

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

**FINANCIAL STATEMENTS AND OTHER
FINANCIAL INFORMATION**

DECEMBER 31, 2021 AND 2020

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
DECEMBER 31, 2021 AND 2020**

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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

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of the Christopher Reeve Foundation (the "Foundation"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Foundation as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the 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 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 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 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 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 Foundation'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about Foundation'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 financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 schedule of expenditures of federal awards 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 DATE 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 the Foundation's internal control over financial reporting and compliance.

Smolin, Lupin & Co., LLC

SMOLIN, LUPIN & CO., LLC

Red Bank, New Jersey
July 15, 2022

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

	December 31,	
	2021	2020
ASSETS		
ASSETS		
Cash and Cash Equivalents	\$ 3,476,812	\$ 3,183,636
Restricted Cash	145,599	250,552
Investments at Fair Value	10,112	1,055
Investment at Cost	1,992,010	1,742,010
Grants Receivable	288,905	2,049,596
Contributions Receivable, Net	2,260,741	945,895
Prepaid Expenses	68,396	149,765
Security Deposits	13,663	13,663
Intangible Assets, Net	-	7,083
Fixed Assets, Net	9,653	14,746
	\$ 8,265,891	\$ 8,358,001
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 117,563	\$ 370,729
Accrued Expenses	143,388	202,720
Quality of Life and Other Grants Payable	-	1,717,336
Loan Payable	150,000	150,000
Refundable Advances	137,193	148,461
Research Contracts Payable	1,030,324	1,546,494
	1,578,468	4,135,740
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without Donor Restrictions	6,687,423	4,222,261
With Donor Restrictions	-	-
	6,687,423	4,222,261
TOTAL NET ASSETS	6,687,423	4,222,261
TOTAL LIABILITIES AND NET ASSETS	\$ 8,265,891	\$ 8,358,001

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,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Contributions	\$ 6,132,043	\$ 3,113	\$ 6,135,156	\$ 4,265,614	\$ 104,277	\$ 4,369,891
Grant Revenue	9,390,592	-	9,390,592	9,405,542	-	9,405,542
Special Events, Net of Direct Benefit to Donor Costs	1,625,178	-	1,625,178	792,631	-	792,631
Net Investment Return (Loss)	1,117	-	1,117	(14,427)	-	(14,427)
Other Income	-	-	-	17,072	-	17,072
Net Assets Released from Restrictions	3,113	(3,113)	-	104,277	(104,277)	-
Total Support and Revenues	<u>17,152,043</u>	<u>-</u>	<u>17,152,043</u>	<u>14,570,709</u>	<u>-</u>	<u>14,570,709</u>
EXPENSES						
Program services:						
Research program	2,370,861	-	2,370,861	3,075,715	-	3,075,715
Public education	727,220	-	727,220	597,224	-	597,224
Quality of life	9,121,473	-	9,121,473	8,420,087	-	8,420,087
	<u>12,219,554</u>	<u>-</u>	<u>12,219,554</u>	<u>12,093,026</u>	<u>-</u>	<u>12,093,026</u>
Support services:						
Management and general	697,892	-	697,892	497,647	-	497,647
Fund Raising	1,769,435	-	1,769,435	1,658,381	-	1,658,381
	<u>2,467,327</u>	<u>-</u>	<u>2,467,327</u>	<u>2,156,028</u>	<u>-</u>	<u>2,156,028</u>
Total Expenses	<u>14,686,881</u>	<u>-</u>	<u>14,686,881</u>	<u>14,249,054</u>	<u>-</u>	<u>14,249,054</u>
CHANGES IN NET ASSETS	<u>2,465,162</u>	<u>-</u>	<u>2,465,162</u>	<u>321,655</u>	<u>-</u>	<u>321,655</u>
NET ASSETS , Beginning of Year	<u>4,222,261</u>	<u>-</u>	<u>4,222,261</u>	<u>3,900,606</u>	<u>-</u>	<u>3,900,606</u>
NET ASSETS , End of Year	<u>\$ 6,687,423</u>	<u>\$ -</u>	<u>\$ 6,687,423</u>	<u>\$ 4,222,261</u>	<u>\$ -</u>	<u>\$ 4,222,261</u>

