



# The Buoniconti Fund to Cure Paralysis, Inc.

Financial Statements

May 31, 2021

## **C O N T E N T S**

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## **INDEPENDENT AUDITORS' REPORT**

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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, 2021, 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, 2021, 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 12, 2021  
Miami, Florida

**THE BUONICONTI FUND TO CURE PARALYSIS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**MAY 31, 2021**

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**ASSETS**

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**CURRENT ASSETS**

Cash	\$ 737,539
Pledges receivable, net (Note 2)	455,358
Inventory	105,044
Prepaid expenses and other current assets	2,648
<b>Total current assets</b>	<b>1,300,589</b>

<b>PLEDGES RECEIVABLE, NET (NOTE 2)</b>	<b>2,644,484</b>
	<b>\$ 3,945,073</b>

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**LIABILITIES AND NET ASSETS**

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**CURRENT LIABILITIES**

Accounts payable and accrued expenses	\$ 26,133
Deferred revenue	84,078
<b>Total current liabilities</b>	<b>110,211</b>

**CONTINGENCIES (NOTE 9)**

**NET ASSETS**

Without donor restrictions	3,122,255
With donor restrictions (Note 5)	712,607
<b>Total net assets</b>	<b>3,834,862</b>
	<b>\$ 3,945,073</b>

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See accompanying notes.

**THE BUONICONTI FUND TO CURE PARALYSIS, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED MAY 31, 2021**

	Net assets without donor restrictions	Net assets with donor restrictions	Total
<b>EVENT REVENUES, PUBLIC SUPPORT AND OTHER INCOME (EXPENSE)</b>			
Gross event revenues and public support:			
Contributions	\$ 3,289,083	\$ 485,612	\$ 3,774,695
Ticket sales	56,560	-	56,560
Auction proceeds	180,720	-	180,720
In-kind contributions	15,129	-	15,129
<b>Total gross event revenues and public support</b>	<b>3,541,492</b>	<b>485,612</b>	<b>4,027,104</b>
Reductions of gross event revenues and public support:			
Auction cost of sales	( 89,228)	-	( 89,228)
Direct event costs	( 309,502)	-	( 309,502)
<b>Total reductions of gross event revenues and public support</b>	<b>( 398,730)</b>	<b>-</b>	<b>( 398,730)</b>
<b>Total event revenues and public support</b>	<b>3,142,762</b>	<b>485,612</b>	<b>3,628,374</b>
Other income (expense):			
Interest	4,005	-	4,005
Amortization of discounts on pledges receivable	110,005	9,105	119,110
<b>Total other income (expense)</b>	<b>114,010</b>	<b>9,105</b>	<b>123,115</b>
<b>Total event revenues, public support and other income (expense)</b>	<b>3,256,772</b>	<b>494,717</b>	<b>3,751,489</b>
<b>EXPENSES (NOTE 7)</b>			
Program services	3,842,845	-	3,842,845
Supporting services	801,860	-	801,860
<b>Total expenses</b>	<b>4,644,705</b>	<b>-</b>	<b>4,644,705</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>1,019,903</b>	<b>( 1,019,903)</b>	<b>-</b>
<b>CHANGE IN NET ASSETS (NOTE 3)</b>	<b>( 368,030)</b>	<b>( 525,186)</b>	<b>( 893,216)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>3,490,285</b>	<b>1,237,793</b>	<b>4,728,078</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 3,122,255</b>	<b>\$ 712,607</b>	<b>\$ 3,834,862</b>

See accompanying notes.

**THE BUONICONTI FUND TO CURE PARALYSIS, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MAY 31, 2021**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$( 893,216)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Bad debt expense	100,000
Amortization of discounts on pledges receivable	( 119,110)
Changes in operating assets and liabilities:	
Pledges receivable	1,017,677
Inventory	10,931
Prepaid expenses and other current assets	13,463
Accounts payable and accrued expenses	3,384
Deferred revenue	( 183,936)
Total adjustments	842,409
Net cash used in operating activities, representing net decrease in cash	( 50,807)
<b>CASH - BEGINNING</b>	<b>788,346</b>
<b>CASH - ENDING</b>	<b>\$ 737,539</b>

**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

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**NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

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*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.

