

TISCH MULTIPLE SCLEROSIS
RESEARCH CENTER OF NEW YORK, INC.

FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT

DECEMBER 31, 2020 AND 2019

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

DECEMBER 31, 2020 AND 2019

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JOSEPH L. GIL, C.P.A., M.S.

Independent Auditor's Report

To The Board of Directors
Tisch Multiple Sclerosis Research Center of New York, Inc.

We have audited the accompanying financial statements of the Tisch Multiple Sclerosis Research Center of New York, Inc. ("TMSRCNY"), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years 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 these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 Tisch Multiple Sclerosis Research Center of New York, Inc. as of December 31, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Joseph L. My CPA, P.C.

Port Washington, New York
August 4, 2021

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
Assets		
Cash and temporary cash investments	\$ 1,954,573	\$ 4,330,228
Pledges receivable	54,000	61,833
Prepaid expenses and other assets	378,457	269,617
Marketable securities, at fair value	56,753	-
Security deposit	19,293	19,293
Property and equipment, net	8,626,356	6,199,895
Total assets	\$ 11,089,432	\$10,880,866
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 752,876	\$ 302,015
Due to related parties	79,310	104,803
Deferred revenue	25,000	-
Deferred rent	169,723	228,387
Total liabilities	1,026,909	635,205
Commitments and contingencies		
Net Assets		
Without donor restrictions	5,751,988	5,202,192
With donor restrictions	4,310,535	5,043,469
Total net assets	10,062,523	10,245,661
Total liabilities and net assets	\$ 11,089,432	\$10,880,866

The accompanying notes are an integral part of these financial statements.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.
STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2020

FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Without Donor Restrictions	With Donor Restrictions	Total 2019
Support and Revenue						
Grants and contributions	\$ 4,640,492	\$ 2,115,555	\$ 6,756,047	\$ 4,622,398	\$ 4,446,003	\$ 9,068,401
Special events revenue, net of direct special events expenses of \$5,177 and \$308,149 in 2020 and 2019, respectively	2,553,872	-	2,553,872	2,653,169	-	2,653,169
Contributions in kind	375,000	-	375,000	588,050	-	588,050
Investment loss, net	(5,319)	-	(5,319)	(3,812)	-	(3,812)
Other income	602,501	-	602,501	1,275	-	1,275
Net assets released from restrictions	2,848,489	(2,848,489)	-	486,987	(486,987)	-
Total support and revenue	11,015,035	(732,934)	10,282,101	8,348,067	3,959,016	12,307,083
Expenses						
Program services						
Research	8,846,923	-	8,846,923	8,167,207	-	8,167,207
Public information and education	48,400	-	48,400	236,572	-	236,572
Total program services	8,895,323	-	8,895,323	8,403,779	-	8,403,779
Supporting Services						
Management and general	951,820	-	951,820	909,019	-	909,019
Fundraising	592,277	-	592,277	701,148	-	701,148
Total supporting services	1,544,097	-	1,544,097	1,610,167	-	1,610,167
Total expenses	10,439,420	-	10,439,420	10,013,946	-	10,013,946
Change in net assets	575,615	(732,934)	(157,319)	(1,665,879)	3,959,016	2,293,137
Net assets - beginning of year	5,202,192	5,043,469	10,245,661	6,905,185	1,084,453	7,989,638
Adjustments to net assets	(25,819)	-	(25,819)	(37,114)	-	(37,114)
Net assets - end of year	\$ 5,151,988	\$ 4,310,535	\$ 10,062,523	\$ 5,202,192	\$ 5,043,469	\$ 10,245,661

The accompanying notes are an integral part of these financial statements.
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TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2019)

