

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

**FINANCIAL STATEMENTS AND OTHER
FINANCIAL INFORMATION**

DECEMBER 31, 2022 AND 2021

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
DECEMBER 31, 2022 AND 2021**

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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, 2022 and 2021, 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, 2022 and 2021, 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 August 9, 2023 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

Red Bank, New Jersey
August 9, 2023

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

	December 31,	
	2022	2021
ASSETS		
ASSETS:		
Cash and Cash Equivalents	\$ 3,998,779	\$ 3,476,812
Restricted Cash	5,118	145,599
Investment at Fair Value	3,392,554	10,112
Investments at Cost	281,728	1,992,010
Grants Receivable	231,366	288,905
Contributions Receivable, Net	1,242,228	2,260,741
Prepaid Expenses	105,250	68,396
Security Deposits	13,663	13,663
Right-of-Use Assets, Net	850,209	-
Fixed Assets, Net	5,759	9,653
	<u>5,759</u>	<u>9,653</u>
TOTAL ASSETS	<u>\$ 10,126,654</u>	<u>\$ 8,265,891</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts Payable	\$ 108,580	\$ 117,563
Accrued Expenses	194,274	143,388
Lease Liability	850,132	-
Loan Payable	500,000	150,000
Refundable Advances	41,955	137,193
Research Contracts Payable	502,632	1,030,324
	<u>2,197,573</u>	<u>1,578,468</u>
TOTAL LIABILITIES	<u>2,197,573</u>	<u>1,578,468</u>
COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without Donor Restrictions	7,929,081	6,687,423
With Donor Restrictions	-	-
	<u>7,929,081</u>	<u>6,687,423</u>
TOTAL NET ASSETS	<u>7,929,081</u>	<u>6,687,423</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,126,654</u>	<u>\$ 8,265,891</u>

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,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:						
Contributions	\$ 3,456,340	\$ 42,206	\$ 3,498,546	\$ 6,132,043	\$ 3,113	\$ 6,135,156
Grant Revenue	9,623,151	-	9,623,151	9,390,592	-	9,390,592
Special Events, Net of Direct Benefit to Donor Costs	1,734,565	-	1,734,565	1,625,178	-	1,625,178
Net Investment Return (Loss)	1,695,964	-	1,695,964	1,117	-	1,117
Net Assets Released from Restrictions	42,206	(42,206)	-	3,113	(3,113)	-
Total Support and Revenues	<u>16,552,226</u>	<u>-</u>	<u>16,552,226</u>	<u>17,152,043</u>	<u>-</u>	<u>17,152,043</u>
EXPENSES:						
Program services:						
Research program	2,019,099	-	2,019,099	2,370,861	-	2,370,861
Public education	824,474	-	824,474	727,220	-	727,220
Quality of life	10,025,573	-	10,025,573	9,121,473	-	9,121,473
	<u>12,869,146</u>	<u>-</u>	<u>12,869,146</u>	<u>12,219,554</u>	<u>-</u>	<u>12,219,554</u>
Support services:						
Management and general	788,488	-	788,488	697,892	-	697,892
Fund Raising	1,652,934	-	1,652,934	1,769,435	-	1,769,435
	<u>2,441,422</u>	<u>-</u>	<u>2,441,422</u>	<u>2,467,327</u>	<u>-</u>	<u>2,467,327</u>
Total Expenses	<u>15,310,568</u>	<u>-</u>	<u>15,310,568</u>	<u>14,686,881</u>	<u>-</u>	<u>14,686,881</u>
CHANGES IN NET ASSETS	<u>1,241,658</u>	<u>-</u>	<u>1,241,658</u>	<u>2,465,162</u>	<u>-</u>	<u>2,465,162</u>
NET ASSETS, Beginning 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>
NET ASSETS, End of Year	<u>\$ 7,929,081</u>	<u>\$ -</u>	<u>\$ 7,929,081</u>	<u>\$ 6,687,423</u>	<u>\$ -</u>	<u>\$ 6,687,423</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
YEAR ENDED DECEMBER 31, 2022**

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

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

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER & DANA REEVE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021**

	Program Services				Support Services			Total Expenses
	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
STATEMENTS OF CASH FLOWS**