*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.

*Revenue Recognition - Contributions, Donated Services and In-Kind Contributions*

Contributions, including unconditional promises, are accounted for under Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958)*, and 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. The Fund records the value of donated services (in-kind contributions) when there is an objective basis available to measure their value. For the year ended May 31, 2021, the estimated value of donated services meeting the requirements for recognition in the financial statements amounted to approximately \$15,000.



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

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***Revenue Recognition - Exchange Transactions***

In May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* (“ASC 606”). Revenue is recognized pursuant to a five-step model: (i) identify contract(s) with the customer; (ii) identify the performance obligation in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations; (v) recognize revenue when (or as) each performance obligation is satisfied.

Under ASC 606, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the Fund expects to receive in exchange for those goods or services. In addition, ASC 606 requires disclosure of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Fund adopted ASC 606 and all its related amendments, as of June 1, 2020, using the modified retrospective method, under which the cumulative effect of initially applying ASC 606 is recorded to net assets with no restatement of the comparative period. The adoption of ASC 606 as of June 1, 2020, did not result in a change to the Fund’s financial statements.

The Fund’s sources of revenue from exchange transactions subject to ASC 606 include ticket sales and auction proceeds. Ticket sales are recognized at a point in time when the event occurs. Auction proceeds are recognized at a point in time when auction sale takes place.

For the year ended May 31, 2021, contributions from one donor accounted for approximately 12% of total gross event revenues and public support.

***Cash***

Cash includes amounts with donor restrictions totaling approximately \$142,000 as of May 31, 2021.

***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.

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

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***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, 2021, management recorded an allowance for uncollectible pledges amounting to \$300,000.

At May 31, 2021, pledges receivable from three donors accounted for approximately 93% 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.

***Advertising and Promotion***

Advertising and promotion costs are expensed as incurred. For the year ended May 31, 2021, advertising and promotion expense amounted to approximately \$191,000.

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

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***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 its unconditional pledges receivable are 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.

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**NOTE 2. PLEDGES RECEIVABLE**

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At May 31, 2021, unconditional pledges receivable consisted of the following:

Amounts due in:	
Less than one year	\$ 775,302
One to five years	2,750,000
	<hr/> 3,525,302
Less: unamortized discount	( 125,460)
Less: allowance for uncollectible pledges receivable	( 300,000)
	<hr/> \$ 3,099,842

The interest rate used in calculating discounts on the present value of estimated future cash flows ranges between 1.75% and 2.77%.

As of May 31, 2021, gross pledges receivable from members of the Board of Directors amounted to \$2,500,000, of which \$100,000 had donor restrictions.

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**NOTE 3. CONTRIBUTIONS TO THE MIAMI PROJECT**

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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, 2021, the Fund contributed \$3,504,000 in support of The Miami Project.

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**NOTE 4. RELATED PARTY TRANSACTIONS**

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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.

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**NOTE 5. NET ASSETS**

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At May 31, 2021, net assets with donor restrictions were available for the following purposes:

Clinical trials	\$	571,976
Other		140,631
	\$	712,607

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***Clinical Trials***

The Miami Project recently completed the Phase 2 clinical trial where Schwann cells were administered in subjects at least one year after spinal cord injury “SCI”. This transplantation procedure, using approximately half a million of the subject’s own Schwann cells, was combined for the first time with upper and lower rehabilitation. The Miami Project investigators have completed subject recruitment and finalized outcome assessments which showed safety and some degree of functional improvement in the SCI subjects. This study has been published in a leading Neurotrauma Journal. Because of these results, the Miami Project received FDA approval to use human Schwann transplantation procedures to treat severe peripheral nerve injuries (PNI) that commonly occur with trauma to the body or limbs. The first treated subject demonstrated dramatic improvements in walking over a one-year period. Phase 2 of the PNI clinical study is ongoing and subjects have been recruited for this study as well. This line of research continues to move forward, currently testing human Schwann cell-derived exomes as an alternative approach to treating SCI and other neurological disorders.