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, 2021**

	Program Services				Support Services			Total Expenses 2021
	Research Program	Public Education	Quality of Life	Total	Management and General	Fund Raising	Total	
Salaries and Wages	\$ 212,655	\$ 336,734	\$ 2,344,540	\$ 2,893,929	\$ 359,797	\$ 849,913	\$ 1,209,710	\$ 4,103,639
Outsourced Personnel	-	-	18,964	18,964	-	-	-	18,964
Other Employee Benefits	22,039	34,898	584,021	640,958	37,289	88,217	125,506	766,464
Payroll Taxes	10,111	16,010	209,852	235,973	17,107	40,470	57,577	293,550
Total Salaries and Related Expenses	244,805	387,642	3,157,377	3,789,824	414,193	978,600	1,392,793	5,182,617
Research - Contracts and Allocations	729,895	-	-	729,895	-	-	-	729,895
Research - Big Idea	1,202,891	-	-	1,202,891	-	-	-	1,202,891
Quality of Life, Health Promotions and Other Grants and Programs	-	-	3,789,284	3,789,284	-	-	-	3,789,284
Professional Fees	26,172	102,586	1,015,824	1,144,582	194,395	179,654	374,049	1,518,631
Internet Communications	-	8,175	212,917	221,092	2,044	10,220	12,264	233,356
Supplies	770	1,219	19,179	21,168	1,302	3,080	4,382	25,550
Telephone	1,188	1,882	16,756	19,826	2,010	4,756	6,766	26,592
Postage and Shipping	428	678	39,097	40,203	724	1,713	2,437	42,640
Office Rent	11,288	17,874	233,774	262,936	19,098	45,182	64,280	327,216
Equipment Rental and Maintenance	1,040	1,647	23,367	26,054	1,759	4,162	5,921	31,975
Conferences, Conventions and Meetings	-	350	109,043	109,393	10,619	-	10,619	120,012
Printing	1,533	1,533	145,635	148,701	1,533	1,533	3,066	151,767
Dues, Subscriptions and Registration Fees	-	19,652	6,539	26,191	15,832	9,761	25,593	51,784
Insurance	32,217	-	16,108	48,325	16,108	-	16,108	64,433
Travel and Lodging	-	2,713	31,535	34,248	788	5,428	6,216	40,464
Direct Mail	8,935	35,741	-	44,676	-	104,245	104,245	148,921
Special Events	44,625	89,251	-	133,876	-	312,378	312,378	446,254
Direct Benefit to Donor Costs	-	-	-	-	-	225,915	225,915	225,915
Teams	-	-	-	-	-	84,095	84,095	84,095
Staff Training	-	95	10,820	10,915	2,725	2,337	5,062	15,977
Advertising	-	16,128	71,337	87,465	-	5,376	5,376	92,841
Interest Expense	51	82	-	133	303	205	508	641
Miscellaneous	64,048	38,429	218,773	321,250	12,810	12,809	25,619	346,869
Depreciation and Amortization	975	1,543	4,108	6,626	1,649	3,901	5,550	12,176
Subtotal	2,370,861	727,220	9,121,473	12,219,554	697,892	1,995,350	2,693,242	14,912,796
Less: Direct Benefit to Donor Costs	-	-	-	-	-	(225,915)	(225,915)	(225,915)
TOTAL EXPENSES	\$ 2,370,861	\$ 727,220	\$ 9,121,473	\$ 12,219,554	\$ 697,892	\$ 1,769,435	\$ 2,467,327	\$ 14,686,881
Percentage of Total Expense	16%	5%	62%	83%	5%	12%	17%	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, 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
STATEMENTS OF CASH FLOWS**

