

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

**FINANCIAL STATEMENTS AND OTHER
FINANCIAL INFORMATION**

DECEMBER 31, 2020 AND 2019

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
DECEMBER 31, 2020 AND 2019**

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Christopher Reeve Foundation, D/B/A Christopher and Dana Reeve Foundation (the "Foundation"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Foundation as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the Foundation as of December 31, 2019, were audited by other auditors, whose report dated November 12, 2020, expressed an unmodified opinion on those statements.

Other Matters

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2021, on our consideration of Foundation’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Foundation’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 Foundation’s internal control over financial reporting and compliance.



SMOLIN, LUPIN & CO., P. A.

Red Bank, New Jersey
September 13, 2021

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

	December 31,	
	2020	2019
ASSETS		
ASSETS		
Cash and Cash Equivalents	\$ 3,434,188	\$ 3,365,871
Investments at Fair Value	1,055	141,393
Investment at Cost	1,742,010	1,444,060
Grants Receivable	2,049,596	1,557,328
Contributions Receivable, Net	945,895	1,415,873
Prepaid Expenses	149,765	42,582
Security Deposits	13,663	13,663
Intangible Assets, Net	7,083	35,343
Fixed Assets, Net	14,746	16,359
TOTAL ASSETS	\$ 8,358,001	\$ 8,032,472
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 370,729	\$ 151,881
Accrued Expenses	202,720	302,334
Quality of Life and Other Grants Payable	1,717,336	963,677
Loan Payable	150,000	-
Refundable Advances	148,461	110,584
Research Contracts Payable	1,546,494	2,603,390
TOTAL LIABILITIES	4,135,740	4,131,866
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without Donor Restrictions	4,222,261	3,900,606
With Donor Restrictions	-	-
TOTAL NET ASSETS	4,222,261	3,900,606
TOTAL LIABILITIES AND NET ASSETS	\$ 8,358,001	\$ 8,032,472

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

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

Years Ended December 31,

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Contributions	\$ 4,265,614	\$ 104,277	\$ 4,369,891	\$ 7,138,109	\$ 20,900	\$ 7,159,009
Grant Revenue	9,405,542	-	9,405,542	8,697,669	-	8,697,669
Special Events	792,631	-	792,631	2,001,001	-	2,001,001
Contributed Services	-	-	-	7,647	-	7,647
Net Investment Return (Loss)	(14,427)	-	(14,427)	(74,549)	-	(74,549)
Other Income	17,072	-	17,072	-	-	-
Net Assets Released from Restrictions	104,277	(104,277)	-	1,408,044	(1,408,044)	-
Total Support and Revenues	14,570,709	-	14,570,709	19,177,921	(1,387,144)	17,790,777
EXPENSES						
Program services:						
Research program	3,075,715	-	3,075,715	5,389,240	-	5,389,240
Public education	597,224	-	597,224	872,650	-	872,650
Quality of life	8,420,087	-	8,420,087	8,677,405	-	8,677,405
	12,093,026	-	12,093,026	14,939,295	-	14,939,295
Support services:						
Management and general	497,647	-	497,647	973,264	-	973,264
Fund Raising	1,658,381	-	1,658,381	1,774,775	-	1,774,775
	2,156,028	-	2,156,028	2,748,039	-	2,748,039
Total Expenses	14,249,054	-	14,249,054	17,687,334	-	17,687,334
CHANGES IN NET ASSETS	321,655	-	321,655	1,490,587	(1,387,144)	103,443
NET ASSETS, Beginning of Year	3,900,606	-	3,900,606	2,410,019	1,387,144	3,797,163
NET ASSETS, End of Year	\$ 4,222,261	\$ -	\$ 4,222,261	\$ 3,900,606	\$ -	\$ 3,900,606

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

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER & DANA REEVE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR DECEMBER 31, 2020**

