

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

**CONSOLIDATED FINANCIAL STATEMENTS AND OTHER
FINANCIAL INFORMATION**

DECEMBER 31, 2023 AND 2022

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
DECEMBER 31, 2023 AND 2022**

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INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of the Christopher Reeve Foundation and Subsidiary (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above, present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022, 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 of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 22 and 23 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Additionally, the accompanying schedule of expenditures of federal awards on page 29, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the consolidated 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 September 27, 2024 on our consideration of Organization’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 solely 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 effectiveness of the Organization’s 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 Organization’s internal control over financial reporting and compliance.



SMOLIN, LUPIN & CO., LLC

Fairfield, New Jersey
September 27, 2024

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	December 31,	
	2023	2022
ASSETS		
ASSETS:		
Cash and Cash Equivalents	\$ 2,913,480	\$ 3,998,779
Restricted Cash	1,259,812	5,118
Investment at Fair Value	1,772,939	3,392,554
Investments at Cost	250,000	281,728
Grants Receivable	243,183	231,366
Contributions Receivable, Net	3,946,373	1,242,228
Accounts Receivable	9,287	-
Prepaid Expenses	36,183	105,250
Security Deposits	13,663	13,663
Right-of-Use Assets, Net	637,838	850,209
Fixed Assets, Net	3,377	5,759
	\$ 11,086,135	\$ 10,126,654
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts Payable	\$ 168,877	\$ 108,580
Accrued Expenses	108,921	194,274
Lease Liability	637,685	850,132
Loan Payable	498,711	500,000
Refundable Advances	-	41,955
Research Contracts Payable	289,505	502,632
	1,703,699	2,197,573
COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without Donor Restrictions	5,792,482	7,929,081
With Donor Restrictions	3,589,954	-
	9,382,436	7,929,081
TOTAL NET ASSETS	9,382,436	7,929,081
TOTAL LIABILITIES AND NET ASSETS	\$ 11,086,135	\$ 10,126,654

See accompanying notes to financial statements and independent auditor's report

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER & DANA REEVE FOUNDATION
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

	Years Ended December 31,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:						
Contributions	\$ 2,937,786	\$ 3,589,954	\$ 6,527,740	\$ 3,456,340	\$ 42,206	\$ 3,498,546
Grant Revenue	9,499,956	-	9,499,956	9,623,151	-	9,623,151
Special Events, Net	2,113,176	-	2,113,176	1,734,565	-	1,734,565
Contributed Services	175,448	-	175,448	-	-	-
Net Investment Return (Loss)	(1,590,302)	-	(1,590,302)	1,695,964	-	1,695,964
Net Assets Released from Restrictions	-	-	-	42,206	(42,206)	-
Total Support and Revenues	13,136,064	3,589,954	16,726,018	16,552,226	-	16,552,226
EXPENSES:						
Program services:						
Research program	1,890,028	-	1,890,028	2,019,099	-	2,019,099
Public education	918,741	-	918,741	824,474	-	824,474
Quality of life	9,837,321	-	9,837,321	10,025,573	-	10,025,573
	<u>12,646,090</u>	<u>-</u>	<u>12,646,090</u>	<u>12,869,146</u>	<u>-</u>	<u>12,869,146</u>
Support services:						
Management and general	591,122	-	591,122	788,488	-	788,488
Fund Raising	2,035,451	-	2,035,451	1,652,934	-	1,652,934
	<u>2,626,573</u>	<u>-</u>	<u>2,626,573</u>	<u>2,441,422</u>	<u>-</u>	<u>2,441,422</u>
Total Expenses	15,272,663	-	15,272,663	15,310,568	-	15,310,568
CHANGES IN NET ASSETS	(2,136,599)	3,589,954	1,453,355	1,241,658	-	1,241,658
NET ASSETS, Beginning of Year	7,929,081	-	7,929,081	6,687,423	-	6,687,423
NET ASSETS, End of Year	<u>\$ 5,792,482</u>	<u>\$ 3,589,954</u>	<u>\$ 9,382,436</u>	<u>\$ 7,929,081</u>	<u>\$ -</u>	<u>\$ 7,929,081</u>

See accompanying notes to financial statements and independent auditor's report.