	Year Ended December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$ 2,465,162	\$ 321,655
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	12,176	41,789
Change in Contributions Receivable Discount	23,018	57,572
Net Unrealized/Realized Loss on Investments	3,249	20,611
Net Change in Operating Assets and Liabilities:		
Grants Receivable	1,760,691	(492,268)
Contributions Receivable	(1,337,864)	412,406
Prepaid Expenses and Security Deposits	81,369	(107,183)
Accounts Payable	(253,166)	218,848
Accrued Expenses	(59,332)	(99,614)
Quality of Life and Other Grants Payable	(1,717,336)	753,659
Refundable Advances	(11,268)	37,877
Research Contracts Payable	(516,170)	(1,056,896)
Net Cash Provided by Operating Activities	450,529	108,456
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Investments	(250,000)	(297,950)
Proceeds from Sale of Investments	(12,306)	119,727
Purchase of Fixed Assets	-	(11,916)
Net Cash Used by Investing Activities	(262,306)	(190,139)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Borrowings	-	150,000
Net Cash Provided by Financing Activities	-	150,000
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	188,223	68,317
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Beginning	3,434,188	3,365,871
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Ending	\$ 3,622,411	\$ 3,434,188

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, 2021 AND 2020

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.

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.

Restricted Cash

The Companies are required to maintain cash in in separate bank accounts designated for certain federal funding. At December 31, 2021 and 2020, the amounts held in these separate bank accounts were \$145,599 and \$250,552, respectively.

CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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

Restricted Cash (continued)

In August 2016, the Financial Accounting Standards Board (“FASB”) issued ASU 2016-18, *Restricted Cash*. This guidance was intended to reduce diversity in practice in how certain transactions were classified in the statement of cash flows. The guidance was effective for annual reporting periods beginning after December 15, 2018. The Foundation has adopted these standards as of the beginning of its current fiscal year and applied them retrospectively to all periods presented.

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. Uninsured balances totaled approximately \$3,171,000 and \$3,448,000 at December 31, 2021 and 2020, respectively.

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, 2021 and 2020.

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 both NRT Holdings, LLC (“NRT Holdings”) and AXONIS Therapeutics Inc. (“Axonis”). These investments are carried at cost. (See Note 4) 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.

CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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

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.

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 \$0 and \$7,083 as of December 31, 2021 and 2020, respectively. Amortization expense totaled \$7,083 and \$28,260 in 2021 and 2020, 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, 2021 and 2020 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.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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

Net Assets (continued)

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.

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, 2021 and 2020, conditional contributions approximating \$4,794,025 and \$5,867,382, 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 \$225,915 and \$0 for the years ended December 31, 2021 and 2020, respectively.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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

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.

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 \$2,387,000 and \$3,384,000, which the Foundation expects to incur over the remaining years through 2023, have not been recorded in the accompanying financial statements as of December 31, 2021 and 2020, respectively.

Advertising Expenses

Advertising costs are expensed as incurred and totaled \$92,842 in 2021 and \$111,682 in 2020.

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.

CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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

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, 2021, 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, 2021 and 2020. 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 2018 and 2017, for the State of New Jersey, respectively.

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, 2021, for potential recognition or disclosure through July 15, 2022, the date that the financial statements were available to be issued.

Reclassifications

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

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 2. Availability and Liquidity

The following represents the Foundation's financial assets at:

	December 31,	
	2021	2020
Financial Assets at Year End:		
Cash and Equivalents	\$ 3,622,411	\$ 3,434,188
Investments	10,112	1,055
Current Portion of Contributions Receivable, net (Note 6)	1,551,305	523,467
Less: Purpose Restricted Net Assets (Note 10)	-	-
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 5,183,828	\$ 3,958,710

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, 2021 and 2020. 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.

CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 3. Fair Value Measurements - Recurring (continued)

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, 2021 and 2020.

- *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.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2021 and 2020:

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
S&P Preferred Stock Index Marketable Equity Securities:	\$ 10,112	\$ -	\$ -	\$ 10,112
Total	\$ 10,112	\$ -	\$ -	\$ 10,112
	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:	\$ 1,055	\$ -	\$ -	\$ 1,055
Total	\$ 1,055	\$ -	\$ -	\$ 1,055

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") and 3% investment in AXONIS Therapeutics Inc. ("Axonis"). In 2019, NRT Holdings was purchased for \$1,444,060. The Foundation purchased an additional NRT Holdings investment of \$297,950 during the year ended December 31, 2020. In 2021, the Foundation purchased an interest in Axonis for \$250,000.