	Program Services			Supporting Services			Total 2019
	Research	Public Information and Education	Total Program Services	Management and General	Fund Raising	Total Supporting Services	
Salaries	\$ 2,311,294	-	\$ 2,311,294	\$ 311,455	\$ 137,410	\$ 448,865	\$ 2,519,793
Payroll taxes and related costs	183,824	-	183,824	24,453	10,788	35,241	192,405
Employee benefits	617,380	-	617,380	81,858	37,231	119,089	654,439
Total salaries and related costs	3,112,498	-	3,112,498	417,766	185,429	603,195	3,366,637
Occupancy	2,160,767	-	2,160,767	268,863	268,863	537,726	2,236,750
Laboratory supplies, services and other expenses	2,331,315	-	2,331,315	-	-	-	2,203,009
Insurance	82,344	-	82,344	20,879	8,358	29,237	105,198
Professional services	330,999	37,500	368,499	119,537	37,500	157,037	682,462
Equipment repairs & maintenance	178,269	-	178,269	34,196	-	34,196	141,570
Patient symposium	-	-	-	-	-	-	143,855
Office expenses and other	16,457	10,900	27,357	55,621	52,009	107,630	134,987
Conferences and travel	5,025	-	5,025	-	-	-	193,337
Fundraising events and related expenses	-	-	-	-	5,160	5,160	28,988
Depreciation and amortization	629,249	-	629,249	34,958	34,958	69,916	16,664
Bad debt expense	-	-	-	-	-	-	832,426
Special event expenses	-	-	-	-	5,177	5,177	63,050
Subtotal	8,846,923	48,400	8,895,323	951,820	597,454	1,549,274	10,322,895
Less: special events expenses	-	-	-	-	(5,177)	(5,177)	(308,949)
Total expenses	\$ 8,846,923	\$ 48,400	\$ 8,895,323	\$ 951,820	\$ 592,277	\$ 1,544,097	\$ 10,013,946

The accompanying notes are an integral part of these financial statements.
(5)

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services			Supporting Services			Total 2019
	Research	Public Information and Education	Total Program Services	Management and General	Fund Raising	Total Supporting Services	
Salaries	\$ 2,009,201	-	\$ 2,009,201	\$ 295,037	\$ 215,555	\$ 510,592	\$ 2,519,793
Payroll taxes and related costs	153,674	-	153,674	22,380	16,351	38,731	192,405
Employee benefits	521,828	-	521,828	76,627	55,984	132,611	654,439
Total salaries and related costs	2,684,703	-	2,684,703	394,044	287,890	681,934	3,366,637
Occupancy	1,789,556	-	1,789,556	223,597	223,597	447,194	2,236,750
Laboratory supplies, services and other exp	2,203,009	-	2,203,009	-	-	-	2,203,009
Insurance	77,371	-	77,371	19,060	8,767	27,827	105,198
Professional services	465,807	37,500	503,307	141,655	37,500	179,155	682,462
Equipment repairs & maintenance	134,838	-	134,838	6,732	-	6,732	141,570
Patient symposium	-	143,855	143,855	-	-	-	143,855
Office expenses and other	33,751	2,567	36,318	82,310	74,709	157,019	193,337
Conferences and travel	28,988	-	28,988	-	-	-	28,988
Fundraising events and related expenses	-	-	-	-	16,664	16,664	16,664
Depreciation and amortization	749,184	-	749,184	41,621	41,621	83,242	832,426
Donated goods and services	-	52,650	52,650	-	10,400	10,400	63,050
Special event expenses	-	-	-	-	308,949	308,949	308,949
Subtotal	8,167,207	236,572	8,403,779	909,019	1,010,097	1,919,116	10,322,895
Less: special events expenses	-	-	-	-	(308,949)	(308,949)	(308,949)
Total expenses	\$ 8,167,207	\$ 236,572	\$ 8,403,779	\$ 909,019	\$ 701,148	\$ 1,610,167	\$ 10,013,946

The accompanying notes are an integral part of these financial statements.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ (157,319)	\$ 2,293,137
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Adjustment to net assets	(25,819)	(37,114)
Depreciation and amortization expense	699,165	832,426
Net realized and unrealized loss on sale of contributed marketable securities	5,319	3,812
Contributed marketable securities	(376,434)	(446,068)
Deferred rent	(58,664)	(428,488)
Sub-total	86,248	2,217,705
Changes in operating assets and liabilities		
(Increase) Decrease in:		
Pledges receivable	7,833	(3,779)
Prepaid expenses and other assets	(108,840)	627,450
Increase (Decrease) in:		
Accounts payable and accrued expenses	450,861	57,693
Deferred revenue	25,000	-
Net cash provided by operating activities	461,102	2,899,069
Cash flows from investing activities		
Proceeds from sale of contributed marketable securities	314,362	443,759
Purchase of property and equipment	(3,125,626)	(612,681)
Net cash used for investing activities	(2,811,264)	(168,922)
Cash flow from financing activities		
Advances from (repayments to) related parties, net	(25,493)	61,532
Net cash (used for) provided by financing activities	(25,493)	61,532
Net (decrease) increase in cash	(2,375,655)	2,791,679
Cash and temporary cash investments - beginning of year	4,330,228	1,538,549
Cash and temporary cash investments - end of year	\$ 1,954,573	\$ 4,330,228