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER & DANA REEVE FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023**

	Program Services				Support Services			Total Expenses
	Research Program	Public Education	Quality of Life	Total	Management and General	Fund Raising	Total	
Salaries and Wages	\$ 684,731	\$ 411,760	\$ 2,818,708	\$ 3,915,199	\$ 255,867	\$ 803,837	\$ 1,059,704	\$ 4,974,903
Outsourced Personnel	-	188	35,713	35,901	6,250	-	6,250	42,151
Other Employee Benefits	87,696	47,058	709,956	844,710	29,797	92,977	122,774	967,484
Payroll Taxes	24,367	19,409	275,781	319,557	11,596	36,960	48,556	368,113
Total Salaries and Related Expenses	796,794	478,415	3,840,158	5,115,367	303,510	933,774	1,237,284	6,352,651
Research - Contracts and Allocations	393,834	-	-	393,834	-	-	-	393,834
Research - Big Idea	75,947	-	-	75,947	-	-	-	75,947
Quality of Life, Health Promotions and Other Grants and Programs	-	-	-	-	-	-	-	-
	-	-	3,244,904	3,244,904	-	-	-	3,244,904
Professional Fees	159,008	126,887	1,189,161	1,475,056	203,229	161,859	365,088	1,840,144
Internet Communications	-	12,908	169,573	182,481	3,227	16,135	19,362	201,843
Supplies	1,035	824	12,920	14,779	492	1,570	2,062	16,841
Telephone	1,585	1,263	14,973	17,821	754	2,405	3,159	20,980
Postage and Shipping	1,419	1,130	65,876	68,425	675	2,152	2,827	71,252
Office Rent	21,641	17,238	300,658	339,537	10,299	32,826	43,125	382,662
Equipment Rental and Maintenance	1,577	1,256	28,627	31,460	750	2,392	3,142	34,602
Conferences, Conventions and Meetings	120,000	26	169,926	289,952	-	408	408	290,360
Printing	4,523	4,523	95,305	104,351	4,523	4,523	9,046	113,397
Dues, Subscriptions and Registration Fees	882	3,681	24,060	28,623	31,895	30,731	62,626	91,249
Insurance	50,234	-	20,931	71,165	12,559	-	12,559	83,724
Travel and Lodging	42,460	12,052	194,059	248,571	4,954	21,846	26,800	275,371
Direct Mail	10,750	43,000	-	53,750	-	125,416	125,416	179,166
Special Events	54,327	108,654	-	162,981	-	380,289	380,289	543,270
Direct Benefit to Donor Costs	-	-	-	-	-	425,550	425,550	425,550
Teams	-	-	-	-	-	299,792	299,792	299,792
Staff Training	-	-	36,075	36,075	89	1,788	1,877	37,952
Advertising	-	8,808	91,003	99,811	-	2,936	2,936	102,747
Miscellaneous	153,587	97,737	338,341	589,665	13,964	13,964	27,928	617,593
Depreciation	425	339	771	1,535	202	645	847	2,382
Subtotal	1,890,028	918,741	9,837,321	12,646,090	591,122	2,461,001	3,052,123	15,698,213
Less: Direct Benefit to Donor Costs	-	-	-	-	-	(425,550)	(425,550)	(425,550)
TOTAL EXPENSES	\$ 1,890,028	\$ 918,741	\$ 9,837,321	\$ 12,646,090	\$ 591,122	\$ 2,035,451	\$ 2,626,573	\$ 15,272,663
Percentage of Total Expense	12%	6%	64%	83%	4%	13%	17%	100%

See accompanying notes to financial statements and independent auditor's report.

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER & DANA REEVE FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022**

