

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

**CONSOLIDATED FINANCIAL STATEMENTS AND OTHER
FINANCIAL INFORMATION**

JUNE 30, 2024

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
JUNE 30, 2024**

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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 statement of financial position as of June 30, 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the six months 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 June 30, 2024, and the changes in its net assets and its cash flows for the six months 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 opinion.

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 20 and 21 is presented for the 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 is 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 February 10, 2025 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
February 10, 2025

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024**

ASSETS

ASSETS:

Cash and Cash Equivalents	\$ 2,215,047
Restricted Cash	6,114,344
Investment at Fair Value	4,972,976
Investments at Cost	2,499,997
Contributions Receivable, Net	8,324,049
Accounts Receivable	320
Prepaid Expenses	414,419
Security Deposits	31,815
Right-of-Use Assets, Net	485,108
Fixed Assets, Net	<u>2,186</u>

TOTAL ASSETS

\$ 25,060,261

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts Payable	\$ 34,667
Accrued Expenses	262,051
Lease Liability	484,917
Loan Payable	492,288
Refundable Advances and Deferred Revenue	610,918
Research Contracts Payable	<u>125,000</u>

TOTAL LIABILITIES

2,009,841

COMMITMENTS AND CONTINGENCIES

NET ASSETS:

Without Donor Restrictions	9,437,450
With Donor Restrictions	<u>13,612,970</u>

TOTAL NET ASSETS

23,050,420

TOTAL LIABILITIES AND NET ASSETS

\$ 25,060,261

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 ACTIVITIES AND CHANGES IN NET ASSETS
SIX MONTHS ENDED JUNE 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:			
Contributions	\$ 2,828,246	\$ 12,261,764	\$ 15,090,010
Grant Revenue	5,277,955	-	5,277,955
Special Events, Net	122,293	-	122,293
Contributed Services	28,636	-	28,636
Net Investment Return	1,769,341	-	1,769,341
Net Assets Released from Restrictions	2,238,748	(2,238,748)	-
Total Support and Revenues	12,265,219	10,023,016	22,288,235
EXPENSES:			
Program services:			
Research program	1,521,343	-	1,521,343
Public education	501,343	-	501,343
Quality of life	5,499,504	-	5,499,504
	7,522,190	-	7,522,190
Support services:			
Management and general	381,905	-	381,905
Fund raising	716,156	-	716,156
	1,098,061	-	1,098,061
Total Expenses	8,620,251	-	8,620,251
CHANGES IN NET ASSETS	3,644,968	10,023,016	13,667,984
NET ASSETS, Beginning of Period	5,792,482	3,589,954	9,382,436
NET ASSETS, End of Period	\$ 9,437,450	\$ 13,612,970	\$ 23,050,420

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
SIX MONTHS ENDED JUNE 30, 2024**