	Program Services				Support Services			Total Expenses 2020
	Research Program	Public Education	Quality of Life	Total	Management and General	Fund Raising	Total	
Salaries and Wages	\$ 386,551	\$ 311,944	\$ 2,128,309	\$ 2,826,804	\$ 204,451	\$ 943,464	\$ 1,147,915	\$ 3,974,719
Outsourced Personnel	-	-	18,455	18,455	-	-	-	18,455
Other Employee Benefits	35,664	28,781	542,852	607,297	18,863	87,489	106,352	713,649
Payroll Taxes	18,193	14,682	199,760	232,635	9,623	44,631	54,254	286,889
Total Salaries and Related Expenses	440,408	355,407	2,889,376	3,685,191	232,937	1,075,584	1,308,521	4,993,712
Research - Contracts and Allocations	1,189,416	-	-	1,189,416	-	-	-	1,189,416
Research - Big Idea	1,079,364	-	-	1,079,364	-	-	-	1,079,364
Quality of Life, Health Promotions and Other Grants and Programs	-	-	3,372,713	3,372,713	-	-	-	3,372,713
Professional Fees	203,693	73,223	762,047	1,038,963	164,410	105,046	269,456	1,308,419
Internet Communications	-	10,780	184,121	194,901	2,695	13,475	16,170	211,071
Supplies	1,231	993	35,288	37,512	651	3,019	3,670	41,182
Telephone	2,446	1,974	20,091	24,511	1,294	6,000	7,294	31,805
Postage and Shipping	885	714	35,070	36,669	468	2,171	2,639	39,308
Office Rent	22,056	17,799	242,363	282,218	11,666	54,108	65,774	347,992
Equipment Rental and Maintenance	1,820	1,469	19,112	22,401	962	4,464	5,426	27,827
Conferences, Conventions and Meetings	-	-	398,962	398,962	2,212	-	2,212	401,174
Printing	7,283	7,283	81,627	96,193	7,282	7,282	14,564	110,757
Dues, Subscriptions and Registration Fees	-	9,557	7,201	16,758	11,871	24,971	36,842	53,600
Insurance	49,812	-	24,906	74,718	24,906	-	24,906	99,624
Travel and Lodging	7,045	6,684	43,514	57,243	24,559	10,974	35,533	92,776
Direct Mail	8,281	33,125	-	41,406	-	96,615	96,615	138,021
Special Events	14,482	28,965	-	43,447	-	101,377	101,377	144,824
Direct Benefit to Donor Costs	-	-	-	-	-	-	-	-
Teams	-	-	-	-	-	123,615	123,615	123,615
Staff Training	-	-	16,729	16,729	244	40	284	17,013
Advertising	-	19,502	85,679	105,181	-	6,501	6,501	111,682
Miscellaneous	41,439	24,864	188,491	254,794	8,288	8,288	16,576	271,370
Depreciation and Amortization	6,054	4,885	12,797	23,736	3,202	14,851	18,053	41,789
Subtotal	3,075,715	597,224	8,420,087	12,093,026	497,647	1,658,381	2,156,028	14,249,054
Less: Direct Benefit to Donor Costs	-	-	-	-	-	-	-	-
TOTAL EXPENSES	\$ 3,075,715	\$ 597,224	\$ 8,420,087	\$ 12,093,026	\$ 497,647	\$ 1,658,381	\$ 2,156,028	\$ 14,249,054
Percentage of Total Expense	22%	4%	59%	85%	3%	12%	15%	100%

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

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER & DANA REEVE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR DECEMBER 31, 2019**