	Program Services				Support Services			Total Expenses
	Research Program	Public Education	Quality of Life	Total	Management and General	Fund Raising	Total	
Salaries and Wages	\$ 351,086	\$ 361,842	\$ 2,302,546	\$ 3,015,474	\$ 391,262	\$ 733,567	\$ 1,124,829	\$ 4,140,303
Outsourced Personnel	-	-	35,296	35,296	-	15,084	15,084	50,380
Other Employee Benefits	42,373	43,671	675,105	761,149	47,222	88,535	135,757	896,906
Payroll Taxes	17,001	17,521	223,923	258,445	18,946	35,521	54,467	312,912
Total Salaries and Related Expenses	410,460	423,034	3,236,870	4,070,364	457,430	872,707	1,330,137	5,400,501
Research - Contracts and Allocations	766,911	-	-	766,911	-	-	-	766,911
Research - Big Idea	592,451	-	-	592,451	-	-	-	592,451
Quality of Life, Health Promotions and Other Grants and Programs	-	-	3,636,507	3,636,507	-	-	-	3,636,507
Professional Fees	30,903	174,707	1,298,215	1,503,825	205,500	195,362	400,862	1,904,687
Internet Communications	-	19,830	377,326	397,156	4,957	24,787	29,744	426,900
Supplies	1,881	1,939	37,572	41,392	2,097	3,931	6,028	47,420
Telephone	1,557	1,605	16,217	19,379	1,735	3,253	4,988	24,367
Postage and Shipping	1,005	1,035	72,043	74,083	1,120	2,099	3,219	77,302
Office Rent	17,331	17,862	268,837	304,030	19,314	36,212	55,526	359,556
Equipment Rental and Maintenance	1,553	1,600	21,870	25,023	1,731	3,245	4,976	29,999
Conferences, Conventions and Meetings	-	-	240,483	240,483	19,455	250	19,705	260,188
Printing	3,573	3,573	131,223	138,369	3,573	3,573	7,146	145,515
Dues, Subscriptions and Registration Fees	-	12,587	22,831	35,418	26,032	23,352	49,384	84,802
Insurance	48,627	-	24,313	72,940	24,313	-	24,313	97,253
Travel and Lodging	16,842	7,640	155,831	180,313	4,797	3,716	8,513	188,826
Direct Mail	9,494	37,974	-	47,468	-	110,759	110,759	158,227
Special Events	29,672	59,343	-	89,015	-	207,701	207,701	296,716
Direct Benefit to Donor Costs	-	-	-	-	-	355,560	355,560	355,560
Teams	-	-	-	-	-	140,514	140,514	140,514
Staff Training	-	-	7,300	7,300	105	-	105	7,405
Advertising	-	9,421	145,666	155,087	-	3,140	3,140	158,227
Miscellaneous	86,328	51,797	331,250	469,375	15,759	17,266	33,025	502,400
Depreciation	511	527	1,219	2,257	570	1,067	1,637	3,894
Subtotal	2,019,099	824,474	10,025,573	12,869,146	788,488	2,008,494	2,796,982	15,666,128
Less: Direct Benefit to Donor Costs	-	-	-	-	-	(355,560)	(355,560)	(355,560)
TOTAL EXPENSES	\$ 2,019,099	\$ 824,474	\$ 10,025,573	\$ 12,869,146	\$ 788,488	\$ 1,652,934	\$ 2,441,422	\$ 15,310,568
Percentage of Total Expense	13%	5%	65%	84%	5%	11%	16%	100%

See accompanying notes to financial statements and independent auditor's report.

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER & DANA REEVE FOUNDATION
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Years Ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$ 1,453,355	\$ 1,241,658
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	2,382	3,894
Change in Contributions Receivable Discount	84,858	22,449
Operating Lease Assets and Liabilities, Net	(76)	(77)
Net Unrealized/Realized (Gain) Loss on Investments	1,615,493	(1,687,886)
Net Change in Operating Assets and Liabilities:		
Grants Receivable	(11,817)	57,539
Contributions Receivable	(2,789,003)	996,064
Accounts Receivable	(9,287)	-
Prepaid Expenses and Security Deposits	69,067	(36,854)
Accounts Payable	60,297	(8,983)
Accrued Expenses	(85,353)	50,886
Refundable Advances	(41,955)	(95,238)
Research Contracts Payable	(213,127)	(527,692)
Net Cash Provided by Operating Activities	134,834	15,760
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Investments	-	(1,191,889)
Proceeds from Sale of Investments	35,850	1,207,615
Net Cash Provided by Investing Activities	35,850	15,726
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of Principal	(1,289)	-
Proceeds from Borrowings	-	350,000
Net Cash (Used by) Provided by Financing Activities	(1,289)	350,000
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	169,395	381,486
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Beginning	4,003,897	3,622,411
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Ending	\$ 4,173,292	\$ 4,003,897

See accompanying notes to financial statements and independent auditor's report.

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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 New York in January 1996 under the name Christopher Reeve Foundation. In April 1999, it merged with the American Paralysis Association and operated as the Christopher Reeve Paralysis 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

The Christopher and Dana Reeve Paralysis Resource Center 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.