	Program Services				Support Services			Total Expenses
	Research Program	Public Education	Quality of Life	Total	Management and General	Fund Raising	Total	
Salaries and Wages	\$ 385,056	\$ 201,677	\$ 1,493,653	\$ 2,080,386	\$ 171,726	\$ 426,848	\$ 598,574	\$ 2,678,960
Outsourced Personnel	-	-	42,621	42,621	-	-	-	42,621
Other Employee Benefits	55,685	24,588	398,061	478,334	21,945	53,778	75,723	554,057
Payroll Taxes	15,906	12,764	148,993	177,663	9,892	25,332	35,224	212,887
Total Salaries and Related Expenses	456,647	239,029	2,083,328	2,779,004	203,563	505,958	709,521	3,488,525
Research - Contracts and Allocations	802,150	-	-	802,150	-	-	-	802,150
Quality of Life, Health Promotions and Other Grants and Programs	-	-	1,472,579	1,472,579	-	-	-	1,472,579
Professional Fees	140,133	177,842	690,602	1,008,577	130,727	46,088	176,815	1,185,392
Internet Communications	-	4,429	148,849	153,278	1,107	5,537	6,644	159,922
Supplies	833	668	11,290	12,791	518	1,326	1,844	14,635
Telephone	674	541	7,253	8,468	419	1,073	1,492	9,960
Postage and Shipping	556	446	25,624	26,626	346	885	1,231	27,857
Office Rent	12,458	9,997	156,432	178,887	7,748	19,842	27,590	206,477
Equipment Rental and Maintenance	791	634	12,064	13,489	492	1,259	1,751	15,240
Conferences, Conventions and Meetings	3,365	-	243,250	246,615	-	-	-	246,615
Printing	586	586	136,410	137,582	586	586	1,172	138,754
Dues, Subscriptions and Registration Fees	7,469	250	19,647	27,366	11,909	52,766	64,675	92,041
Insurance	10,940	-	4,558	15,498	2,735	-	2,735	18,233
Travel and Lodging	20,068	7,548	97,199	124,815	8,146	8,321	16,467	141,282
Direct Mail	5,041	20,165	-	25,206	-	58,813	58,813	84,019
Special Events	20	40	-	60	-	141	141	201
Teams	-	-	-	-	-	7,363	7,363	7,363
Staff Training	-	-	22,590	22,590	8,080	69	8,149	30,739
Advertising	-	1,198	51,209	52,407	-	399	399	52,806
Translation	-	-	254,992	254,992	-	-	-	254,992
Miscellaneous	59,406	37,804	61,266	158,476	5,401	5,401	10,802	169,278
Depreciation	206	166	362	734	128	329	457	1,191
Subtotal	1,521,343	501,343	5,499,504	7,522,190	381,905	716,156	1,098,061	8,620,251
Less: Direct Benefit to Donor Costs	-	-	-	-	-	-	-	-
TOTAL EXPENSES	\$ 1,521,343	\$ 501,343	\$ 5,499,504	\$ 7,522,190	\$ 381,905	\$ 716,156	\$ 1,098,061	\$ 8,620,251
Percentage of Total Expense	18%	6%	64%	88%	4%	8%	12%	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
SIX MONTHS ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in Net Assets	\$ 13,667,984
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from Operating Activities:	
Depreciation	1,191
Change in Contributions Receivable Discount	77,404
Operating Lease Assets and Liabilities, Net	(38)
Net Unrealized/Realized (Gain) Loss on Investments	(1,663,182)
Net Change in Operating Assets and Liabilities:	
Grants Receivable	243,183
Contributions Receivable	(4,455,080)
Accounts Receivable	8,967
Prepaid Expenses and Security Deposits	(396,388)
Accounts Payable	(134,210)
Accrued Expenses	153,130
Refundable Advances and Deferred Revenue	610,918
Research Contracts Payable	(164,505)
Net Cash Provided by Operating Activities	7,949,374

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of Investments	(5,309,536)
Proceeds from Sale of Investments	1,522,684
Net Cash Used by Investing Activities	(3,786,852)

CASH FLOWS FROM FINANCING ACTIVITIES:

Repayment of Principal	(6,423)
Net Cash Used by Financing Activities	(6,423)

NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	4,156,099
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CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Beginning	4,173,292
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CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Ending	\$ 8,329,391
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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
JUNE 30, 2024**

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 single member LLC in April 2023, under the name SCI Ventures LLC (“SCI”) of which it is the sole member. 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
JUNE 30, 2024**

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 June 30, 2024, the amount held in these separate bank accounts was \$6,114,344.

Cash and Cash Equivalents and Restricted Cash per Statement of Cash Flows for the six months ended June 30, 2024 consist of the following:

Cash and Cash Equivalents	\$ 2,215,047
Restricted Cash	<u>6,114,344</u>
	<u>\$ 8,329,391</u>

Concentration of Credit Risk

The Organization's cash balances in financial institutions and brokerage firms are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 each and Securities Investor Protection Corporation ("SIPC") up to \$500,000 each, respectively. At times, such balances may be in excess of the FDIC insurance limit. Uninsured balances totaled approximately \$9,765,000 at June 30, 2024.

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
JUNE 30, 2024**

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 June 30 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 June 30, 2024 management has determined that these investments are not impaired. (See Note 4)

Accounts, Grants and Contributions Receivable

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
JUNE 30, 2024**

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 June 30, 2024, 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 June 30, 2024, conditional contributions approximating \$4,722,045, 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
JUNE 30, 2024**

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 considered conditional upon the event taking place. The conditional contribution would be accounted for as a refundable advance until the event has taken place, or the donor explicitly waives the condition of the event taking place. 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 \$122,293 for the six months ended June 30, 2024.

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 basis 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 \$2,695,643, over the next three years when conditions are met, and therefore have not been recorded in the accompanying financial statements as of June 30, 2024.

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

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

Advertising Expenses

Advertising costs are expensed as incurred and totaled \$52,806 for the six months ended June 30, 2024.

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 June 30, 2024, 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 six months ended June 30, 2024. 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 2020.

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
JUNE 30, 2024**

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. The building lease agreement includes provision for variable rent payments that depend on the consumer price index, which are adjusted periodically for inflation. None of the 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 June 30, 2024, for potential recognition or disclosure through February 10, 2025, 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 June 30, 2024:

Financial Assets at Year End:	
Cash and Cash Equivalents	\$ 2,215,047
Investments	4,972,976
Current Portion of Contributions Receivable, net (Note 5)	4,243,601
Less: Restricted Net Assets (Note 10)	<u>(3,865,479)</u>
Financial Assets Available to Meet General Expenditures	
Over the Next Twelve Months	<u>\$ 7,566,145</u>

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
JUNE 30, 2024**

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 June 30, 2024. 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 June 30, 2024.