***Capital Building***

Miami Project Clinical/Rehabilitation laboratories have moved into the new Lynn Rehab Center and new collaborations are being developed with the Departments of Physical Medicine and Rehabilitation, Physical Therapy, and the Jackson Health System. Although the COVID-19 pandemic disrupted the clinical studies and trials for an extended period, the Miami Project is recruiting subjects for several clinical investigations and the faculty and staff are conducting exercise, rehabilitation, and neuromodulation studies. The Miami Project is also increasing collaborations with Jackson Memorial Hospital colleagues along with colleagues from several clinical and research departments at the University of Miami Miller School of Medicine.

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**NOTE 6. LIQUIDITY**

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The Fund's financial assets as of May 31, 2021, that are available for general expenditure within one year of the statement of financial position date are as follows:

Total assets, at year-end	\$ 3,945,073
Less non-financial assets:	
Inventory	( 105,044)
Prepaid expenses and other current assets	( 2,648)
<hr/> Total financial assets	<hr/> 3,837,381
Less financial assets unavailable for general expenditures within one year, due to:	
Cash restricted by donor with purpose restriction	( 141,634)
Current portion of pledge receivable restricted by donor with purpose restriction	( 88,508)
Long-term pledge receivables, net	( 2,644,484)
<hr/> Financial assets available to meet cash needs for general expenditure within one year	<hr/> \$ 962,755

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.

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**NOTE 7. FUNCTIONAL EXPENSES**

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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.

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**NOTE 7. FUNCTIONAL EXPENSES (Continued)**

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The costs of providing program services and supporting activities for the year ended May 31, 2021, 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	\$ 3,504,003	\$ -	\$ -	\$ -	\$ 3,504,003
Advertising and promotion	-	190,845	-	-	190,845
Awards and gifts	-	-	688	240	928
Bad debt	-	-	100,000	-	100,000
Bank and service charges	-	-	-	6,719	6,719
Equipment rental	-	-	-	5,833	5,833
Food and beverage	-	-	1,474	467	1,941
Insurance	-	-	-	19,663	19,663
Other	-	-	-	6,568	6,568
Postage	-	-	2,110	2,268	4,378
Printing	-	-	-	1,285	1,285
Professional services	-	-	393,020	90,431	483,451
Salaries and fringe benefits	-	105,018	64,591	83,057	252,666
Supplies	-	-	8,049	12,362	20,411
Travel and entertainment	-	-	164	-	164
Wheelchairs	-	42,979	-	2,871	45,850
	\$ 3,504,003	\$ 338,842	\$ 570,096	\$ 231,764	\$ 4,644,705

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**NOTE 8. CHAPTERS OF THE BUONICONTI FUND TO CURE PARALYSIS, INC.**

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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, 2021, there are nine active chapters throughout Florida, South Carolina, Massachusetts, Indiana, and Pennsylvania. 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.

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**NOTE 9. CONTINGENCIES**

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***Economic Conditions***

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.

***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, which resulted in the Fund canceling or delaying certain events and shifting towards holding virtual events. Although management believes it has sufficient financial resources and operating controls and procedures to manage the associated risks, the future potential long-term impact of the ongoing global pandemic and magnitude of adverse results on the Fund's financial position, results of activities and cash flows, cannot be determined at this time.

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**NOTE 10. SUBSEQUENT EVENTS**

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The Fund has evaluated subsequent events through October 12, 2021, which is the date the accompanying financial statements were available to be issued.