CRF formed a non-profit corporation in April 2023, under the name SCI Ventures LLC (“SCI”). SCI was formed solely for charitable purposes to materially accelerate the research and development of new, life changing breakthroughs that have the potential of providing a cure or treatment of spinal cord injury by (i) investing SCI assets in companies and other entities that are developing cures for spinal cord injury, technology with spinal cord potential or treatments that potentially could improve the quality of life for people with paralysis, (ii) attracting donations, and (iii) engaging in any other lawful activities determined by the Board to be necessary or advisable in furtherance of the foregoing activities and all other activities necessary or incidental to the foregoing.

Principles of Consolidation

The consolidated financial statements reflect the financial position, change in net assets, and cash flows of Christopher Reeve Foundation and SCI Ventures LLC, collectively referred to as the “Organization.” All material inter-company transactions have been eliminated in consolidation.

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1. NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates and Uncertainties

The preparation of consolidated 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 consolidated 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 Cash Equivalents

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

Restricted Cash

The Organization is required to maintain cash in separate bank accounts designated for certain federal funding. At December 31, 2023 and 2022, the amounts held in these separate bank accounts were \$1,259,812 and \$5,118, respectively.

Cash and Cash Equivalents and Restricted Cash per Statement of Cash Flows for the year ended December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 2,913,480	\$ 3,998,779
Restricted Cash	<u>1,259,812</u>	<u>5,118</u>
	<u>\$ 4,173,292</u>	<u>\$ 4,003,897</u>

Concentration of Credit Risk

The Organization’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. Uninsured balances totaled approximately \$4,274,000 and \$3,259,000 at December 31, 2023 and 2022, respectively.

Investments

Investments are reported at fair values except those investments where it is not practical to estimate fair market value, which is recorded at cost, generally based on current market quotations. All investment income is without donor restrictions as to use with the exception of the SCI investments. 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 Organization reviews its investments annually for impairment.

The investments held in brokerage accounts 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.

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1. NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments (continued)

Net investment return 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.

Investments at Cost

For certain equity securities without readily determinable fair values and the Organization owns less than 20%, the Organization has elected to measure 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. Management reviews these investments annually for impairment. At December 31, 2023 and 2022 management has determined that these investments are not impaired. (See Note 4)

Accounts, Grants and Contributions Receivable

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments", with subsequent amendments, which requires companies to measure expected credit losses for financial assets based on historical experience, current conditions and reasonable and supportable forecasts. As such, an entity will use forward-looking information to estimate credit losses. On January 1, 2023, the Organization adopted the new accounting standard and all of the related amendments and performed an evaluation of the applicable criteria, including the aging of its accounts receivables, grants receivables, recent write-off history, and reasonable and supportable forecasts that could impact the collectability of the amounts. As a result of this evaluation, the Organization determined that no adjustments were required to the level of its allowance for credit losses or to the carrying value of any other financial asset.

Grants receivable, all due within one year, represent amounts due from grantors, based on terms of the related grant agreements. The Organization 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.

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.

Fixed Assets

The Organization 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.

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1. NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-Lived Assets

The Organization 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, 2023 and 2022 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 Organization 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.

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 the Administration for Community Living (“ACL”). These grants are cost reimbursement contracts, meaning the Foundation recognizes grant revenue as qualified grant expenses are incurred. Consequently, at December 31, 2023 and 2022, conditional contributions approximating \$5,320,735 and \$4,777,911, for which no amounts had been received in advance, have not been recognized in the accompanying consolidated 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.

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1. NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Goods and Services

Contributions of donated noncash assets are recorded at fair value as revenue in the period received or when an unconditional promise to give has been made. Contributions of donated services that create or enhance nonfinancial assets, or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded as revenue in the period received or when an unconditional promise to give has been made. Contributions of donated services are valued at actual costs incurred by the donor if they were to charge the foundation for their services. Contributed goods generally consist of venue cost, audio and visual equipment, food and beverage, conference materials, hotel accommodations, and other tangible goods. Contributed goods are valued at actual costs the foundation would incur if they were to purchase the goods.

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 \$425,550 and \$355,560 for the years ended December 31, 2023 and 2022, 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 Organization 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 Organization 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.

The Foundation has entered conditional commitments to give to several consultants and universities for various research studies. Conditional commitments to give are not recorded as a liability or an expense until the research contract milestones are met. Accordingly, the Foundation expects to incur expenses in the amount of \$3,340,103, over the next three years when conditions are met, and therefore have not been recorded in the accompanying financial statements as of December 31, 2023.