	Years Ended December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$ 1,241,658	\$ 2,465,162
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	3,894	12,176
Change in Contributions Receivable Discount	22,449	23,018
Operating Lease Assets and Liabilities, Net	(77)	-
Net Unrealized/Realized (Gain) Loss on Investments	(1,687,886)	3,249
Net Change in Operating Assets and Liabilities:		
Grants Receivable	57,539	1,760,691
Contributions Receivable	996,064	(1,337,864)
Prepaid Expenses and Security Deposits	(36,854)	81,369
Accounts Payable	(8,983)	(253,166)
Accrued Expenses	50,886	(59,332)
Quality of Life and Other Grants Payable	-	(1,717,336)
Refundable Advances	(95,238)	(11,268)
Research Contracts Payable	(527,692)	(516,170)
Net Cash Provided by Operating Activities	15,760	450,529
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Investments	(1,191,889)	(250,000)
Proceeds from Sale of Investments	1,207,615	(12,306)
Net Cash Provided by (Used by) Investing Activities	15,726	(262,306)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Borrowings	350,000	-
Net Cash Provided by Financing Activities	350,000	-
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	381,486	188,223
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Beginning	3,622,411	3,434,188
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Ending	\$ 4,003,897	\$ 3,622,411

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, 2022 AND 2021**

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

CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

Restricted Cash

The Foundation is required to maintain cash in in separate bank accounts designated for certain federal funding. At December 31, 2022 and 2021, the amounts held in these separate bank accounts were \$5,118 and \$145,599, respectively.

Cash and Cash Equivalents and Restricted Cash per Statement of Cash Flows for the year ended December 31, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 3,998,779	\$ 3,476,812
Restricted Cash	<u>5,118</u>	<u>145,599</u>
	<u>\$ 4,003,897</u>	<u>\$ 3,622,411</u>

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 \$3,259,000 and \$3,171,000 at December 31, 2022 and 2021, respectively.

Investments

Investments are reported at fair values except those investments where it is not practical to estimate fair market value, which is recorded at cost, generally based on current market quotations. All investment income is without donor restrictions as to use. 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.

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

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

Investments at Cost

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.

CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

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. At December 31, 2022 and 2021 management has determined that these investments are not impaired.

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 as of December 31, 2022 and 2021. Amortization expense totaled \$0 and \$7,083 in 2022 and 2021, 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, 2022 and 2021 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
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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, 2022 and 2021, conditional contributions approximating \$4,777,911 and \$4,794,025, 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 \$355,560 and \$225,915 for the years ended December 31, 2022 and 2021, respectively.

**CHRISTOPHER REEVE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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 maintained conditional commitments to give to several consultants and universities for the Big Idea, a 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. The Foundation is currently working with its partners to facilitate the study conclusion in a way that is consistent with our commitment to the patients in the study. Accordingly, the Foundation expects to incur expenses in the amounts ranging between approximately \$125,000-\$500,000, over the next year when conditions are met, and therefore have not been recorded in the accompanying financial statements as of December 31, 2022.

Advertising Expenses

Advertising costs are expensed as incurred and totaled \$158,227 in 2022 and \$92,841 in 2021.

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, 2022 AND 2021

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, 2022, 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, 2022 and 2021. 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 2019 and 2018, for the State of New Jersey, respectively.

New Accounting Standards - Adopted

Leases - In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, Leases. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU 2018-10, Codification Improvements to Topic 842, Leases; ASU 2018-11, Leases (Topic 842): Targeted Improvements; ASU 2018-20, Narrow-scope Improvements for Lessors; and ASU 2019-01, Leases (Topic 842): Codification Improvements. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on statement of financial position.

The Foundation elected to adopt these ASUs effective January 1, 2022 and utilized all the available practical expedients. The adoption had a material impact on the Foundation’s statement of financial position but did not have a material impact on the statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. The accounting for finance leases remained substantially unchanged. Adoption of the standard required the Foundation to restate amounts as of January 1, 2022, resulting in an increase in ROU assets of \$1,152,808 and lease liabilities of \$1,152,808.