	Program Services				Support Services			Total Expenses 2019
	Research Program	Public Education	Quality of Life	Total	Management and General	Fund Raising	Total	
Salaries and Wages	\$ 458,619	\$ 392,783	\$ 1,919,483	\$ 2,770,885	\$ 325,166	\$ 858,713	\$ 1,183,879	\$ 3,954,764
Outsourced Personnel	-	-	32,202	32,202	-	-	-	32,202
Other Employee Benefits	47,062	40,306	503,324	590,692	36,478	88,611	125,089	715,781
Payroll Taxes	22,686	19,430	178,094	220,210	16,929	42,715	59,644	279,854
Total Salaries and Related Expenses	528,367	452,519	2,633,103	3,613,989	378,573	990,039	1,368,612	4,982,601
Research - Contracts and Allocations	966,205	-	-	966,205	-	-	-	966,205
Research - Big Idea	3,620,939	-	-	3,620,939	-	-	-	3,620,939
Quality of Life, Health Promotions and Other Grants and Programs	-	-	4,074,152	4,074,152	-	-	-	4,074,152
Professional Fees	14,738	123,260	775,510	913,508	139,510	84,932	224,442	1,137,950
Internet Communications	-	11,074	211,744	222,818	2,769	13,843	16,612	239,430
Supplies	2,242	1,921	21,279	25,442	1,530	4,222	5,752	31,194
Telephone	3,449	2,953	24,399	30,801	2,352	6,493	8,845	39,646
Postage and Shipping	1,429	1,224	51,495	54,148	975	2,691	3,666	57,814
Office Rent	27,082	23,195	225,908	276,185	18,471	50,992	69,463	345,648
Equipment Rental and Maintenance	2,932	2,511	22,898	28,341	1,999	5,520	7,519	35,860
Conferences, Conventions and Meetings	-	-	170,141	170,141	2,223	-	2,223	172,364
Printing	7,253	7,254	72,514	87,021	7,253	7,254	14,507	101,528
Dues, Subscriptions and Registration Fees	-	10,496	6,873	17,369	22,463	-	22,463	39,832
Insurance	48,548	-	24,274	72,822	24,274	-	24,274	97,096
Travel and Lodging	52,515	51,760	186,060	290,335	84,247	28,148	112,395	402,730
Direct Mail	5,155	20,620	-	25,775	-	60,141	60,141	85,916
Special Events	48,158	96,315	-	144,473	269,074	337,104	606,178	750,651
Direct Benefit to Donor Costs	-	-	-	-	-	137,750	137,750	137,750
Teams	-	-	-	-	-	148,313	148,313	148,313
Staff Training	-	898	15,628	16,526	1,999	1,250	3,249	19,775
Advertising	-	28,646	57,375	86,021	-	9,548	9,548	95,569
Miscellaneous	52,955	31,775	92,940	177,670	10,592	10,591	21,183	198,853
Depreciation and Amortization	7,273	6,229	11,112	24,614	4,960	13,694	18,654	43,268
Subtotal	5,389,240	872,650	8,677,405	14,939,295	973,264	1,912,525	2,885,789	17,825,084
Less: Direct Benefit to Donor Costs	-	-	-	-	-	(137,750)	(137,750)	(137,750)
TOTAL EXPENSES	\$ 5,389,240	\$ 872,650	\$ 8,677,405	\$ 14,939,295	\$ 973,264	\$ 1,774,775	\$ 2,748,039	\$ 17,687,334
Percentage of Total Expense	30%	5%	49%	84%	6%	10%	16%	100%

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

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

	Year Ended December 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$ 321,655	\$ 103,443
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	41,789	43,268
Change in Contributions Receivable Discount	57,572	71,305
Net Unrealized/Realized Loss (Gain) on Investments	20,611	(10,767)
Net Change in Operating Assets and Liabilities:		
Grants Receivable	(492,268)	(843,147)
Contributions Receivable	412,406	1,075,254
Prepaid Expenses and Security Deposits	(107,183)	46,272
Accounts Payable	218,848	(131,562)
Accrued Expenses	(99,614)	112,584
Quality of Life and Other Grants Payable	753,659	439,798
Refundable Advances	37,877	(209,362)
Research Contracts Payable	(1,056,896)	1,990,890
Net Cash Provided by Operating Activities	108,456	2,687,976
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Investments	(297,950)	(1,868,873)
Proceeds from Sale of Investments	119,727	399,724
Proceeds from Equity Method Investments (Liquidity)	-	985,959
Purchase of Fixed Assets	(11,916)	-
Net Cash Used by Investing Activities	(190,139)	(483,190)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Borrowings	150,000	-
Net Cash Provided by Financing Activities	150,000	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	68,317	2,204,786
CASH AND CASH EQUIVALENTS - Beginning	3,365,871	1,161,085
CASH AND CASH EQUIVALENTS - Ending	\$ 3,434,188	\$ 3,365,871