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1. NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising Expenses

Advertising costs are expensed as incurred and totaled \$102,747 in 2023 and \$158,227 in 2022.

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. SCI Ventures LLC is a disregarded entity and is included in the Foundation's tax return.

Uncertain Tax Positions

Accounting principles generally accepted in the United States require management to evaluate uncertain tax positions taken by the Organization. The consolidated 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 Organization and has concluded that as of December 31, 2023, 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 Organization had no activities subject to UBIT in the years ended December 31, 2023 and 2022. The Organization has recognized no interest or penalties related to uncertain tax positions. The Organization 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 2019 and 2018, for the State of New Jersey, respectively.

Leases

The Foundation leases a building and equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under lease accounting guidance, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Operating leases are included in operating lease right-of-use ("ROU") assets and other current liabilities in the statement of financial position.

ROU assets represent the Foundation's right to use an underlying asset for the lease term, and lease liabilities represent obligations to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Foundation uses the implicit rate when it is readily determinable. Since most of the Foundation's leases do not provide an implicit rate, to determine the present value of lease payments, management uses the Foundation's incremental borrowing rate, or the risk-free rate based on the information available at lease commencement.

Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Foundation's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option.

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1. NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Foundation has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices. For the equipment lease, the Foundation accounts for the lease and non-lease components as a single lease. Our building lease agreement includes provision for variable rent payments that depend on the consumer price index, which are adjusted periodically for inflation. None of our lease agreements contain any material residual value guarantees.

The Foundation has elected the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with an initial term of 12 months or less, that do not include an option to purchase the underlying asset that we are reasonably certain to exercise, are not recorded on the statement of financial position.

Subsequent Events

The Organization has evaluated all events and transactions that occurred after December 31, 2023, for potential recognition or disclosure through September 27, 2024, the date that the consolidated financial statements were available to be issued.

Reclassifications

Certain accounts relating to the prior year have been reclassified to conform to the current year's presentation with no effect on previously reported net assets.

NOTE 2. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at:

	December 31,	
	2023	2022
Financial Assets at Year End:		
Cash and Cash Equivalents	\$ 2,913,480	\$ 3,998,779
Investments	1,772,939	3,392,554
Current Portion of Contributions Receivable, net (Note 6)	2,120,347	864,677
Less: Restricted Net Assets (Note 11)	(2,589,954)	-
Financial Assets Available to Meet General Expenditures		
Over the Next Twelve Months	\$ 4,216,812	\$ 8,256,010

As part of the Organization'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 Organization invests cash in excess of daily requirements in short-term investments. In the event of an unanticipated liquidity need, the Organization could also draw upon \$250,000 of an available line of credit (as further discussed in Note 9).

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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, 2023 and 2022. 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 Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- 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.

The 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, 2023 and 2022.

- *Equities*- Valued at the closing price reported on the active market on which the individual securities are traded.
- *Mutual Funds* - Valued at the daily closing price reported by the fund.

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 AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3. FAIR VALUE MEASUREMENTS - RECURRING (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2023 and 2022:

	Assets at Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Equities	\$ 1,772,939	\$ _____ -	\$ _____ -	\$ 1,772,939
Total	<u>\$ 1,772,939</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ 1,772,939</u>
	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Equities	\$ 3,392,554	\$ _____ -	\$ _____ -	\$ 3,392,554
Total	<u>\$ 3,392,554</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ 3,392,554</u>

NOTE 4. INVESTMENT AT COST

The Organization's investments accounted for on the cost method of accounting as of December 31, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
NRT Holdings	\$ _____ -	\$ 31,728
Axonis	<u>250,000</u>	<u>250,000</u>
	<u>\$ 250,000</u>	<u>\$ 281,728</u>

In November 2022, the Organization's investment in NRT Holdings had an in-kind distribution of an equity stock, Onward Medical N.V., that is currently traded on a foreign exchange, is carried at fair market value (Note 3).

NOTE 5. GRANTS RECEIVABLE

Grants receivable represent contractual expenses incurred and reimbursable under federal grants with the Administration for Community Living ("ACL"). As of December 31, 2023 and 2022, grants receivable are \$243,183 and \$231,366, respectively.

