

TISCH MULTIPLE SCLEROSIS
RESEARCH CENTER OF NEW YORK, INC.

FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT

DECEMBER 31, 2018 AND 2017

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

DECEMBER 31, 2018 AND 2017

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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, 2018 and 2017, 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.

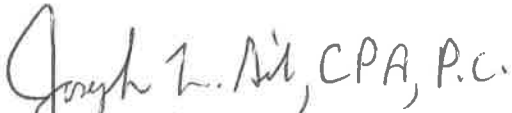
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2018 and 2017 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.


Port Washington, New York
May 30, 2019

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2018 AND 2017

	2018	2017
Assets		
Cash and temporary cash investments	\$ 1,538,549	\$ 1,235,092
Pledges receivable	60,449	158,000
Prepaid expenses and other assets	894,672	278,038
Marketable securities, at fair value	1,502	-
Security deposit	19,293	19,293
Property and equipment, net	6,419,641	6,446,688
Total assets	\$ 8,934,106	\$ 8,137,111
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 244,322	\$ 442,191
Due to related parties	43,271	35,818
Deferred rent	656,875	1,029,482
Total liabilities	944,468	1,507,491
Commitments and contingencies		
Net Assets		
Without donor restrictions	6,905,185	6,629,620
With donor restrictions	1,084,453	-
Total net assets	7,989,638	6,629,620
Total liabilities and net assets	\$ 8,934,106	\$ 8,137,111

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, 2018

FOR THE YEAR ENDED DECEMBER 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total 2018	Without Donor Restrictions	With Donor Restrictions	Total 2017
Support and Revenue						
Grants and contributions	\$ 4,707,649	\$ 1,623,312	\$ 6,330,961	\$ 4,817,884	\$ 490,302	\$ 5,308,186
Special events revenue, net of direct special events expenses of \$231,186 and \$207,746 in 2018 and 2017, respectively	2,448,728	-	2,448,728	2,383,138	-	2,383,138
Contributions in kind	520,964	-	520,964	375,000	-	375,000
Investment loss, net	(3,754)	-	(3,754)	(1,047)	(18,708)	(19,755)
Other income	964	-	964	8,823	-	8,823
Net assets released from restrictions	538,859	(538,859)	-	3,638,926	(3,638,926)	-
Total support and revenue	8,213,410	1,084,453	9,297,863	11,222,724	(3,167,332)	8,055,392
Expenses						
Program services						
Research	6,433,978	-	6,433,978	5,638,135	-	5,638,135
Public information and education	131,104	-	131,104	131,604	-	131,604
Total program services	6,565,082	-	6,565,082	5,769,739	-	5,769,739
Supporting Services						
Management and general	876,191	-	876,191	831,205	-	831,205
Fundraising	632,062	-	632,062	631,590	-	631,590
Total supporting services	1,508,253	-	1,508,253	1,462,795	-	1,462,795
Total expenses	8,073,335	-	8,073,335	7,232,534	-	7,232,534
Change in net assets	140,075	1,084,453	1,224,528	3,990,190	(3,167,332)	822,858
Net assets - beginning of year	6,629,620	-	6,629,620	2,532,524	3,167,332	5,699,856
Adjustments to net assets	135,490	-	135,490	106,906	-	106,906
Net assets - end of year	\$ 6,905,185	\$ 1,084,453	\$ 7,989,638	\$ 6,629,620	\$ -	\$ 6,629,620

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, 2018
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2017)

	Program Services			Supporting Services			Total 2017
	Research	Public Information and Education	Total Program Services	Management and General	Fund Raising	Total Supporting Services	
Salaries	\$ 1,521,739	-	\$ 1,521,739	\$ 271,035	\$ 199,918	\$ 470,953	\$ 1,775,349
Payroll taxes and related costs	128,869	-	128,869	20,903	15,419	36,322	152,246
Employee benefits	336,151	-	336,151	59,872	44,162	104,034	364,867
Total salaries and related costs	1,986,759	-	1,986,759	351,810	259,499	611,309	2,292,462
Occupancy	1,757,602	-	1,757,602	219,700	-	439,401	2,248,107
Research and related expenses	1,382,311	-	1,382,311	-	-	-	1,382,311
Insurance	79,524	-	79,524	25,636	10,000	35,636	104,697
Professional services	386,734	-	386,734	140,045	-	140,045	532,722
Equipment and related maintenance	118,132	-	118,132	6,217	-	6,217	124,349
Patient symposium	-	127,319	127,319	-	-	-	127,319
Office expenses and other	25,406	3,785	29,191	79,671	93,554	173,225	202,416
Conferences and travel	29,497	-	29,497	-	-	-	29,497
Fundraising expenses	-	-	-	-	12,196	12,196	51,112
Depreciation and amortization	668,013	-	668,013	37,112	37,112	74,224	742,237
Bad debt expense	-	-	-	16,000	-	16,000	53,650
Special event expenses	-	-	-	-	231,186	231,186	207,746
Subtotal	6,433,978	131,104	6,565,082	876,191	863,248	1,739,439	7,440,280
Less: special events expenses	-	-	-	-	(231,186)	(231,186)	(207,746)
Total expenses	\$ 6,433,978	\$ 131,104	\$ 6,565,082	\$ 876,191	\$ 632,062	\$ 1,508,253	\$ 7,232,534