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

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1. Nature of the Organization and Summary of Significant Accounting Policies:

Nature of the Organization

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

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

Research Program

The Foundation is dedicated to curing spinal cord injuries by funding innovative research and improving the quality of life for people living with paralysis through grants, information, and advocacy. Toward this goal, CRF directs its public education program to increase public awareness of paralysis and CRF’s involvement in finding a cure, along with efforts to educate the public about issues and solutions to improve the quality of life of those disabled as a result of spinal cord injuries and other forms of paralysis.

Public Education

Effective September 30, 2001, CRF was awarded a \$2,000,000 federal grant from the Centers for Disease Control (“CDC”) to establish the Christopher and Dana Reeve Paralysis Resource Center. The Resource Center, which is part of CRF’s Quality of Life Program, began operations in May 2002. It provides educational materials, referral services, and self-help guidance to people with paralysis, their families, and caregivers. It also awards Quality of Life grants to organizations working in the paralysis community.

Quality of Life

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

Estimates and Uncertainties

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

Cash and Cash Equivalents

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

Concentration of Credit Risk

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

CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1. Nature of the Organization and Summary of Significant Accounting Policies (continued)

Investments

Investments are reported at fair values except those investments where it is not practical to estimate fair market value which are recorded at cost, generally based on current market quotations. All investment income is without donor restrictions as to use. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). All transactions are recorded on a trade-date basis. The cost of securities sold is determined using the specific identification method. The Foundation reviews its investments annually for impairment. Management has determined there are no other than temporary losses as of December 31, 2020 and 2019.

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

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

Investment at Cost

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

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

Grants Receivable

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

Contributions Receivable

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

CHRISTOPHER REEVE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1. Nature of the Organization and Summary of Significant Accounting Policies (continued)

Intangible Assets

Website development costs representing website application, infrastructure and graphics development have been capitalized in accordance with *FASB ASC 350* and reported as Intangible assets in the Statements of Financial Position. These assets are being amortized using the straight-line method over its estimated useful life of 5 years. Intangibles had a balance of \$7,083 and \$35,343 as of December 31, 2020 and 2019, respectively. Amortization expense totaled \$28,260 and \$28,260 in 2020 and 2019, respectively. All other costs in the planning stage have been expensed.

Fixed Assets

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

Long-Lived Assets

The Foundation evaluates all long-lived assets for impairment. Long-lived assets and intangible assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the carrying amount is not fully recoverable, an impairment loss is recognized to reduce the carrying amount to fair value, and is charged to expense in the period of impairment. At December 31, 2020 and 2019 management has determined that these assets are not impaired.

Net Assets

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

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1. Nature of the Organization and Summary of Significant Accounting Policies (continued)

Support and Revenues (continued)

Grant Revenue and Refundable Advances

The Foundation was awarded federal grants from both the Administration for Community Living (“ACL”) and the Department of Defense (“DOD”). These grants are cost reimbursement contracts meaning the foundation recognizes grant revenue as qualified grant expenses are incurred. Consequently, at December 31, 2020 and 2019, conditional contributions approximating \$5,867,382 and \$5,920,449, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements. The Foundation records conditional grants as a refundable advance when cash is received until it is expended for the purpose of the grant or contract.

Contributed Services

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

Special Events, net

Contributions made for special events are recognized in the year the contribution is made, regardless of when the event takes place based upon the unconditional nature of the contributions. In cases where there is a benefit received by the donor, the fair market value of the value to be received by the donor is recognized as deferred revenue until the year the event occurs. Special events revenue is net of direct benefit to donor costs consisting of meals and entertainment totaling \$0 and \$137,750 for the years ended December 31, 2020 and 2019, respectively.

