocations:

In 2019 and 2018, the Foundation conducted activities that included appeals for contributions as well as program and management and general components. Activities included direct mail campaigns and special events. Joint costs for those activities were allocated as follows:

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION**

NOTES TO FINANCIAL STATEMENTS

	December 31,	
	2019	2018
Program Services	\$ 170,248	\$ 158,602
Fundraising	397,245	370,074
	\$ 567,493	\$ 528,676

For the years ended December 31, 2019 and 2018, program services included \$25,775 and \$53,080 for direct mail, respectively, and \$144,473 and \$105,522 for special events, respectively. For the years ended December 31, 2019 and 2018, fundraising included \$60,141 and \$123,855 for direct mail, respectively, and \$337,104 and \$246,219 for special events, respectively.

Note 13 - Leases:

At December 31, 2019, minimum lease payments under noncancellable operating leases for the rental of office space and equipment are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 311,033
2021	310,094
2022	300,644
2023	288,594
2024	283,394
2025 and thereafter	283,393
Total future minimum lease payments	\$ 1,777,152

Total rental expense was \$345,648 and \$368,370 for 2019 and 2018, respectively. In January 2015 the Foundation renewed its lease through June 2025. The above table does not include renewal options or operating expense escalations. Additionally, the new lease states that if the Foundation does not receive governmental funding satisfactory for the Paralysis Resource Center to continue in business, it may on the dates specified and no less than 60 days notice, terminate the lease by up to forty percent of the rentable area.

Note 14 - Employee Benefit Plans:

The Foundation has a 401(k) pension plan for the benefit of its employees. Under the plan, the Foundation makes a mandatory contribution of 3% of an eligible employee's annual 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, of up to six years. For 2019 and 2018, the additional contribution was 1.5% of an eligible employee's annual salary. Employer contributions charged to operations were \$137,711 and \$152,112 in 2019 and 2018, respectively and are reported under other employee benefits on the statement of functional expenses.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITORS' REPORT

Board of Directors
Christopher Reeve Foundation
Short Hills, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Christopher Reeve Foundation (the "Foundation"), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 12, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



WISS & COMPANY, LLP

Florham Park, New Jersey
November 12, 2020



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITORS' REPORT

Board of Directors
Christopher Reeve Foundation
Short Hills, New Jersey

Report on Compliance for Each Major Federal Program

We have audited Christopher Reeve Foundation's (the "Foundation") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019. The Foundation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Foundation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on major federal programs occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Foundation's compliance.

Opinion on Each Major Federal Program

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged by governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



WISS & COMPANY, LLP

Florham Park, New Jersey
November 12, 2020

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER & DANA REEVE FOUNDATION**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2019

Funding Source/Federal Contract No./Program	Federal CFDA Number	Grant Program Awards	Passed through to Subrecipients	Total 2019 Reported Expenditures
United States Department of Health and Human Services:				
Administration for Community Living - The Paralysis Resource Center (June 1, 2018 - June 30, 2019)	93.325	\$ 6,761,661	\$ 2,290,475	\$ 4,627,706
The Paralysis Resource Center (July 1, 2019 - June 30, 2020)	93.325	7,505,000	<u>1,783,677</u>	<u>3,626,049</u>
Total United States Department of Health and Human Services			<u>4,074,152</u>	<u>8,253,755</u>
United States Department of Defense				
Department of Army Research and Material Command - Military Medical Research and Development North American Clinical Trials Network (NACTN) for Treatment of Spinal Cord Injury (May 1, 2016 - December 31, 2022)	12.420	5,140,447	<u>380,499</u>	<u>443,914</u>
Total United States Department of Defense			<u>380,499</u>	<u>443,914</u>
Total			<u>\$ 4,454,651</u>	<u>\$ 8,697,669</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Basis of Presentation:

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activities of the Foundation under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Foundation.

2. Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Foundation has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2019

Section II- Financial Statement Findings

NONE

Section III- Federal Award Findings and Questioned Costs

NONE

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION**

**SUMMARY SCHEDULE OF PRIOR
AUDIT FINDINGS**

YEAR ENDED DECEMBER 31, 2019

There are no prior year audit findings or questioned costs.