The accompanying notes are an integral part of these financial statements.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

The Tisch Multiple Sclerosis Research Center of New York, Inc. ("TMSRCNY") was incorporated in August 2005, under the laws of the State of New York, as a not-for-profit medical research center. TMSRCNY is a qualified charitable organization as defined by Internal Revenue Code Section 501(c)(3) and, accordingly, is exempt from federal income taxes and from state and local taxes under comparable laws.

In focusing on finding the cause and eventual cure of multiple sclerosis, TMSRCNY's research is designed to understand all aspects of multiple sclerosis, including research at the cellular and molecular levels.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of TMSRCNY are reported according to two classes of net assets, when applicable: net assets without donor restrictions and net assets with donor restrictions.

Concentrations of Credit Risk

TMSRCNY maintains cash in several bank accounts which, at times, may exceed federally insured limits. TMSRCNY has not experienced any losses with respect to such accounts.

Revenue Recognition

Contributions (including unconditional promises to give) are recorded at fair value when received. Contributions received with donor stipulations that limit the use of the donated assets are reported as net assets with donor restrictions.

Unconditional promises to give (pledges) are recorded as income when TMSRCNY is formally notified of the grants or contributions by the respective donors. Conditional promises to give are not included as support until the conditions are substantially met.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

TMSRCNY recognizes bequests and legacies as support when the wills have passed probate and the sum is certain.

Pledges Receivable

TMSRCNY uses the direct write-off method to account for uncollectible pledges receivable. Such write-offs are based on management's evaluation of the creditworthiness of individual donors, a review of individual donor accounts outstanding, the aging of its receivables, as well as current economic conditions and historical collection experience.

Investments

Investments consist of contributed marketable securities and are reported at their fair values in the statements of financial position, which is the prevailing market value.

Unrealized gains and losses are included in the statements of activities. It is the organization's policy to sell all such investments immediately after receipt. However, due to timing differences, realized and unrealized gains or losses may occur.

Property and Equipment

Property and equipment are stated at cost if purchased or fair market value if donated, less accumulated depreciation and amortization. Donated property and equipment are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. TMSRCNY reports expirations of donor restrictions when the donated or acquired assets are placed in service. TMSRCNY reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using a straight-line basis over the estimated useful lives of the assets, which range from 3 to 10 years. Leasehold improvements are amortized over the lesser of their useful lives or the term of the lease. TMSRCNY capitalizes property and equipment with a cost of \$2,000 or more and a useful life greater than one year.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

In-Kind Donated Goods and Services

TMSRCNY received contributed goods and services consisting primarily of professional research-related services. The contributed goods and services have been valued at the estimated market rates that would have been incurred by TMSRCNY to obtain them and are reported as both revenue and expense in the accompanying financial statements.

Intellectual Property

The primary purpose of TMSRCNY in conducting research is to support its mission to find the cause, treatment and cure for MS. TMSRCNY recognizes that its research may result in discoveries that have commercial value. Therefore, it has adopted a policy that applies to all intellectual property (the "Policy") created through resources of or supported by TMSRCNY.

The policy provides that all rights in intellectual property produced by TMSRCNY resources are its property. To assure reasonable development of such intellectual property, TMSRCNY files for patents when appropriate. The policy also provides that if individual researchers at TMSRCNY were the creators of discoveries that result in income to TMSRCNY, these individuals may receive a share of such income based on a fixed schedule comparable to those in effect at other major research institutions.

Cost Allocation

The financial statements report certain categories of expense that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and amortization and occupancy, are allocated on a square footage basis. Payroll taxes and employee benefit costs are allocated on the basis of percentage of total salaries. All other expenses are allocated by functional category.