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 6. CONTRIBUTIONS RECEIVABLE

As of December 31, 2023 and 2022, contributions receivable included \$30,000 and \$30,000, respectively, of contributions receivable from members of the Organization’s Board of Directors. The Organization’s contributions receivable is due as follows:

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Less Than One Year	\$ 2,120,347	\$ 864,677
One to Five Years	<u>1,933,333</u>	<u>400,000</u>
	<u>4,053,680</u>	<u>1,264,677</u>
Less: Amount to Reduce to Present Value (Discount Rates of 2.93%)	107,307	22,449
Allowance for Uncollectible Contributions	<u>-</u>	<u>-</u>
	<u>107,307</u>	<u>22,449</u>
	<u>\$ 3,946,373</u>	<u>\$ 1,242,228</u>

NOTE 7. FIXED ASSETS

Fixed assets, net is comprised as follows:

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Furniture, Fixtures, Equipment and Software	\$ 1,036,561	\$ 1,036,561
Research Equipment	<u>188,580</u>	<u>188,580</u>
	1,225,141	1,225,141
Less: Accumulated Depreciation and Amortization	<u>1,221,764</u>	<u>1,219,382</u>
Fixed Assets, Net	<u>\$ 3,377</u>	<u>\$ 5,759</u>

Depreciation expense totaled \$2,382 and \$3,894 in 2023 and 2022, respectively.

NOTE 8. DIRECT MAIL PROGRAM

The Organization conducts a Direct Mail Program (the “Program”), the purpose of which is to increase public awareness and support for the Organization’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, 2023 and 2022, the Program generated revenues of \$767,161 and \$844,901, respectively, which are included in contributions on the statements of activities and changes in net assets, and expenses of \$179,166 and \$158,227, respectively, which are reported under direct mail on the statement of functional expenses.

NOTE 9. RELATED PARTIES

In conjunction with SCI Ventures, certain Organization officers, directors or employees may periodically also sit on the board or advisory committee of the investments held by SCI Ventures.

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 10. LINE OF CREDIT

The Organization has a \$250,000 line-of-credit agreement with a financial institution. The line of credit is collateralized by investments the Organization has on deposit with the institution. Interest on the loan was 2.37% at December 31, 2023 and 2022. At December 31, 2023 and 2022, the Organization had not drawn down any amount from its line of credit.

NOTE 11. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2023 and 2022, there were net assets with donor restrictions for SCI research of \$3,589,954 and \$0, respectively. Management has deposited \$1,000,000 of the restricted contributions for SCI research and is not available for general expenditures; therefore \$2,589,954 is presented for liquidity purposes (Note 2).

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, 2023 and 2022:

	December 31,	
	2023	2022
Satisfaction of Purpose Restrictions:		
The Big Idea	\$ -	\$ 42,206

NOTE 12. FUNCTIONAL EXPENSE ALLOCATIONS

In 2023 and 2022, the Organization 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:

	December 31,	
	2023	2022
Program Services	\$ 216,731	\$ 136,483
Fundraising	505,705	318,460
	\$ 722,436	\$ 454,943

For the years ended December 31, 2023 and 2022, program services included \$53,750 and \$47,468 for direct mail, respectively, and \$162,981 and \$89,015 for special events, respectively. For the years ended December 31, 2023 and 2022, fundraising included \$125,416 and \$110,759 for direct mail, respectively, and \$380,289 and \$207,701 for special events, respectively.

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 13. LEASING ACTIVITIES

The following summarizes the line items in the consolidated statements of financial position which includes amounts for operating leases as of December 31:

	<u>2023</u>	<u>2022</u>
Operating Leases		
Operating Lease Right-of-Use-Asset	\$ 637,838	\$ 850,209
Current Portion of Operating Lease Liabilities	\$ 306,423	\$ 284,478
Operating Lease Liabilities	<u>331,262</u>	<u>565,654</u>
Total Operating Lease Liabilities	<u>\$ 637,685</u>	<u>\$ 850,132</u>

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	<u>2023</u>	<u>2022</u>
Weighted Average Remaining Lease Term		
Operating leases	2.02 years	2.90 years
Weighted Average Discount Rate		
Operating leases	1.20%	1.06%

The maturities of operating lease liabilities as of December 31, 2023 are as follows:

<u>Years Ending December 31,</u>	
2024	\$ 312,150
2025	310,278
2026	<u>23,387</u>
Total Lease Payments	645,815
Less: Interest	<u>(8,130)</u>
Present Value of Lease Liabilities	<u>\$ 637,685</u>