Functional Allocation of Expenses

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

The Foundation allocates salaries and indirect expenses into functional categories related to program and supporting services based on time spent in the various functions by the president and other Foundation personnel, and other appropriate bases of allocation. Joint costs incurred in connection with mailing informational materials and performing other activities that include fundraising are allocated to program and supporting services on the basis of the content of the material.

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

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

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1. Nature of the Organization and Summary of Significant Accounting Policies (continued)

Research Contracts, Quality of Life Grants, and Health Promotion Awards (continued)

The Foundation has conditional commitments to give to several consultants and universities for the Big Idea. The Big Idea is an early feasibility study that evaluates the effectiveness of epidural stimulation in improving cardiovascular function, as well as the ability to facilitate standing and voluntary movements. Conditional commitments to give are not recorded as a liability or an expense until the research contract milestones are met. Accordingly, liabilities and expenses in the amounts of \$3,384,000 and \$4,299,000, which the Foundation expects to incur over the remaining years through 2022, have not been recorded in the accompanying financial statements as of December 31, 2020 and 2019, respectively. The Foundation and the universities are considering an extension of the Big Idea commitment beyond 2022.

Advertising Expenses

Advertising costs are expensed as incurred and totaled \$111,682 in 2020 and \$95,569 in 2019.

Income Taxes

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

Uncertain Tax Positions

Accounting principles generally accepted in the United States require management to evaluate uncertain tax positions taken by the Foundation. The financial statements effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Foundation and has concluded that as of December 31, 2020, there are no uncertain positions taken or expected to be taken. Other significant tax positions include its determination of whether any amounts are subject to unrelated business income tax (UBIT). Management has determined that the Foundation had no activities subject to UBIT in the years ended December 31, 2020 and 2019. The Foundation has recognized no interest or penalties related to uncertain tax positions. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to federal or state income tax examinations for years prior to 2017 and 2016, for the State of New Jersey, respectively.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1. Nature of the Organization and Summary of Significant Accounting Policies (continued)

Newly Issued Accounting Pronouncements

Leases

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

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07. The new guidance will require entities to present contributed nonfinancial assets as a separate line item in the statement of support and revenue, expenses and changes in fund balances, apart from contributions of cash and other financial assets. The ASU will also require certain disclosures including the types of contributed nonfinancial assets, donor-imposed restrictions, and valuation techniques used to arrive at fair value measurement. The new standard is effective for annual periods beginning after June 15, 2021. Early adoption is permitted.

Management is currently evaluating the impact of these ASUs on the financial statements.

Subsequent Events

The Foundation has evaluated all events and transactions that occurred after December 31, 2020, for potential recognition or disclosure through September 13, 2021, the date that the financial statements were available to be issued.

NOTE 2. Availability and Liquidity

The following represents the Foundation's financial assets at:

	December 31,	
	<u>2020</u>	<u>2019</u>
Financial Assets at Year End:		
Cash and Equivalents	\$ 3,434,188	\$ 3,365,871
Investments	1,055	141,393
Current Portion of Contributions Receivable, net (Note 6)	523,467	947,178
Less: Purpose Restricted Net Assets (Note 10)	<u> -</u>	<u> -</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 3,958,710</u>	<u>\$ 4,454,442</u>

CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 2. Availability and Liquidity (continued)

As part of the Foundation's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in short-term investments. In the event of an unanticipated liquidity need, the Foundation also could draw upon \$250,000 of an available line of credit (as further discussed in Note 9).