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, 2017

	Program Services			Supporting Services			Total 2017
	Research	Public Information and Education	Total Program Services	Management and General	Fund Raising	Total Supporting Services	
Salaries	\$ 1,335,965	-	\$ 1,335,965	\$ 248,473	\$ 190,911	\$ 439,384	\$ 1,775,349
Payroll taxes and related costs	116,717	-	116,717	20,092	15,437	35,529	152,246
Employee benefits	274,565	-	274,565	51,066	39,236	90,302	364,867
Total salaries and related costs	1,727,247	-	1,727,247	319,631	245,584	565,215	2,292,462
Occupancy	1,801,435	-	1,801,435	223,336	223,336	446,672	2,248,107
Research and related expenses	1,031,004	-	1,031,004	-	-	-	1,031,004
Insurance	71,122	-	71,122	24,542	9,033	33,575	104,697
Professional services	422,002	-	422,002	110,720	-	110,720	532,722
Equipment and related maintenance	97,870	-	97,870	5,151	-	5,151	103,021
Patient symposium	-	123,888	123,888	-	-	-	123,888
Office expenses and other	20,630	7,716	28,346	69,998	78,348	148,346	176,692
Conferences and travel	31,637	-	31,637	-	-	-	31,637
Fundraising expenses	-	-	-	-	51,112	51,112	51,112
Depreciation and amortization	435,188	-	435,188	24,177	24,177	48,354	483,542
Bad debt expense	-	-	-	53,650	-	53,650	53,650
Special event expenses	-	-	-	-	207,746	207,746	207,746
Subtotal	5,638,135	131,604	5,769,739	831,205	839,336	1,670,541	7,440,280
Less: special events expenses	-	-	-	-	(207,746)	(207,746)	(207,746)
Total expenses	\$ 5,638,135	\$ 131,604	\$ 5,769,739	\$ 831,205	\$ 631,590	\$ 1,462,795	\$ 7,232,534

The accompanying notes are an integral part of these financial statements.
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TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2017)

	2018	2017
Cash flows from operating activities		
Change in net assets	\$ 1,224,528	\$ 822,858
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Adjustment to net assets	135,490	106,906
Depreciation and amortization expense	742,237	483,542
Bad debt expense	16,000	53,650
Net realized and unrealized loss on sale of contributed marketable securities	3,754	19,755
Contributed marketable securities	(206,140)	(1,065,913)
Contributed equipment	(145,964)	-
Deferred rent	(372,607)	(318,090)
Sub-total	1,397,298	102,708
Changes in operating assets and liabilities		
(Increase) Decrease in:		
Pledges receivable	81,551	1,770,946
Prepaid expenses and other assets	(616,634)	(70,524)
Increase (Decrease) in:		
Accounts payable and accrued expenses	(197,869)	315,279
<u>Net cash provided by operating activities</u>	<u>664,346</u>	<u>2,118,409</u>
Cash flows from investing activities		
Proceeds from sale of contributed marketable securities	200,884	1,046,158
Purchase of property and equipment	(569,226)	(4,054,073)
Net cash used for investing activities	(368,342)	(3,007,915)
Cash flow from financing activities		
Advances from related parties, net	7,453	23,350
Net cash provided by financing activities	7,453	23,350
Net increase (decrease) in cash	303,457	(866,156)
Cash and temporary cash investments - beginning of year	1,235,092	2,101,248
Cash and temporary cash investments - end of year	\$ 1,538,549	\$ 1,235,092

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, 2018 AND 2017

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, 2018 AND 2017

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, 2018 AND 2017

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 will 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. Professional services are allocated on the basis of estimates of time and effort. Office 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, 2018 AND 2017

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 2017 financial statements have been reclassified to conform to the 2018 presentation. Such reclassifications had no change to total assets, liabilities, revenues or expenses or change in net assets as reflected on the 2017 financial statements.

NOTE 3 - RESTRICTIONS ON NET ASSETS

TMSRCNY intends to build a new facility, the Experimental Research Center, as an expansion of the research laboratory. To fund the construction, as well as equipment and operating needs, TMSRCNY launched a capital campaign during 2018 and received commitments of \$5 million, contingent on several factors. Of this commitment, \$1 million was received in 2018. The donations are restricted for use of construction costs, property and equipment purchases and operating costs of this facility. Interest earned on the investment of such support is without donor restrictions.

