



The Buoniconti Fund to Cure Paralysis, Inc.

Financial Statements

May 31, 2019

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INDEPENDENT AUDITORS' REPORT

The Buoniconti Fund to Cure Paralysis, Inc.
Miami, Florida

We have audited the accompanying financial statements of The Buoniconti Fund to Cure Paralysis, Inc., which comprise the statement of financial position as of May 31, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

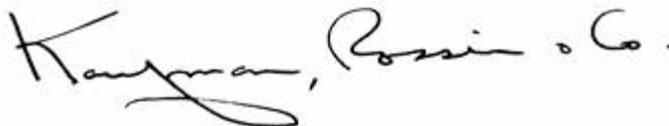
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Buoniconti Fund to Cure Paralysis, Inc. as of May 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Kaufman, Rossin & Co." with a stylized flourish at the end.

Kaufman, Rossin & Co., P.A.

October 23, 2019
Miami, Florida

THE BUONICONTI FUND TO CURE PARALYSIS, INC.
STATEMENT OF FINANCIAL POSITION
MAY 31, 2019

ASSETS

CURRENT ASSETS

Cash	\$	404,796
Pledges receivable, net (Note 2)		912,882
Inventory		108,013
Prepaid expenses and other current assets		125,128
Total current assets		1,550,819

PLEDGES RECEIVABLE, NET (NOTE 2) 3,310,126

LITERARY WORK INTANGIBLE ASSETS, NET (NOTE 3) 224,227

\$ 5,085,172

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$	49,545
Deferred revenue		35,915
Total current liabilities		85,460

CONTINGENCIES (NOTE 10)

NET ASSETS

Without donor restrictions	3,973,616
With donor restrictions (Note 6)	1,026,096
Total net assets	4,999,712

\$ 5,085,172

See accompanying notes.

THE BUONICONTI FUND TO CURE PARALYSIS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2019

	Net assets without donor restrictions	Net assets with donor restrictions	Total
EVENT REVENUES, PUBLIC SUPPORT AND OTHER INCOME (EXPENSE)			
Gross event revenues and public support:			
Contributions	\$ 3,792,765	\$ -	\$ 3,792,765
Ticket sales	332,110	-	332,110
Auction proceeds	385,061	-	385,061
In-kind contributions (Note 5)	244,929	-	244,929
Total gross event revenues and public support	4,754,865	-	4,754,865
Reductions of gross event revenues and public support:			
Auction cost of sales	(221,996)	-	(221,996)
Direct event costs	(1,598,327)	-	(1,598,327)
Distributions to event partners	(5,000)	-	(5,000)
Total reductions of gross event revenues and public support	(1,825,323)	-	(1,825,323)
Total event revenues and public support	2,929,542	-	2,929,542
Other income (expense):			
Interest	257	-	257
Amortization of discounts on pledges receivable	69,182	14,486	83,668
Total other income (expense)	69,439	14,486	83,925
Total event revenues, public support and other income (expense)	2,998,981	14,486	3,013,467
EXPENSES (NOTE 8)			
Program services	2,900,564	-	2,900,564
Supporting services	1,014,935	-	1,014,935
Total expenses	3,915,499	-	3,915,499
NET ASSETS RELEASED FROM RESTRICTIONS	1,450,000	(1,450,000)	-
CHANGE IN NET ASSETS (NOTE 4)	533,482	(1,435,514)	(902,032)
NET ASSETS - BEGINNING OF YEAR	3,440,134	2,461,610	5,901,744
NET ASSETS - END OF YEAR	\$ 3,973,616	\$ 1,026,096	\$ 4,999,712

See accompanying notes.

THE BUONICONTI FUND TO CURE PARALYSIS, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED MAY 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$(902,032)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Amortization of discounts on pledges receivable	(83,668)
Amortization of literary work intangible assets	56,057
Changes in operating assets and liabilities:	
Pledges receivable	822,491
Inventory	5,269
Prepaid expenses and other current assets	(100,197)
Accounts payable and accrued expenses	(16,222)
Deferred revenue	(29,885)
Total adjustments	653,845
Net cash used in operating activities, representing the net decrease in cash	(248,187)
CASH - BEGINNING	652,983
CASH - ENDING	\$ 404,796
Supplemental Disclosure of Cash Flow Information:	
Interest paid	\$ -
Income taxes paid	\$ -

See accompanying notes.

THE BUONICONTI FUND TO CURE PARALYSIS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Buoniconti Fund to Cure Paralysis, Inc. (the “Fund”) is a not-for-profit organization incorporated under the laws of the State of Florida for the purpose of raising funds and promoting national awareness for The Miami Project to Cure Paralysis (“The Miami Project”), at the University of Miami School of Medicine. The Miami Project is a research center devoted to finding more effective treatments, and ultimately the cure, for paralysis induced by spinal cord injuries, and to provide information, education, and referral services to individuals with spinal cord injuries and their families and friends.