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, 2020 and 2019. These assets and liabilities are not presented in the following tables. The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

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

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

CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 3. Fair Value Measurements - Recurring (continued)

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2020 and 2019:

	Assets at Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
S&P Preferred Stock Index Marketable				
Equity Securities:	\$ <u>1,055</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,055</u>
Total	\$ <u>1,055</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,055</u>

	Assets at Fair Value as of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
S&P Preferred Stock Index Marketable				
Equity Securities:	\$ 103,373	\$ -	\$ -	\$ 103,373
Industrials	<u>38,020</u>	<u>-</u>	<u>-</u>	<u>38,020</u>
Total	\$ <u>141,393</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>141,393</u>

NOTE 4. Investment at Cost

At December 31, 2020, the Foundation's investments in companies that are accounted for on the cost method of accounting consist of a 16.16% investment in NRT Holdings, LLC ("NRT Holdings") purchased for \$1,444,060, which consisted of \$561,111 paid on October 1, 2019 and the \$985,959 distributed from Presidio Partners NRT, L.P., less investment expenses. The Foundation purchased an additional NRT Holdings investment of \$297,950 during the year ended December 31, 2020.

The Foundation's investments accounted for on the cost method of accounting are \$1,742,010 and \$1,444,060 as of December 31, 2020 and 2019, respectively.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 5. Grants Receivable

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

	December 31,	
	2020	2019
Administration for Community Living	\$ 1,950,427	\$ 1,276,782
Department of Defense	99,169	280,546
	\$ 2,049,596	\$ 1,557,328

NOTE 6. Contributions Receivable

As of December 31, 2020, and 2019, contributions receivable included \$540,000 and \$1,100,000, respectively, of contributions receivable from members of the Foundation's Board of Directors. The Foundation's contributions receivable is due as follows:

	December 31,	
	2020	2019
Less Than One Year	\$ 523,467	\$ 1,447,178
One to Five Years	480,000	540,000
	1,003,467	1,987,178
Less: Amount to Reduce to Present Value (Discount Rates of 2.93%)	57,572	71,305
Allowance for Uncollectible Contributions	-	500,000
	57,572	571,305
	\$ 945,895	\$ 1,415,873

NOTE 7. Fixed Assets

Fixed assets, net is comprised as follows:

	December 31,	
	2020	2019
Furniture, Fixtures, Equipment and Software	\$ 1,036,561	\$ 1,024,645
Research Equipment	188,580	188,580
	1,225,141	1,213,225
Less: Accumulated Depreciation and Amortization	1,210,395	1,196,866
Fixed Assets, Net	\$ 14,746	\$ 16,359

Depreciation expense totaled \$13,529 and \$15,008 in 2020 and 2019, respectively.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 8. Direct Mail Program

The Foundation conducts a Direct Mail Program (the "Program"), the purpose of which is to increase public awareness and support for the Foundation's mission to provide research to find a cure for spinal cord injuries and improve the quality of life of those affected. For the years ended December 31, 2020 and 2019, the Program generated revenues of \$881,256 and \$806,518, respectively, which are included in contributions on the statements of activities and changes in net assets, and expenses of \$138,021 and \$85,916, respectively, which are reported under direct mail on the statement of functional expenses.

NOTE 9. Line of Credit

The Foundation has a \$250,000 line-of-credit agreement with a financial institution to fund advances made, and to be reimbursed, under the DOD contract. The line of credit is collateralized by investments the Foundation has on deposit with the institution. Interest on the loan was 2.37% and 4.04% at December 31, 2020 and 2019, respectively. At December 31, 2020 and 2019, the Foundation had not drawn down any amount from its line of credit.

NOTE 10. Net Assets With Donor Restrictions

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

	December 31,	
	2020	2019
Subject to Expenditure for Specified Purpose:		
The Big Idea	\$ _____ -	\$ _____ -

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, 2020 and 2019:

	December 31,	
	2020	2019
Satisfaction of Purpose Restrictions:		
The Big Idea	\$ <u>104,277</u>	\$ <u>1,408,044</u>

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 11. Functional Expense Allocations

In 2020 and 2019, the Foundation conducted activities that included appeals for contributions as well as program and management and general components. Activities included direct mail campaigns and special events. Joint costs for those activities were allocated as follows:

	December 31,	
	2020	2019
Program Services	\$ 84,853	\$ 170,248
Fundraising	<u>197,992</u>	<u>397,245</u>
	<u>\$ 282,845</u>	<u>\$ 567,493</u>

For the years ended December 31, 2020 and 2019, program services included \$41,406 and \$25,775 for direct mail, respectively, and \$43,447 and \$144,473 for special events, respectively. For the years ended December 31, 2020 and 2019, fundraising included \$96,615 and \$60,141 for direct mail, respectively, and \$101,377 and \$337,104 for special events, respectively.