Rent Expense

Rent expense is recognized on a straight-line basis over the length of the lease. The difference between rental payments made under the lease and rent expense calculated on a straight-line basis is recorded as a deferred rent obligation in the accompanying statements of financial position.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 presentation. Such reclassifications had no change to total assets, liabilities, revenues or expenses or change in net assets as reflected on the 2019 financial statements.

NOTE 3 - RESTRICTIONS ON NET ASSETS

TMSRCNY launched a capital campaign in 2019 to fund the construction of a new facility, the Experimental Research Center, as an expansion of the existing research laboratory. The donations received to fund this expansion are restricted for use of construction costs, property and equipment purchases and operating costs of this facility. For years ended December 31, 2020 and 2019, \$3,038,747 and \$373,116 were expended for property and equipment related to the Experimental Research Center. These costs will be reclassified from net assets with donor restrictions to net assets without donor restrictions when the acquired assets are placed in service.

TMSRCNY is also conducting a Phase II clinical trial, which is funded through two large grants and private donations. These funds are restricted for the operating costs of the trial.

During 2020, at the approval of the donors, \$2,150,000 of assets received with donor restriction were released from restriction for use in general operations. At that time TMSRCNY reported the expiration of donor restrictions on these assets.

For the years ended December 31, 2020 and 2019, net assets with donor restrictions of \$2,848,489 and \$486,987, respectively, were released from donor restrictions. Interest earned on the investment of restricted support is without donor restrictions.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 4 - PLEDGES RECEIVABLE

Pledges receivable are unconditional promises to give consisting of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Amount due in less than one year	\$ 54,000	\$ 61,833

As of December 31, 2020 and 2019 \$54,000 and \$10,000 of the total pledges' receivable, respectively, were from TMSRCNY's Board members in each year.

For the years ending December 31, 2020 and 2019, TMSRCNY wrote off \$-0- and \$2,500, respectively, of uncollectible pledges receivable.

NOTE 5 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2020</u>	<u>2019</u>
Financial assets at year-end	\$ 2,065,326	\$ 4,392,061
Less those unavailable for general expenditures within one year, due to:		
Donor-restricted for leasehold improvements and capital expenditures	<u>1,258,794</u>	<u>4,100,603</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 806,532</u>	<u>\$ 291,458</u>

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>	<u>Estimated Useful Life</u>
Leasehold improvements	\$ 8,364,812	\$ 8,364,812	Lesser of useful life or the term of the lease
Research equipment	4,671,976	4,522,532	5 - 10 years
Office furniture and equipment	1,022,400	1,009,439	3 - 10 years
Software	19,895	19,895	3 years
Construction in progress	<u>3,336,337</u>	<u>373,116</u>	
Total cost	17,415,420	14,289,794	
Less: accumulated depreciation and amortization	<u>(8,789,064)</u>	<u>(8,089,899)</u>	
Net book value	<u>\$ 8,626,356</u>	<u>\$ 6,199,895</u>	

Depreciation and amortization expense amounted to \$699,165 and \$832,426 for the years ended December 31, 2020 and 2019 respectively.

NOTE 7 - IN-KIND DONATED GOODS AND SERVICES

TMSRCNY receives contributed goods and services, which are valued at the estimated market rates on the date they are received. The Director/Chief Research Scientist of TMSRCNY (the "Director") is a member of the Board of Directors of TMSRCNY (see Note 8). He donates time to TMSRCNY without compensation from TMSRCNY, as noted below. In 2019, TMSRCNY collaborated with Deloitte Consulting LLP on two research projects for which Deloitte provided all services at a 100% discount, as noted below.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Contributed goods and services consist of the following for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Research related services provided by the Director	375,000	375,000
Other professional services	-	150,000
Gifts in-kind	-	63,050
	<u>\$ 375,000</u>	<u>\$ 588,050</u>

NOTE 8 - RELATED PARTY TRANSACTIONS

Pursuant to an agreement between TMSRCNY and the International Multiple Sclerosis Management Practice ("IMSMP"), a separate and distinct for-profit company, TMSRCNY shares space in the same facility with IMSMP and, consequently, shares certain costs (including leasehold improvements) associated with the facility, which have been allocated based on the square-foot usage for each entity. In addition, IMSMP may from time to time provide advances to TMSRCNY.