The Foundation leases a building and equipment. The determination of whether an arrangement is a lease is made at the lease’s inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Operating leases are included in operating lease right-of-use (“ROU”) assets and other current liabilities in the statement of financial position.

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

CHRISTOPHER REEVE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

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

The Foundation has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices. For the equipment lease, the Foundation accounts for the lease and non-lease components as a single lease.

Our building lease agreement includes provision for variable rent payments that depend on the consumer price index, which are adjusted periodically for inflation. None of our lease agreements contain any material residual value guarantees.

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

Contributed Nonfinancial Assets - In September 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-07. The new guidance requires entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The ASU also requires certain disclosures including the types of contributed nonfinancial assets, donor-imposed restrictions, and valuation techniques used to arrive at fair value measurement. The Foundation adopted this guidance effective January 1, 2022. There are no contributed non-financial assets for the year ended December 31, 2022.

Subsequent Events

The Foundation has evaluated all events and transactions that occurred after December 31, 2022, for potential recognition or disclosure through August 9, 2023, 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's presentation with no effect on previously reported net assets.

NOTE 2. AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets at:

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
Financial Assets at Year End:		
Cash and Cash Equivalents	\$ 3,998,779	\$ 3,476,812
Investments	3,392,554	10,112
Current Portion of Contributions Receivable, net (Note 6)	864,677	1,551,305
Less: Purpose Restricted Net Assets (Note 10)	<u>-</u>	<u>-</u>
Financial Assets Available to Meet General Expenditures		
Over the Next Twelve Months	<u>\$ 8,256,010</u>	<u>\$ 5,038,229</u>

CHRISTOPHER REEVE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
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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, 2022 and 2021. 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.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

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

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

CHRISTOPHER REEVE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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, 2022 and 2021:

	<u>Assets at Fair Value as of December 31, 2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$ 3,392,554	\$ _____ -	\$ _____ -	\$ 3,392,554
Total	<u>\$ 3,392,554</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ 3,392,554</u>
	<u>Assets at Fair Value as of December 31, 2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ 10,112	\$ _____ -	\$ _____ -	\$ 10,112
Total	<u>\$ 10,112</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ 10,112</u>

NOTE 4. INVESTMENT AT COST

The Foundation's investments accounted for on the cost method of accounting as of December 31, 2022 and 2021, are as follows:

	<u>2022</u>	<u>2021</u>
NRT Holdings	\$ 31,728	\$ 1,742,010
Axonis	<u>250,000</u>	<u>250,000</u>
	<u>\$ 281,728</u>	<u>\$ 1,992,010</u>

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

NOTE 5. GRANTS RECEIVABLE

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

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
Administration for Community Living	\$ 231,366	\$ 232,204
Department of Defense	<u>-</u>	<u>56,701</u>
	<u>\$ 231,366</u>	<u>\$ 288,905</u>

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6. CONTRIBUTIONS RECEIVABLE

As of December 31, 2022 and 2021, contributions receivable included \$430,000 and \$480,000, 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>2022</u>	<u>2021</u>
Less Than One Year	\$ 864,677	\$ 1,551,305
One to Five Years	<u>400,000</u>	<u>732,454</u>
	<u>1,264,677</u>	<u>2,283,759</u>
Less: Amount to Reduce to Present Value (Discount Rates of 2.93%)	22,449	23,018
Allowance for Uncollectible Contributions	<u>-</u>	<u>-</u>
	<u>22,449</u>	<u>23,018</u>
	<u>\$ 1,242,228</u>	<u>\$ 2,260,741</u>

NOTE 7. FIXED ASSETS

Fixed assets, net is comprised as follows:

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</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>1,219,382</u>	<u>1,215,488</u>
Fixed Assets, Net	<u>\$ 5,759</u>	<u>\$ 9,653</u>

Depreciation expense totaled \$3,894 and \$5,093 in 2022 and 2021, respectively.

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, 2022 and 2021, the Program generated revenues of \$844,901 and \$911,286, respectively, which are included in contributions on the statements of activities and changes in net assets, and expenses of \$158,227 and \$148,921, respectively, which are reported under direct mail on the statement of functional expenses.

**CHRISTOPHER REEVE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 9. LINE OF CREDIT

The Foundation has a \$250,000 line-of-credit agreement with a financial institution. 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, 2022 and 2021, respectively. At December 31, 2022 and 2021, the Foundation had not drawn down any amount from its line of credit.

