



The Buoniconti Fund to Cure Paralysis, Inc.

Financial Statements

May 31, 2020

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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, 2020, 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

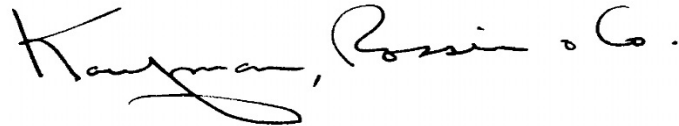
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, 2020, 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.

December 1, 2020
Miami, Florida

THE BUONICONTI FUND TO CURE PARALYSIS, INC.
STATEMENT OF FINANCIAL POSITION
MAY 31, 2020

ASSETS

CURRENT ASSETS

Cash	\$	788,346
Pledges receivable, net (Note 2)		893,168
Inventory		115,975
Prepaid expenses and other current assets		16,111
Total current assets		1,813,600

PLEDGES RECEIVABLE, NET (NOTE 2)		3,205,241
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\$ 5,018,841

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$	22,749
Deferred revenue		268,014
Total current liabilities		290,763

CONTINGENCIES (NOTE 10)

NET ASSETS

Without donor restrictions		3,490,285
With donor restrictions (Note 6)		1,237,793
Total net assets		4,728,078

\$ 5,018,841

See accompanying notes.

THE BUONICONTI FUND TO CURE PARALYSIS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2020

	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	\$ 4,127,486	\$ 317,137	\$ 4,444,623
Ticket sales	180,055	-	180,055
Auction proceeds	227,841	-	227,841
In-kind contributions	51,636	-	51,636
Total gross event revenues and public support	4,587,018	317,137	4,904,155
Reductions of gross event revenues and public support:			
Auction cost of sales	(95,653)	-	(95,653)
Direct event costs	(913,384)	-	(913,384)
Total reductions of gross event revenues and public support	(1,009,037)	-	(1,009,037)
Total event revenues and public support	3,577,981	317,137	3,895,118
Other income (expense):			
Interest	1,233	-	1,233
Amortization of discounts on pledges receivable	35,327	8,560	43,887
Total other income (expense)	36,560	8,560	45,120
Total event revenues, public support and other income (expense)	3,614,541	325,697	3,940,238
EXPENSES (NOTE 8)			
Program services	2,876,292	-	2,876,292
Supporting services	1,335,580	-	1,335,580
Total expenses	4,211,872	-	4,211,872
NET ASSETS RELEASED FROM RESTRICTIONS	114,000	(114,000)	-
CHANGE IN NET ASSETS (NOTE 4)	(483,331)	211,697	(271,634)
NET ASSETS - BEGINNING OF YEAR	3,973,616	1,026,096	4,999,712
NET ASSETS - END OF YEAR	\$ 3,490,285	\$ 1,237,793	\$ 4,728,078

See accompanying notes.

THE BUONICONTI FUND TO CURE PARALYSIS, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED MAY 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$(271,634)
<hr/>	
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Bad debt expense	257,575
Amortization of discounts on pledges receivable	(43,887)
Amortization of literary work intangible assets	224,227
Changes in operating assets and liabilities:	
Pledges receivable	(89,089)
Inventory	(7,962)
Prepaid expenses and other current assets	109,017
Accounts payable and accrued expenses	(26,796)
Deferred revenue	232,099
<hr/>	
Total adjustments	655,184
<hr/>	
Net cash provided by operating activities, representing net increase in cash	383,550
<hr/>	
CASH - BEGINNING	404,796
<hr/>	
CASH - ENDING	\$ 788,346

Supplemental Disclosure of Cash Flow Information:

Interest paid	\$ -
<hr/>	
Income taxes paid	\$ -
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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 May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU 2014-09, *Revenues from Contracts with Customers (Topic 606)* (“ASC 606”). The standard’s core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the Fund expects to be entitled in exchange for those goods or services.

The Fund has elected to defer adoption of the revenue recognition principles promulgated by ASC 606 until the year beginning June 1, 2020.

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.

Cash

Cash includes amounts with donor restrictions totaling approximately \$788,000 at May 31, 2020.

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

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, 2020, management recorded an allowance for uncollectible pledges amounting to \$200,000.

At May 31, 2020, pledges receivable from two donors accounted for approximately 89% 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.

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.

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

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, the remaining balance of intangible assets was recognized as amortization of literary work intangible assets during the year ended May 31, 2020.

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, 2020, contributions from one donor accounted for approximately 20% 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, 2020, the estimated value of donated services meeting the requirements for recognition in the financial statements amounted to approximately \$52,000.

Advertising and Promotion

Advertising and promotion costs are expensed as incurred. For the year ended May 31, 2020, advertising and promotion expense amounted to approximately \$441,000.

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.

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

Income Taxes (continued)

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 that the fair value of the Fund's pledges receivable could materially change in the near future.