For the years ended December 31, 2018 and 2017, net assets with donor restrictions of \$538,859 and \$3,638,926, respectively, were released from donor restrictions when expenditures satisfying the restricted purpose were incurred or when the acquired assets were placed in service.

NOTE 4 - PLEDGES RECEIVABLE

Pledges receivable are unconditional promises to give consisting of the following as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Amount due in less than one year	<u>\$ 60,449</u>	<u>\$ 158,000</u>

As of December 31, 2018, and 2017 approximately \$10,000 and \$15,000, respectively, of the total pledges' receivable were from TMSRCNY's Board members.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

For the years ending December 31, 2018 and 2017, TMSRCNY wrote off \$31,000 and \$53,650, 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>2018</u>	<u>2017</u>
Financial assets at year-end	\$ 1,600,500	\$ 1,393,092
Less those unavailable for general expenditures within one year, due to:		
Donor-restricted for leashold improvements and capital expenditures	<u>1,001,000</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 599,500</u>	<u>\$ 1,393,092</u>

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>	<u>Estimated Useful Life</u>
Leasehold improvements	\$ 8,364,812	\$ 4,958,491	Lesser of useful life or the term of the lease
Research equipment	4,428,082	4,240,771	5 - 10 years
Office furniture and equipment	989,772	990,555	3 - 10 years
Construction in progress	-	2,928,159	
Total cost	<u>13,782,666</u>	<u>13,117,976</u>	
Less: accumulated depreciation and amortization	<u>(7,363,025)</u>	<u>(6,671,288)</u>	
Net book value	<u>\$ 6,419,641</u>	<u>\$ 6,446,688</u>	

Depreciation and amortization expense amounted to \$742,237 and \$483,542 for the years ended December 31, 2018 and 2017 respectively.

NOTE 7 - 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, 2018, and 2017, TMSRCNY owed \$43,271 and \$35,818, respectively, to IMSMP and MSMPNY for its share of these costs, including rent, advances and clinical services.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

The Director/Chief Research Scientist of TMSRCNY (the "Director") is a member of the Board of Directors of TMSRCNY. He also is 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. The Director donates time to TMSRCNY without compensation from TMSRCNY, as noted below.

Contributed goods and services consist of the following for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Research related services provided by the Director	\$ 375,000	\$ 375,000
Gifts in-kind	145,964	-
	<u>\$ 520,964</u>	<u>\$ 375,000</u>

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Lease Commitments

TMSRCNY and IMSMP share space pursuant to a sublease, as amended, that commenced on January 1, 2006 and expires 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. Prior to the expiration of its sublease in June 2020, it is the intention of TMSRCNY to negotiate an extended sublease agreement 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.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

Future minimum rental payments through June 30, 2020, exclusive of escalation charges, are as follows for the years ended December 31st:

2019	\$	2,291,000
2020		<u>1,160,000</u>
	\$	<u>3,451,000</u>

Rent expense computed on the straight-line basis, totaled \$1,862,633 and \$1,862,633, respectively, for the years ended December 31, 2018 and 2017 and is included in occupancy expense in the accompanying financial statements. TMSRCNY recorded a deferred rent liability at December 31, 2018 and 2017 of \$656,875 and \$1,029,482, respectively.

Income Taxes

TMSRCNY has no uncertain tax positions as of December 31, 2018 and 2017 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, 2015.

NOTE 9 - 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, 2018 and 2017, TMSRCNY elected to match its employees' contributions, limited to 6% of their annual salary in both years, resulting in an expense of \$71,687 and \$40,711 which is included in employee benefits in the accompanying financial statements.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

NOTE 11 - SUBSEQUENT EVENTS

In 2018, TMSRCNY received funding commitments from three donors, totaling \$5 million, to facilitate the further expand of TMSRCNY's research laboratory. In 2018, \$1 million of these funds were received with the remainder to be received through January 2020. In May 2019 an additional \$500,000 was received for this project from a fourth donor. The total project cost is estimated at \$8 million and the construction project is expected to begin in July 2019.

In February 2019, IMSMP was informed by the landlord of an overpayment resulting from a miscalculation by the landlord of the tenant's percentage share of real estate taxes for the period July 2011 to June 2019. IMSMP received a credit of approximately \$522,000 from the landlord for real estate taxes overpaid. TMSRCNY was issued a proportionate share of the credit by IMSMP in the amount of \$313,216. At December 31, 2018 this overpayment was recorded to reflect the portion relating to December 31, 2018 and prior.

Management has evaluated events subsequent to the date of the statement of financial position through May 30, 2019, the date the financial statements were available to be issued.

Note 12 - FASB ISSUED ASU 2016-14

In August 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements for Not-for-Profit Entities. The update addresses the complexity and understandability of net asset clarification, deficiencies in information about liquidity and availability of resources, and lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.