- *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
JUNE 30, 2024**

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 June 30, 2024:

	Assets at Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Equities	\$ 4,972,976	\$ -	\$ -	\$ 4,972,976
Total	<u>\$ 4,972,976</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,972,976</u>

NOTE 4. INVESTMENTS AT COST

The Organization's investments accounted for on the cost method of accounting as of June 30, 2024, is as follows:

Augmental Technologies Inc.	\$ 500,000
Sania Therapeutics Inc.	999,999
Axonis	<u>999,998</u>
	<u>\$ 2,499,997</u>

NOTE 5. CONTRIBUTIONS RECEIVABLE

As of June 30, 2024, contributions receivable included \$30,000 of contributions receivable from members of the Organization's Board of Directors. The Organization's contributions receivable is due as follows:

Less Than One Year	\$ 4,243,281
One to Five Years	<u>4,265,479</u>
	<u>8,508,760</u>
Less: Amount to Reduce to Present Value (Discount Rates of 2.93%, 3.88%, & 4.50%)	184,711
Allowance for Uncollectible Contributions	<u>-</u>
	<u>184,711</u>
	<u>\$ 8,324,049</u>

NOTE 6. FIXED ASSETS

Fixed assets, net as of June 30, 2024 is comprised as follows:

Furniture, Fixtures, Equipment and Software	\$ 1,036,561
Research Equipment	<u>188,580</u>
	1,225,141
Less: Accumulated Depreciation and Amortization	<u>1,222,955</u>
Fixed Assets, Net	<u>\$ 2,186</u>

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6. FIXED ASSETS (continued)

Depreciation expense totaled \$1,191 for the six months ended June 30, 2024.

NOTE 7. 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 six months ended June 30, 2024, the Program generated revenues of \$239,475, which are included in contributions on the statements of activities and changes in net assets, and expenses of \$84,019, which are reported under direct mail on the statement of functional expenses.

NOTE 8. RELATED PARTIES

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

NOTE 9. 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 2.375% at June 30, 2024. At June 30, 2024, the Organization had not drawn down any amount from its line of credit.

NOTE 10. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2024, there were net assets with donor restrictions for SCI research of \$13,612,970. Management has deposited \$5,194,552 of the restricted contributions for SCI research investment and is not available for general expenditures; therefore, is restricted cash and not presented for liquidity purposes in Note 2. However, \$3,865,479 of restricted current pledges for SCI research investment was included in total contributions receivable of \$4,243,281. Therefore, the \$3,865,479 was presented as a reduction in total assets presented for liquidity purposes (Note 2).

There were net assets of \$2,238,748 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 six months ended June 30, 2024.

NOTE 11. FUNCTIONAL EXPENSE ALLOCATIONS

For the six months ended June 30, 2024, 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 for the six months ended June 30, 2024 were allocated as follows:

Program Services	\$ 25,266
Fundraising	<u>58,954</u>
	<u>\$ 84,220</u>

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11. FUNCTIONAL EXPENSE ALLOCATIONS (continued)

For the six months ended June 30, 2024, program services included \$25,206 for direct mail, and \$60 for special events. For the six months ended June 30, 2024, fundraising included \$58,813 for direct mail, and \$141 for special events.

NOTE 12. LEASING ACTIVITIES

The following summarizes the line items in the consolidated statements of financial position which includes amounts for operating leases as of June 30, 2024:

Operating Leases	
Operating Lease Right-of-Use-Asset	<u>\$ 485,108</u>
Operating Lease Liabilities	<u>\$ 484,917</u>

The following summarizes the weighted average remaining lease term and discount rate as of June 30, 2024:

Weighted Average Remaining Lease Term	
Operating leases	1.61 years
Weighted Average Discount Rate	
Operating leases	1.22%

The maturities of operating lease liabilities as of June 30, 2024 are as follows:

Years Ending	
<u>June 30,</u>	
2025	\$ 311,883
2026	167,244
2027	<u>10,614</u>
Total Lease Payments	489,741
Less: Interest	<u>(4,824)</u>
Present Value of Lease Liabilities	<u>\$ 484,917</u>

The following summarizes the line items in the statements of income which include the components of lease expense for the six months ended June 30, 2024:

Operating Lease Expense included in Rent Expense	<u>\$ 156,037</u>
--	-------------------

The following summarizes cash flow information related to leases for the six months ended June 30, 2024:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	<u>\$ 156,075</u>

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 13. 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. An additional contribution of 1.5% of an eligible employee’s annual salary is subject to approval by management in December 2024. Employer contributions charged to operations was \$64,588 in the six months ended June 30, 2024 and is reported under other employee benefits on the statement of functional expenses.