The Foundation's investments accounted for on the cost method of accounting are \$1,992,010 and \$1,742,010 as of December 31, 2021 and 2020, respectively.

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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").

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Administration for Community Living	\$ 232,204	\$ 1,950,427
Department of Defense	<u>56,701</u>	<u>99,169</u>
	<u>\$ 288,905</u>	<u>\$ 2,049,596</u>

NOTE 6. Contributions Receivable

As of December 31, 2021, and 2020, contributions receivable included \$480,000 and \$540,000, respectively, of contributions receivable from members of the Foundation's Board of Directors. The Foundation's contributions receivable is due as follows:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Less Than One Year	\$ 1,551,305	\$ 523,467
One to Five Years	<u>732,454</u>	<u>480,000</u>
	<u>2,283,759</u>	<u>1,003,467</u>
Less: Amount to Reduce to Present Value (Discount Rates of 2.93%)	23,018	57,572
Allowance for Uncollectible Contributions	<u>-</u>	<u>-</u>
	<u>23,018</u>	<u>57,572</u>
	<u>\$ 2,260,741</u>	<u>\$ 945,895</u>

NOTE 7. Fixed Assets

Fixed assets, net is comprised as follows:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Furniture, Fixtures, Equipment and Software	\$ 1,036,561	\$ 1,036,561
Research Equipment	<u>188,580</u>	<u>188,580</u>
	1,225,141	1,225,141
Less: Accumulated Depreciation and Amortization	<u>1,215,488</u>	<u>1,210,395</u>
Fixed Assets, Net	<u>\$ 9,653</u>	<u>\$ 14,746</u>

Depreciation expense totaled \$5,093 and \$13,529 in 2021 and 2020, respectively.

**CHRISTOPHER REEVE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
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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, 2021 and 2020, the Program generated revenues of \$911,286 and \$881,256, respectively, which are included in contributions on the statements of activities and changes in net assets, and expenses of \$148,921 and \$138,021, 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 2.37% at December 31, 2021 and 2020, respectively. At December 31, 2021 and 2020, the Foundation had not drawn down any amount from its line of credit.

NOTE 10. Net Assets With Donor Restrictions

At December 31, 2021 and 2020, there were no net assets with donor restrictions.

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, 2021 and 2020:

	December 31,	
	2021	2020
Satisfaction of Purpose Restrictions:		
The Big Idea	\$ 3,113	\$ 104,277

NOTE 11. Functional Expense Allocations

In 2021 and 2020, 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,	
	2021	2020
Program Services	\$ 178,552	\$ 84,853
Fundraising	416,623	197,992
	\$ 595,175	\$ 282,845

**CHRISTOPHER REEVE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
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NOTE 11. Functional Expense Allocations (continued)

For the years ended December 31, 2021 and 2020, program services included \$44,676 and \$41,406 for direct mail, respectively, and \$133,876 and \$43,447 for special events, respectively. For the years ended December 31, 2021 and 2020, fundraising included \$104,245 and \$96,615 for direct mail, respectively, and \$312,378 and \$101,377 for special events, respectively.

NOTE 12. Leases

At December 31, 2021, minimum lease payments under noncancellable operating leases for the rental of office space and equipment are as follows:

	Year Ending December 31,
2022	\$ 303,853
2023	291,803
2024	286,603
2025	<u>284,730</u>
Total Future Lease Payments	<u>\$ 1,166,989</u>

Total rental expense was \$327,216 and \$347,992 for 2021 and 2020, respectively. The above table does not include renewal options or operating expense escalations. Additionally, the new lease states that if the Foundation does not receive governmental funding satisfactory for the Paralysis Resource Center to continue in business, it may on the dates specified and no less than 60 days' notice, terminate the lease by up to forty percent of the rentable area.