NOTE 12. Leases

At December 31, 2020, minimum lease payments under noncancellable operating leases for the rental of office space and equipment are as follows:

	Year Ending December 31,
2021	\$ 313,303
2022	303,853
2023	291,803
2024	286,603
2025	<u>284,730</u>
Total Future Lease Payments	<u>\$ 1,480,292</u>

Total rental expense was \$347,992 and \$345,648 for 2020 and 2019, respectively. In January 2015, the Foundation renewed its lease through December 2025. The above table does not include renewal options or operating expense escalations. Additionally, the new lease states that if the Foundation does not receive governmental funding satisfactory for the Paralysis Resource Center to continue in business, it may on the dates specified and no less than 60 days' notice, terminate the lease by up to forty percent of the rentable area.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 13. Employee Benefit Plans

The Foundation has a 401(k) pension plan for the benefit of its employees. Under the plan, the Foundation makes a mandatory contribution of 3% of an eligible employee's annual salary, which is vested immediately. The Foundation also has the option of making additional discretionary contributions which are subjected to a graduated vesting schedule, depending on the employee's length of service, of up to six years. For 2020 and 2019, the additional contribution was 1.5% of an eligible employee's annual salary. Employer contributions charged to operations were \$143,605 and \$137,711 in 2020 and 2019, respectively and are reported under other employee benefits on the statement of functional expenses.

NOTE 14. Government Assistance

Paycheck Protection Program Loan

On March 27, 2020, Congress established the Paycheck Protection Program ("PPP") under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act authorizes the Small Business Association's ("SBA") small business lending program to fund forgivable loans to qualifying companies to cover payroll, mortgage interest, rent, and utilities during the 8-week period starting on the date the PPP loan proceeds are received ("Covered Period").

These loans may be fully or partly forgiven when used for payroll costs, interest on mortgages, rent, and utilities (at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. These loans are unsecured and guaranteed by the Small Business Administration.

On June 5, 2020, Congress established the PPP Flexibility Act of 2020 (the "Act") which gives borrowers flexibility with certain criteria under the PPP including extension of the Covered Period to 24 weeks, reduction of the payroll costs requirements from 75% to 60%, extension of the payment deferral period, extension of the full-time equivalent restoration to December 31, 2020, and added safe harbors to remove the full-time equivalent employees reduction in loan forgiveness under limited circumstances.

On April 13, 2020, the Foundation entered into a loan with Provident Bank ("Lender") in an aggregate principal amount for \$487,441. The PPP Loan is evidenced by a promissory note ("Note").

Subject to the terms of the Note, the PPP Loan bears interest at a fixed rate of one percent (1%) per annum, the first six months of payments are deferred, and have an initial term of two years.

The Note provides for customary events of default including, among other things, cross-defaults on any other loan with the Lender. The PPP Loan may be accelerated upon the occurrence of an event of default.

CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 14. Government Assistance (continued)

Paycheck Protection Program Loan (continued)

FASB ASC 958-605 addresses the accounting for contributions by Not-for-Profits. Under this model, the timing of recognition for a contribution received depends on whether the contribution is conditional or not. If conditional, the contribution is not recognized until conditions are substantially met or explicitly waived.

Once the conditions have been substantially met or explicitly waived, the earnings impact of the grant is recorded on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. Hence, a business entity would record the cash inflow from the PPP loan as a refundable advance liability and subsequently reduce the liability, with the offset through earnings as a credit in the income statement, as it recognizes the related cost to which the loan relates, for example, payroll expense.