NOTE 14. LOAN PAYABLE

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.

The current principal maturity for the next five years is as follows:

Years Ending June 30,	
2025	\$ 13,128
2026	13,440
2027	13,814
2028	14,199
2029	14,594
Thereafter	<u>423,113</u>
	<u>\$ 492,288</u>

**SUPPLEMENTARY INFORMATION TO
FINANCIAL STATEMENTS**

**CHRISTOPHER REEVE FOUNDATION AND SUBSIDIARY
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024**

	Christopher Reeve Foundation	SCI Ventures	Eliminations	Consolidated
ASSETS:				
Cash and Cash Equivalents	\$ 2,138,718	\$ 76,329	\$ -	\$ 2,215,047
Restricted Cash	919,792	5,194,552	-	6,114,344
Investment at Fair Value	-	4,972,976	-	4,972,976
Investments at Cost	-	2,499,997	-	2,499,997
Investment in Subsidiary	4,202,900	-	(4,202,900)	-
Contributions Receivable, Net	755,353	7,568,696	-	8,324,049
Accounts Receivable	320	-	-	320
Prepaid Expenses	408,199	6,220	-	414,419
Security Deposits	13,663	18,152	-	31,815
Right-of-Use Assets, Net	485,108	-	-	485,108
Fixed Assets, Net	<u>2,186</u>	<u>-</u>	<u>-</u>	<u>2,186</u>
TOTAL ASSETS	<u>\$ 8,926,239</u>	<u>\$ 20,336,922</u>	<u>\$ (4,202,900)</u>	<u>\$ 25,060,261</u>
LIABILITIES AND NET ASSETS				
LIABILITIES:				
Accounts Payable	\$ 34,667	\$ -	\$ -	\$ 34,667
Accrued Expenses	205,286	56,765	-	262,051
Lease Liability	484,917	-	-	484,917
Loan Payable	492,288	-	-	492,288
Refundable Advances and Deferred Revenue	610,918	-	-	610,918
Research Contracts Payable	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>125,000</u>
TOTAL LIABILITIES	<u>1,953,076</u>	<u>56,765</u>	<u>-</u>	<u>2,009,841</u>
COMMITMENTS AND CONTINGENCIES				
NET ASSETS AND MEMBER CAPITAL:				
Without Donor Restrictions	6,053,371	3,384,079	-	9,437,450
With Donor Restrictions	919,792	12,693,178	-	13,612,970
Member Capital	<u>-</u>	<u>4,202,900</u>	<u>(4,202,900)</u>	<u>-</u>
TOTAL NET ASSETS	<u>6,973,163</u>	<u>20,280,157</u>	<u>(4,202,900)</u>	<u>23,050,420</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,926,239</u>	<u>\$ 20,336,922</u>	<u>\$ (4,202,900)</u>	<u>\$ 25,060,261</u>

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
SIX MONTHS ENDED JUNE 30, 2024**

	Christopher Reeve Foundation	SCI Ventures	Eliminations	Consolidated
SUPPORT AND REVENUES:				
Contributions	\$ 1,825,979	\$ 13,264,031	\$ -	\$ 15,090,010
Grant Revenue	5,277,955	-	-	5,277,955
Special Events, Net	122,293	-	-	122,293
Contributed Services	28,636	-	-	28,636
Net Investment Return	62,876	1,706,465	-	1,769,341
Total Support and Revenues	7,317,739	14,970,496	-	22,288,235
EXPENSES:				
Program services:				
Research program	1,042,508	478,835	-	1,521,343
Public education	501,343	-	-	501,343
Quality of life	5,499,504	-	-	5,499,504
	<u>7,043,355</u>	<u>478,835</u>	<u>-</u>	<u>7,522,190</u>
Support services:				
Management and general	366,475	15,430	-	381,905
Fund raising	689,583	26,573	-	716,156
	<u>1,056,059</u>	<u>42,002</u>	<u>-</u>	<u>1,098,061</u>
Total Expenses	8,099,414	520,837	-	8,620,251
CHANGES IN NET ASSETS	(781,675)	14,449,659	-	13,667,984
NET ASSETS, Beginning of Year	7,754,838	1,627,598	-	9,382,436
Capital Contribution	-	4,202,900	(4,202,900)	-
NET ASSETS, End of Year	\$ 6,973,163	\$ 20,280,157	\$ (4,202,900)	\$ 23,050,420

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 June 30, 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the six months then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 10, 2025.

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
February 10, 2025