The following summarizes the line items in the statements of income which include the components of lease expense for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Operating Lease Expense included in Rent Expense	\$ 310,870	\$ 345,657

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 13. LEASING ACTIVITIES (continued)

The following summarizes cash flow information related to leases for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	\$ <u>310,870</u>	\$ <u>313,303</u>
Lease Assets Obtained in Exchange for Lease Obligations:		
Operating Leases	\$ <u>89,626</u>	\$ <u>-</u>

NOTE 14. EMPLOYEE BENEFIT PLANS

The Organization has a 401(k) pension plan for the benefit of its employees. Under the plan, the Organization makes a mandatory contribution of 3% of an eligible employee’s annual salary, which is vested immediately. The Organization 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 2023 and 2022, the additional contribution was 1.5% of an eligible employee’s annual salary. Employer contributions charged to operations were \$182,299 and \$149,485 in 2023 and 2022, respectively and are reported under other employee benefits on the statement of functional expenses.

NOTE 15. GOVERNMENT ASSISTANCE

Economic Injury Disaster Loan

In May 2020, the Foundation executed a secured loan with the SBA under the Economic Injury Disaster Loan (“EIDL”) program in the amount of \$150,000. The loan is secured by all tangible and intangible assets of the Foundation and payable over 30 years at an interest rate of 2.75% per annum. SBA deferred payments for 30 months. In April 2022, the Foundation was extended an additional \$350,000 to the EIDL loan. Installment payments of \$2,204 including principal and interest, were deferred until 2023.

**SUPPLEMENTARY INFORMATION TO
FINANCIAL STATEMENTS**

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023**

	Christopher Reeve Foundation	SCI Ventures	Eliminations	Consolidated
ASSETS:				
Cash and Cash Equivalents	\$ 2,741,876	\$ 171,604	\$ -	\$ 2,913,480
Restricted Cash	259,812	1,000,000	-	1,259,812
Investment at Fair Value	31,601	1,741,338	-	1,772,939
Investments at Cost	-	250,000	-	250,000
Investment in Subsidiary	3,772,361	-	(3,772,361)	-
Grants Receivable	243,183	-	-	243,183
Contributions Receivable, Net	1,701,231	2,245,142	-	3,946,373
Accounts Receivable	9,287	-	-	9,287
Prepaid Expenses	36,183	-	-	36,183
Security Deposits	13,663	-	-	13,663
Right-of-Use Assets, Net	637,838	-	-	637,838
Fixed Assets, Net	3,377	-	-	3,377
	<u>\$ 9,450,412</u>	<u>\$ 5,408,084</u>	<u>\$ (3,772,361)</u>	<u>\$ 11,086,135</u>
TOTAL ASSETS				
 LIABILITIES AND NET ASSETS				
LIABILITIES:				
Accounts Payable	\$ 160,752	\$ 8,125	\$ -	\$ 168,877
Accrued Expenses	108,921	-	-	108,921
Lease Liability	637,685	-	-	637,685
Loan Payable	498,711	-	-	498,711
Research Contracts Payable	289,505	-	-	289,505
	<u>1,695,574</u>	<u>8,125</u>	<u>-</u>	<u>1,703,699</u>
TOTAL LIABILITIES				
 COMMITMENTS AND CONTINGENCIES				
NET ASSETS AND MEMBER CAPITAL:				
Without Donor Restrictions	7,410,026	(1,617,544)	-	5,792,482
With Donor Restrictions	344,812	3,245,142	-	3,589,954
Member Capital	-	3,772,361	(3,772,361)	-
	<u>7,754,838</u>	<u>5,399,959</u>	<u>(3,772,361)</u>	<u>9,382,436</u>
TOTAL NET ASSETS				
	<u>\$ 9,450,412</u>	<u>\$ 5,408,084</u>	<u>\$ (3,772,361)</u>	<u>\$ 11,086,135</u>
TOTAL LIABILITIES AND NET ASSETS				

See independent auditor's report

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER & DANA REEVE FOUNDATION
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2023**