NOTE 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 2021 and 2020, the additional contribution was 1.5% of an eligible employee's annual salary. Employer contributions charged to operations were \$154,802 and \$143,605 in 2021 and 2020, respectively and are reported under other employee benefits on the statement of functional expenses.

CHRISTOPHER REEVE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
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NOTE 14. Government Assistance

Paycheck Protection Program

In March 2020, Congress established the Paycheck Protection Program (“PPP”) to provide relief to small business during the coronavirus pandemic (“COVID-19”) as part of the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act. The legislation authorized Treasury to use the Small Business Administration’s (“SBA”) 7(a) small business lending program to fund forgivable loans that qualifying businesses could spend to cover payroll, mortgage interest, rent and utilities. Upon meeting certain criteria as specified in the PPP program, the loans are eligible for partial or total forgiveness.

The Foundation accounted for the PPP loan following Financial Accounting Standards Board (“FASB”) ASC 958-605. FASB ASC 958-605 addresses the accounting for contributions by Not-for-Profits. 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 for forgiveness have been substantially met or explicitly waived, the earnings impact is recorded on a systematic basis over the periods in which the entity recognizes the related costs for which the PPP loan is intended to compensate.

The Foundation applied for and received proceeds of \$487,441 through the PPP on April 12, 2020 from Provident Bank. As of December 31, 2020, the Foundation had determined that all criteria for forgiveness were substantially met and that the PPP loan and all accrued interest would 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 Foundation applied for and was granted full forgiveness of the PPP loan on March 31, 2021.

The Foundation also applied for and received proceeds of \$392,619 through the PPP on February 4, 2021 from Provident Bank. As of December 31, 2021, the Foundation had determined that all criteria for forgiveness were substantially met and that the PPP loan and all accrued interest would be 100% forgiven. As such, and in accordance with FASB ASC 958-605, the Foundation has recognized \$392,619 of the loan proceeds as of December 31, 2021 as Paycheck Protection Program Grant Income. The Foundation applied for and was granted full forgiveness of the PPP loan on February 2, 2022.

CHRISTOPHER REEVE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 14. Government Assistance (continued)

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 Foundation 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. In December 2021, \$55,131 was paid. The remaining \$75,291 is due by December 31, 2022. The deferred deposits are 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. 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, will begin November 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.



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
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 financial statements of Christopher Reeve Foundation, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 15, 2022.

Report on 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) as a basis for designing 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. 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 were not identified.

Report on 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 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 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., LLC

Red Bank, New Jersey
July 15, 2022



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Christopher Reeve Foundation's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Christopher Reeve Foundation's major federal programs for the year ended December 31, 2021. 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.

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, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Christopher Reeve Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Christopher Reeve Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Christopher Reeve Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Smolin, Lupin & Co., LLC

SMOLIN, LUPIN & CO., LLC

Red Bank, New Jersey
July 15, 2022

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER & DANA REEVE FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021**

Grantor / Program Title	CFDA Number	Grant Award	Contract Period	Passed Through to Subrecipients	Total Program Expenditures
U.S. Department of Health and Human Services Administration for Community Living The Paralysis Resource Center	93.325	\$ 8,700,000	07/01/20-6/30/21	\$ 1,886,513	\$ 4,633,292
The Paralysis Resource Center	93.325	\$ 8,700,000	07/01/21-6/30/22	1,902,771	3,905,975
Total U.S. Department of Health and Human Services				<u>3,789,284</u>	<u>8,539,267</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	12.420	\$ 4,338,631	05/01/16-9/15/21	326,403	458,706
Total U.S. Department of Defense				<u>326,403</u>	<u>458,706</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 4,115,687</u>	<u>\$ 8,997,973</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, 2021 AND 2020

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, 2021. 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, 2021 AND 2020**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards:

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs:

Unmodified
No reportable instances of noncompliance

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance

Yes No

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as a low- risk auditee?

Yes No

Identification of major federal program:

Federal CFDA Number

The Paralysis Resource Center

93.325

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS AND
QUESTIONED COSTS AS PREPARED BY MANAGEMENT
DECEMBER 31, 2021**

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

No matters were reported.