NOTE 2. PLEDGES RECEIVABLE

At May 31, 2020, unconditional pledges receivable consisted of the following:

Amounts due in:	
Less than one year	\$ 1,013,312
One to five years	3,000,000
Thereafter	500,000
	<hr/> 4,513,312
Less: unamortized discount	(214,903)
Less: allowance for uncollectible pledges receivable	(200,000)
	<hr/> \$ 4,098,409

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, 2020, gross pledges receivable from members of the Board of Directors amounted to \$3,700,000, of which \$300,000 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 concluded during the 2020 fiscal year; accordingly, the Fund's remaining literary work intangible assets were fully amortized during the year ended May 31, 2020.

At May 31, 2020, literary work intangible assets, net consisted of the following:

Literary work intangible asset costs	\$	322,327
Less: accumulated amortization	(322,327)
	\$	-

Literary work intangible assets amortization expense amounted to approximately \$224,000 for the year ended May 31, 2020.

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 and current activities 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, 2020, the Fund contributed \$2,254,000 in support of The Miami Project.

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"). 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, 2020, net assets with donor restrictions were available for the following purposes:

Clinical trials	\$	993,159
Other		244,634
	\$	1,237,793

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 trial where Schwann cells were administered in subjects at least one year after SCI. The Miami Project is now writing up these results for several new publications that will be important to the field of clinical SCI. The Miami Project 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. Phase 2 of the clinical study is currently ongoing.

Capital Building

Through the generosity of Christine E. Lynn, a major donor of the Fund, The Miami Project, in conjunction with the University of Miami and Jackson Memorial Hospital, has constructed a world-class rehabilitation hospital which is named the Christine E. Lynn Rehabilitation Center for The Miami Project to Cure Paralysis. Miami Project Clinical laboratories have moved into the new Center and new collaborations are being developed with the Departments of Physical Medicine and Rehabilitation, Physical Therapy and the Jackson Health System.

NOTE 7. LIQUIDITY

The Fund's financial assets as of May 31, 2020, that are available for general expenditure within one year of the statement of financial position date are as follows:

Total assets, at year-end	\$ 5,018,841
Less non financial assets:	
Inventory	(115,975)
Prepaid expenses and other current assets	(16,111)
<hr/> Total financial assets	<hr/> 4,886,755
Less financial assets unavailable for general expenditures within one year, due to:	
Cash restricted by donor with purpose restriction	(788,011)
Due from future unrestricted funds	(161,353)
Current portion of pledge receivable restricted by donor with purpose restriction	(93,752)
Long-term pledge receivables, net	(3,205,241)
<hr/> Financial assets available to meet cash needs for general expenditure within one year	<hr/> \$ 638,398

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 indirect costs of holding and administering the Fund’s events and other activities have been summarized on a functional basis. Indirect event costs and other expenses are allocated by management to program 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.

The costs of providing program services and supporting activities for the year ended May 31, 2020, have 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	\$ 2,254,000	\$ -	\$ -	\$ -	\$ 2,254,000
Advertising and promotion	-	436,179	5,000	-	441,179
Amortization					
of literary work	-	-	224,227	-	224,227
Awards and gifts	-	-	34	265	299
Bad debt	-	-	257,575	-	257,575
Bank and service charges	-	-	2,353	6,623	8,976
Equipment rental	-	-	-	5,489	5,489
Food and beverage	-	-	4,459	3,207	7,666
Insurance	-	-	-	19,398	19,398
Other	-	-	28,450	7,347	35,797
Photography and video	-	-	3,770	-	3,770
Postage	-	-	2,513	1,735	4,248
Professional services	-	-	453,730	93,791	547,521
Salaries and					
fringe benefits	-	105,430	54,594	106,009	266,033
Supplies	-	-	7,168	30,403	37,571
Telephone and utilities	-	-	-	4,162	4,162
Travel and entertainment	-	-	11,067	2,211	13,278
Wheelchairs	-	80,683	-	-	80,683
	\$ 2,254,000	\$ 622,292	\$ 1,054,940	\$ 280,640	\$ 4,211,872

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, 2020, there are eight active chapters throughout Florida, South Carolina, Massachusetts, Indiana, Pennsylvania, and Michigan. Fund-raising activities are coordinated by the staff of the Fund and revenues 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

Global Pandemic

In March 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The pandemic currently has not significantly impacted the Fund's operating results. While the disruption caused by the pandemic is currently expected to be temporary, there is uncertainty regarding its duration. Therefore, while management does not anticipate that COVID-19 will have a significant adverse impact on the Fund's long-term results of activities, financial position, and liquidity, the duration and intensity of the impact of COVID-19 and resulting disruption to the Fund's operations is uncertain. The Fund will continue to monitor the situation closely and assess the impact on its activities and financial results.

Evaluation Date

The Fund has evaluated subsequent events through December 1, 2020, which is the date the accompanying financial statements were available to be issued.