Adoption of Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, effective for periods beginning after December 31, 2017. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow the not-for-profit reporting model. The changes include reducing the classes of net assets from three classes to two – net assets with donor restrictions and net assets without donor restrictions. The ASU also requires changes in the way certain information is aggregated and reported by the Fund, including required disclosures about liquidity and availability of resources, and increased disclosures on functional expenses. The ASU is effective for the Fund’s May 31, 2019 year-end financial statements, and has been applied retrospectively to June 1, 2018, which resulted in no changes to the determination of net asset restrictions.

Basis of Presentation

The financial statements of the Fund are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, event revenues, public support, and other income are classified based on the existence or absence of donor-imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* - Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.
- *Net Assets With Donor Restrictions* - Amounts subject to usage limitations based on donor-imposed restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by passage of time, be fulfilled or removed by actions of the Fund, pursuant to those stipulations. Certain restrictions may need to be maintained in perpetuity.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Cash

Cash includes amounts with donor restrictions totaling to approximately \$405,000 at May 31, 2019.

Concentrations of Credit Risk

The Fund deposits excess cash with high-credit quality institutions. At times, such balances may be in excess of federally insured limits.

Pledges Receivable

Unconditional pledges receivable are recognized at the time when the respective donor makes the promise. Unconditional pledges receivable due in the next year are recorded at their net realizable value, which is considered a reasonable estimate of fair value. Unconditional pledges receivable that are expected to be collected in future years are recognized at fair value, using present value techniques and applicable discount rates. The discounts on the estimated future cash flows of pledges receivable are computed using risk-free interest rates applicable to the respective years in which pledges are expected to be received. Conditional pledges receivable are recognized when the conditions on which they depend are substantially met that is, when the conditional promise becomes unconditional.

An allowance for uncollectible pledges receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity. Pledges receivable are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. As of May 31, 2019, no allowance for uncollectible pledges receivable was deemed necessary by management.

At May 31, 2019, pledges receivable from one donor accounted for approximately 86% of total pledges receivable, net of discounts.

Inventory

Inventory consists primarily of auction items and event gifts stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Prepaid Expenses and Deferred Revenue

Prepaid expenses represent amounts paid in advance for special events to be held subsequent to year-end. Revenue from special event ticket sales received in advance for events is deferred until the period in which the event is held. The Fund considers the contribution portion of special event ticket sales to be conditional upon the event taking place, as such; it is recorded as deferred revenue along with the exchange portion of ticket sales.

Intangible Assets

Intangible assets having indefinite lives are not amortized but are subject to annual impairment testing. Intangible assets having finite lives are amortized over their estimated useful lives using the straight-line method. The Fund performs annual impairment testing on its recorded intangible assets. Based on management's plans for future operations, and their estimates considering current and future discounted operating cash flows, no impairment was recognized during the year ended May 31, 2019.

Contributions

Contributions, including unconditional promises are recognized as revenue when the donor's commitment is received. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a temporary restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

For the year ended May 31, 2019, contributions from one donor accounted for approximately 11% of total gross event revenues and public support.

Donated Services and In-kind Contributions

The Fund records the value of donated services when there is an objective basis available to measure their value. For the year ended May 31, 2019, the estimated value of donated services meeting the requirements for recognition in the financial statements amounted to approximately \$245,000.

Advertising and Promotion

Advertising and promotion costs are expensed as incurred. For the year ended May 31, 2019, advertising and promotion expense amounted to approximately \$335,000.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Income Taxes

Income taxes are not provided for in the financial statements since the Fund is exempt from federal and state income taxes under Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code and similar state provisions. The Fund is not classified as a private foundation.

The Fund assesses its tax positions in accordance with "*Accounting for Uncertainties in Income Taxes*" as prescribed by the Accounting Standards Codification, which provides guidance for financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return for open tax years (generally a period of three years from the later of each return's due date or the date filed) that remain subject to examination by the Fund's major tax jurisdictions.

The Fund assesses its tax positions and determines whether it has any material unrecognized liabilities for uncertain tax positions. The Fund records these liabilities to the extent it deems them more likely than not to be incurred. Interest and penalties related to uncertain tax positions, if any, would be classified as a component of income tax expense.

The Fund believes that it does not have any significant uncertain tax positions requiring recognition or measurement in the accompanying financial statements.

Use of Estimates in the Preparation of Financial Statements

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 as of the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management's estimate of the fair value of "unconditional pledges receivable" is based upon historical collection rates, analysis of the collectability, and expected payment dates of individual pledges, valued using risk-free rates. This estimate may be subject to change as a result of potential amendments made to the terms of the individual pledges. Given the nature of this estimate, it is reasonably possible the fair value of the Fund's pledges receivable could materially change in the near future.