TMSRCNY also engages IMSMP and its related entity, the Multiple Sclerosis Medical Practice of New York ("MSMPNY"), to perform certain clinical services in connection with its research. As of December 31, 2020, and 2019, TMSRCNY owed \$79,310 and \$104,803, respectively, to IMSMP and MSMPNY for its share of these costs, as well as rent, advances and clinical services.

The Director of TMSRCNY is also the sole stockholder of IMSMP and MSMPNY. TMSRCNY's Board of Directors oversees and controls the policies, management and activities of TMSRCNY. The criteria of control and economic interest that might require consolidation of the financial statements of IMSMP and TMSRCNY under U.S. GAAP are not met. Procedures are in place to ensure the proper allocation of expenses between each organization.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Lease Commitments

TMSRCNY and IMSMP share space pursuant to a sublease, as amended, that commenced on January 1, 2006 and was renewed on June 30, 2020, whereby IMSMP subleases to TMSRCNY a portion of the 3rd and 4th floors at 521 West 57th Street, New York, NY to TMSRCNY (see Note 7). IMSMP has renewed its lease through June 30, 2030, with the option to extend the term an additional five years. TMSRCNY has extended its sublease with IMSMP for the same term period.

The rent expense allocated to TMSRCNY is apportioned based on its square foot usage and/or future intended usage. TMSRCNY is committed by the terms of the sublease to pay a proportionate share of escalation charges.

Rent expense computed on the straight-line basis, totaled \$2,260,444 and \$1,862,633, respectively, for the years ended December 31, 2020 and 2019 and is included in occupancy expense in the accompanying financial statements. TMSRCNY recorded a deferred rent liability at December 31, 2020 and 2019 of \$169,723 and \$228,387, respectively.

Future minimum rental payments through June 29, 2030, exclusive of escalation charges, are as follows for the years ended December 31st:

2021	\$	2,354,000
2022		2,424,000
2023		2,497,000
2024		2,572,000
2025		2,649,000
Thereafter		<u>12,927,000</u>
	\$	<u>25,423,000</u>

Income Taxes

TMSRCNY is not aware of any uncertain tax positions as of December 31, 2020 and 2019 in accordance with Accounting Standards Codification ("ASC") Topic 740 ("Income Taxes"), which provides standards for establishing and classifying any tax provisions for uncertain tax positions. TMSRCNY is no longer subject to federal or state and local income tax examinations by tax authorities for the years ended before December 31, 2017.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 10 - EMPLOYEE RETIREMENT PLAN

TMSRCNY maintains an employee benefit plan under section 401(k) of the Internal Revenue Code (the "Plan") into which eligible employees may contribute a portion of their annual salaries. Under the terms of the plan, TMSRCNY may provide a discretionary matching contribution of the employees' contributions up to 8% of their annual salary. For the years ended December 31, 2020 and 2019, TMSRCNY elected to match its employees' contributions, limited to 8% of their annual salary resulting in an expense of \$152,336 and \$110,973 which is included in employee benefits in the accompanying financial statements.

NOTE 11 - CONCENTRATIONS

For the years ended December 31, 2020 and 2019, TMSRCNY received contributions from major donors, as follows:

	<u>2020</u>	<u>2019</u>
Number of major donors	4	3
Amount donated	\$ 4,410,000	\$ 4,650,000
% of total support and revenue	43%	37%

In 2020, these donors consisted of three not-for profit foundations, one of which is controlled by a Board member. In 2019, these donors consisted of two not-for-profit foundations, one of which is controlled by a Board Member. Two of the major donors were the same in both years.

NOTE 12 - SBA PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, TMSRCNY received a loan in the amount of \$599,695 from the Small Business Administration under the Paycheck Protection Program. The entire loan, including interest expense in the amount of \$3,592, qualified fully for forgiveness. The loan forgiveness was granted in December 2020 and is recorded as other income in the accompanying financial statements.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 13 - SUBSEQUENT EVENTS

In February 2021, TMSRCNY received a loan from the Small Business Administration under the Paycheck Protection Program. The loan, in the amount of \$574,695, is expected to qualify fully for forgiveness.

Management has evaluated events subsequent to the date of the statement of financial position through August 4, 2021, the date the financial statements were available to be issued.