	<u>Christopher Reeve Foundation</u>	<u>SCI Ventures</u>	<u>Eliminations</u>	<u>Consolidated</u>
SUPPORT AND REVENUES:				
Contributions	\$ 3,282,598	\$ 3,245,142	\$ -	\$ 6,527,740
Grant Revenue	9,499,956	-	-	9,499,956
Special Events, Net	2,113,176	-	-	2,113,176
Contributed Services	175,448	-	-	175,448
Net Investment Return (Loss)	<u>(438,326)</u>	<u>(1,151,976)</u>	-	<u>(1,590,302)</u>
Total Support and Revenues	<u>14,632,852</u>	<u>2,093,166</u>	<u>-</u>	<u>16,726,018</u>
EXPENSES:				
Program services:				
Research program	1,459,124	430,904	-	1,890,028
Public education	918,741	-	-	918,741
Quality of life	<u>9,837,321</u>	<u>-</u>	<u>-</u>	<u>9,837,321</u>
	12,215,186	430,904	-	12,646,090
Support services:				
Management and general	579,567	11,555	-	591,122
Fund Raising	<u>2,012,342</u>	<u>23,109</u>	<u>-</u>	<u>2,035,451</u>
	2,591,909	34,664	-	2,626,573
Total Expenses	<u>14,807,095</u>	<u>465,568</u>	<u>-</u>	<u>15,272,663</u>
CHANGES IN NET ASSETS	<u>(174,243)</u>	<u>1,627,598</u>	<u>-</u>	<u>1,453,355</u>
NET ASSETS, Beginning of Year	<u>7,929,081</u>	<u>-</u>	<u>-</u>	<u>7,929,081</u>
Capital Contribution	<u>-</u>	<u>3,772,361</u>	<u>(3,772,361)</u>	<u>-</u>
NET ASSETS, End of Year	<u>\$ 7,754,838</u>	<u>\$ 5,399,959</u>	<u>\$ (3,772,361)</u>	<u>\$ 9,382,436</u>

See independent auditor's report.

INDEPENDENT AUDITOR'S 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*

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

We have audited, 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, the consolidated financial statements of Christopher Reeve Foundation and Subsidiary (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 27, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or 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 the 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’s consolidated 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 consolidated financial statements. 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 Organization’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 Organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



SMOLIN, LUPIN & CO., LLC

Fairfield, New Jersey
September 27, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Christopher Reeve Foundation and Subsidiary's (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Organization's major federal programs for the year ended December 31, 2023. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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, 2023.

Basis for Opinion on Each Major Federal Program

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; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Foundation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Smolin, Lupin & Co., LLC

SMOLIN, LUPIN & CO., LLC

Fairfield, New Jersey

September 27, 2024

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER & DANA REEVE FOUNDATION AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023**

Grantor / Program Title	CFDA Number	Grant Award	Contract Period	Passed Through to Subrecipients	Total Program Expenditures
U.S. Department of Health and Human Services Administration for Community Living					
The Paralysis Resource Center	93.325	\$ 9,447,037	07/01/22-6/30/23	\$ 1,217,483	\$ 4,660,691
The Paralysis Resource Center	93.325	\$ 10,000,000	07/01/23-6/30/24	2,027,421	4,752,445
The Paralysis Resource Center	93.325	\$ 160,000	04/01/22-9/30/24	-	86,820
Total U.S. Department of Health and Human Services				<u>3,244,904</u>	<u>9,499,956</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u><u>\$ 3,244,904</u></u>	<u><u>\$ 9,499,956</u></u>

See independent auditor's report and the notes to the schedule of expenditures of federal awards.

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2023 AND 2022**

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Christopher Reeve Foundation for the year ended December 31, 2023. 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 Christopher Reeve Foundation, it is not intended to and does not present the financial position, changes in members' equity, or cash flows of Christopher Reeve Foundation; therefore, some grants presented in the schedule may differ from amounts presented in, or used in, the preparation of the consolidated financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on this schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, Cost Principles for Non-Profit Companies, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements.

NOTE 3. INDIRECT COSTS

The Foundation does not have a federally negotiated indirect cost rate. The Foundation has elected to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2023 AND 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Noted
- Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal control over major programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Noted

Type of auditor's report issued on compliance for major programs: Unmodified
No reportable instances of noncompliance

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Yes No

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low- risk auditee? Yes No

Identification of major federal program: Federal CFDA Number

The Paralysis Resource Center 93.325

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS AND
QUESTIONED COSTS AS PREPARED BY MANAGEMENT
DECEMBER 31, 2022**

This section identifies the status of prior-year findings related to the financial statements and federal awards, that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

No matters were reported.