NOTE 2. PLEDGES RECEIVABLE

At May 31, 2019 unconditional pledges receivable consisted of the following:

Amounts due in:	
Less than one year	\$ 981,798
One to five years	2,500,000
Thereafter	1,000,000
	<hr/> 4,481,798
Less: unamortized discount	(258,790)
	<hr/> \$ 4,223,008

The interest rate used in calculating discounts on the present value of estimated future cash flows ranges between 1.75% and 6%.

As of May 31, 2019, gross pledges receivable from members of the Board of Directors amounted to approximately \$4,383,000, of which approximately \$400,000 had donor restrictions.

NOTE 3. LITERARY WORK INTANGIBLE ASSETS

In 2010, the Fund entered into an agreement to engage a third party to write Marc Buoniconti's, *Undefeated: From Tragedy to Triumph*, biography and provide publishing and promotion consulting services. All proceeds raised from the sale of the biography will benefit the Fund. The biography was released on September 19, 2017, and sales of the book are expected to continue through the end of the 2023 fiscal year; accordingly, the Fund's literary work intangible assets are being amortized on a straight-line basis over 5.75 years, the estimated future benefit period.

At May 31, 2019, literary work intangible assets, net consisted of the following:

Literary work intangible asset costs	\$ 322,327
Less: amortization	(98,100)
	<hr/> \$ 224,227

Literary work intangible assets amortization expense amounted to approximately \$56,000 for the year ended May 31, 2019.

NOTE 3. LITERARY WORK INTANGIBLE ASSETS (Continued)

As of May 31, 2019, the remaining unamortized balance of literary work intangible assets will be amortized approximately as follows:

2020	\$	56,000
2021		56,000
2022		56,000
2023		56,000
<hr/>		
Total	\$	224,000

NOTE 4. CONTRIBUTIONS TO THE MIAMI PROJECT

In accordance with its specific purpose, the Fund, upon approval of its Board of Directors, makes periodic contributions to The Miami Project based on the availability of cash. The nature of the Fund's activities is such that in any given fiscal year, significant unconditional pledge receivables can be promised, yet the cash related to these receivables is not collected until subsequent fiscal years. As a consequence, the Fund can have large fluctuations in its change in net assets from fiscal year-to-year, since the contributions to support The Miami Project are made at the discretion of the Fund's Board of Directors as the cash becomes available from the collection of its unconditional pledge receivables. During the year ended May 31, 2019, the Fund contributed \$2,400,000 in support of The Miami Project (Note 8).

NOTE 5. RELATED PARTY TRANSACTIONS

Several of the Fund's officers and directors are employed by The Miami Project. The management and staff of The Miami Project are compensated by the University of Miami (the "University"). During the year ended May 31, 2019, the Fund was allocated salaries of approximately \$136,000 based on efforts spent to operate the Fund. These are reflected as in-kind contributions in the accompanying statement of activities.

The Fund's Miami office is operated by The Miami Project and the University is responsible for all expenses related to the office.

NOTE 6. NET ASSETS

At May 31, 2019, net assets with donor restrictions were available for the following purposes:

Clinical trials	\$ 1,026,096
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Capital Building

Through the generosity of Christine E. Lynn, a major donor of the Fund, The Miami Project, in conjunction with the University and Jackson Memorial Hospital, is constructing a world-class rehabilitation center which will be named the Christine E. Lynn Rehabilitation Institute for The Miami Project to Cure Paralysis (the “Institute”). Over the last year, construction has moved forward with completion scheduled for early spring 2020. A ribbon cutting ceremony will take place on February 14, 2020. Clinical laboratories within the Institute will allow Miami Project clinical investigators to expand their rehabilitation and exercise clinical studies and recruit new subjects for clinical studies and trials.

With the consent of the donor, during the year ended May 31, 2017, the Fund utilized \$1,200,000 from net assets with donor restrictions for the Capital Building to fund research in support of The Miami Project. During the year ended May 31, 2019, the remaining balance of \$900,000 was repaid by the Fund.

Clinical Trials

The Fund continues to raise funds for Human Schwann Cell Clinical Trials. The Miami Project has completed the Phase 1 clinical study for Schwann cell transplantation for subacute spinal cord injury (“SCI”). Results obtained from the initial safety study have been published in peer reviewed SCI Journals and presented at national and international scientific meetings.

The Miami Project recently completed the recruitment for the Phase 2 chronic Schwann cell trial where Schwann cells were administered in subjects at least one year after SCI. Four chronic thoracic and four cervical SCI subjects have been successfully transplanted and undergone the pre-rehabilitation and post-rehabilitation protocol. None of the subjects experienced serious risk factors during the surgical transplantation procedures, which is of utmost importance. The Miami Project will monitor and test these subjects up to five years post transplantation to assess long-term functional consequences.