NOTE 10. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2022 and 2021, 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, 2022 and 2021:

	December 31,	
	2022	2021
Satisfaction of Purpose Restrictions:		
The Big Idea	\$ 42,206	\$ 3,113

NOTE 11. FUNCTIONAL EXPENSE ALLOCATIONS

In 2022 and 2021, 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,	
	2022	2021
Program Services	\$ 136,483	\$ 178,552
Fundraising	318,460	416,623
	\$ 454,943	\$ 595,175

For the years ended December 31, 2022 and 2021, program services included \$47,468 and \$44,676 for direct mail, respectively, and \$89,015 and \$133,876 for special events, respectively. For the years ended December 31, 2022 and 2021, fundraising included \$110,759 and \$104,245 for direct mail, respectively, and \$207,701 and \$312,378 for special events, respectively.

**CHRISTOPHER REEVE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 12. LEASING ACTIVITIES

The following summarizes the line items in the balance sheet which includes amounts for operating leases as of December 31, 2022:

Operating Leases

Operating Lease Right-of-Use-Assets	<u>\$ 850,209</u>
Current Portion of Operating Lease Liabilities	\$ 284,478
Operating Lease Liabilities	<u>565,654</u>
Total Operating Lease Liabilities	<u>\$ 850,132</u>

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2022:

Weighted Average Remaining Lease Term

Operating Leases	2.9 years
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Weighted Average Discount Rate

Operating Leases	1.06%
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The maturities of lease liabilities as of December 31, 2022 were as follows:

<u>Year Ending December 31,</u>	<u>Operating</u>
2023	\$ 291,803
2024	286,603
2025	<u>284,731</u>
Total Lease Payments	863,137
Less: Interest	<u>(13,005)</u>
Present Value of Lease Liabilities	<u>\$ 850,132</u>

The following summarizes the line items in the income statements which include the components of lease expense for the year ended December 31, 2022:

Operating Lease Expense Subject to ASU Topic 842	\$ 313,226
Rent Expense Not Subject to ASU Topic 842	<u>32,431</u>
Operating Lease Expense Included in Operating Expense	<u>\$ 345,657</u>

CHRISTOPHER REEVE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 12. LEASING ACTIVITIES (continued)

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

Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	\$ 313,303
Lease Assets Obtained in Exchange for Lease Obligations:	
Operating Leases	\$ -

Subsequent to year end the Foundation entered into an equipment lease that calls for monthly payments of approximately \$1,400 through December 2026.

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 2022 and 2021, the additional contribution was 1.5% of an eligible employee's annual salary. Employer contributions charged to operations were \$149,485 and \$154,802 in 2022 and 2021, respectively and are reported under other employee benefits on the statement of functional expenses.

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.

CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER AND DANA REEVE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 14. GOVERNMENT ASSISTANCE (continued)

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.

CARES Act Social Security Tax Deferral

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 was paid December 2022. The deferred deposits were 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, have been deferred until 2023. 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, 2022, 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 August 9, 2023.

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 weaknesses or significant deficiencies 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
August 9, 2023

**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, 2022. 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, 2022.

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 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

August 9, 2023

**CHRISTOPHER REEVE FOUNDATION
D/B/A CHRISTOPHER & DANA REEVE FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022**

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	07/01/21-6/30/22	\$ 1,512,098	\$ 4,794,025
	93.325	\$ 9,447,037	07/01/22-6/30/23	2,124,409	4,786,346
The Paralysis Resource Center	93.325	\$ 160,000	04/01/22-9/30/24	-	42,780
Total U.S. Department of Health and Human Services				<u>3,636,507</u>	<u>9,623,151</u>
U.S. Small Business Administration Disaster Assistance Loans Economic Injury Disaster Loans	59.008	\$ 350,000	01/01/22-12/31/22	-	350,000
Total U.S. Small Business Administration				<u>-</u>	<u>350,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 3,636,507</u>	<u>\$ 9,973,151</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, 2022 AND 2021

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, 2022. 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, 2022 AND 2021**

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, 2022**

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

No matters were reported.