The Foundation applied for and received proceeds of \$487,441 through the PPP in November 2020. The Foundation has determined that all criteria for forgiveness based on both the CARES Act and the Act have been substantially met and the PPP loan will be 100% forgiven. As such, and in accordance with FASB ASC 958-605, the Foundation has recognized \$487,441 of the loan proceeds as of December 31, 2020 as Paycheck Protection Program Grant Income. The PPP loan was granted forgiveness in March 2021.

In February 2021, the Foundation applied for and received \$392,619 in the second round of PPP Loan funding (“PPP2”) with the Lender.

CARES Act Social Security Tax Deferment

The CARES Act allows employers to defer the deposit and payment of the employer’s share of Social Security taxes and to defer payment of certain-employment taxes, as well as coordination with the credits for paid leave under sections 7001 and 7003 of Families Coronavirus Response Act (FFCRA). Under sections 2302(a)(1) and (a)(2) of the CARES Act, the Company deferred deposits of \$130,423 of the employer’s share of Social Security tax due, and payments of the tax imposed on wages paid during the period between May 1, 2020 and December 31, 2020. At December 31, 2020, \$65,212 is due by December 31, 2021 and \$65,211 is due by December 31, 2022. The deferred deposits of \$130,423 is included in accounts payable and accrued expenses.

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. Installment payments of \$641 including principal and interest, will begin May 2022. As part of the loan, the Foundation also received an advance of \$10,000 from the SBA. While the SBA refers to this program as an advance, it was written into law as a grant. This means that the amount given through this program does not need to be repaid and the Foundation has recognized \$10,000 as grant income and included in grant revenue.

NOTE 15. Impact of Coronavirus

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen. The coronavirus pandemic continues to disrupt business operations and management has not determined the effect it will have on future operations.

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
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 financial statements of Christopher Reeve Foundation, which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 13, 2021.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation's 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

Compliance and Other Matters

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

Purpose of This Report

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



SMOLIN, LUPIN & CO., P. A.

Red Bank, New Jersey
September 13, 2021

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

The Board of Directors
Christopher Reeve Foundation
Short Hills, New Jersey

Report on Compliance for Each Major Federal Program

We have audited Christopher Reeve Foundation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Christopher Reeve Foundation's major federal programs for the year ended December 31, 2020. Christopher Reeve Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Christopher Reeve Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of Christopher Reeve Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Christopher Reeve Foundation’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Christopher Reeve Foundation 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



SMOLIN, LUPIN & CO., P. A.

Red Bank, New Jersey
September 13, 2021

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER & DANA REEVE FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020**

<u>Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Grant Award</u>	<u>Contract Period</u>	<u>Passed Through to Subrecipients</u>	<u>Total Program Expenditures</u>
U.S. Department of Health and Human Services Administration for Community Living The Paralysis Resource Center	93.325	\$ 7,505,000	07/01/19-6/30/20	\$ 1,355,835	\$ 3,878,951
The Paralysis Resource Center	93.325	\$ 8,700,000	07/01/20-6/30/21	2,016,878	4,066,708
Total U.S. Department of Health and Human Services				<u>3,372,713</u>	<u>7,945,659</u>
U.S. Small Business Administration Disaster Assistance Loans Economic Injury Disaster Loans	59.008	\$ 150,000	01/01/20-12/31/20	-	150,000
Total U.S. Small Business Administration				<u>-</u>	<u>150,000</u>
U.S. Department of Defense Department of Army Research and Material Command Military Medical Research and Development North American Clinical Trials Network (NACTN) for Treatment of Spinal Cord Injury	12.42	\$ 5,140,447	05/01/16-12/31/22	802,956	962,442
Total U.S. Department of Defense				<u>802,956</u>	<u>962,442</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u><u>\$ 4,175,669</u></u>	<u><u>\$ 9,058,101</u></u>

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

CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2020 AND 2019

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, 2020. 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 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 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
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2020 AND 2019**

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
Military Medical Research and Development	12.420