In parallel studies, some chronic SCI subjects are being recruited to undergo novel neural stimulation protocols including transcranial magnetic and peripheral nerve stimulation to induce circuit plasticity within the brain and spinal cord. In future studies the goal will be to combine these circuit stimulation approaches with cellular therapies to promote functional recovery.

NOTE 6. NET ASSETS (Continued)

The Miami Project has received FDA approval to use human Schwann transplantation procedures to treat severe peripheral nerve injuries that commonly occur with trauma to the body or limbs. These studies are based on encouraging preliminary results obtained with severe leg trauma resulting in irreversible nerve damage. Investigators are testing for the first time a combination approach including human Schwann cells and a biodegradable bridge to promote sciatic nerve regeneration to reinnervate the leg and improve motor and sensory function. The Miami Project is in the process of recruiting the first subject for this new clinical trial series.

NOTE 7. LIQUIDITY

The Fund's financial assets as of May 31, 2019 that are available for general expenditure within one year of the statement of financial position date are as follows:

Total assets, at year-end	\$ 5,085,172
Less non financial assets:	
Inventory	(108,013)
Prepaid expenses and other current assets	(125,128)
Literary work intangible assets, net	(224,227)
<hr/> Total financial assets	<hr/> 4,627,804
Less financial assets unavailable for general expenditures within one year, due to:	
Cash restricted by donor with purpose restriction	(646,227)
Current portion of pledge receivable restricted by donor with purpose restriction	(91,440)
Long-term pledge receivables, net	(3,310,126)
<hr/> Financial assets available to meet cash needs for general expenditure within one year	<hr/> \$ 580,011 <hr/>

As part of the Fund's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 8. FUNCTIONAL EXPENSES

The costs of holding the Fund's events and other activities have been summarized on a functional basis. Direct costs are allocated specifically to the Fund's events, programs and supporting services. Indirect costs are allocated by management to the events, programs and supporting services based on the percentage of employee time spent among other factors. The allocation of costs on a functional basis is based on management's estimates.

NOTE 8. FUNCTIONAL EXPENSES (Continued)

The cost of providing program services and supporting activities for the year ended May 31, 2019 has been summarized on a functional basis in the table below:

	Program services		Supporting services		Total
	Contributions to The Miami Project	Awareness programs	Fundraising	Administrative and general	
Contributions to Miami Project	\$ 2,400,000	\$ -	\$ -	\$ -	\$ 2,400,000
Advertising and promotion	-	325,963	9,250	-	335,213
Amortization of literary work	-	-	56,057	-	56,057
Awards and gifts	-	-	6,462	2,602	9,064
Bank and service charges	-	-	18,553	6,981	25,534
Equipment rental	-	-	717	5,012	5,729
Food and beverage	-	1,155	15,835	1,447	18,437
Insurance	-	-	95	20,262	20,357
Other	-	-	75,610	13,447	89,057
Photography and video	-	-	11,786	-	11,786
Postage	-	-	4,889	1,887	6,776
Printing	-	-	2,012	-	2,012
Professional services	-	18,867	321,672	106,945	447,484
Salaries and fringe benefits	-	105,430	113,836	121,489	340,755
Supplies	-	-	48,938	23,848	72,786
Telephone and utilities	-	-	1,728	6,587	8,315
Travel and entertainment	-	12,109	13,416	3,572	29,097
Wheelchairs	-	37,040	-	-	37,040
	\$ 2,400,000	\$ 500,564	\$ 700,856	\$ 314,079	\$ 3,915,499

NOTE 9. CHAPTERS OF THE BUONICONTI FUND TO CURE PARALYSIS, INC.

The Fund has established committees (“Chapters”) consisting of volunteers who seek to promote the national fund-raising efforts of the Fund and The Miami Project by hosting events in their respective cities. As of May 31, 2019, there are 9 active chapters throughout Florida, South Carolina, Massachusetts, Illinois, Indiana, Pennsylvania, and Michigan. Fund-raising activities are coordinated by the staff of the Fund and revenue and expenses related to all such activities are included in the accompanying financial statements.

NOTE 10. CONTINGENCIES

The Fund depends substantially on contributions and contributed services for its revenues. The ability of certain Fund donors to continue giving amounts comparable with prior years may be dependent upon current and future overall economic conditions and the continued deductibility for income tax purposes of contributions to the Fund. While the Fund's Board of Directors believe the Fund has the resources to continue its activities, its ability to do so and the extent to which it continues, may be dependent on the above factors.

NOTE 11. SUBSEQUENT EVENTS

The Fund has evaluated subsequent events through October 23, 2019, which is the date the accompanying financial statements were available to be issued.