

TISCH MULTIPLE SCLEROSIS
RESEARCH CENTER OF NEW YORK, INC.

FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT

DECEMBER 31, 2017 AND 2016

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

DECEMBER 31, 2017 AND 2016

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Independent Auditor's Report

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

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, 2017 and 2016, 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.

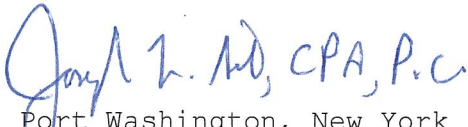
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2017 and 2016 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
June 5, 2018

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

	2017	2016
Assets		
Cash	\$ 1,235,092	\$ 2,101,248
Pledges receivable	158,000	1,982,596
Prepaid expenses and other assets	278,038	207,514
Security deposit	19,293	19,293
Property and equipment, net	6,446,688	2,876,157
Total assets	\$ 8,137,111	\$ 7,186,808
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 442,191	\$ 126,912
Due to related parties	35,818	12,468
Deferred rent	1,029,482	1,347,572
Total liabilities	1,507,491	1,486,952
Commitments and contingencies		
Net Assets		
Unrestricted		
Invested in property and equipment	6,446,688	2,876,157
Liability for deferred rent	(1,029,482)	(1,347,572)
Operations	1,212,414	1,003,939
Total unrestricted	6,629,620	2,532,524
Temporarily restricted	-	3,167,332
Total net assets	6,629,620	5,699,856
Total liabilities and net assets	\$ 8,137,111	\$ 7,186,808

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, 2017

FOR THE YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Temporarily Restricted	Total 2017	Unrestricted	Temporarily Restricted	Total 2016
Support and Revenue						
Grants and contributions	\$ 4,817,884	\$ 490,302	\$ 5,308,186	\$ 5,373,108	\$ 3,634,608	\$ 9,007,716
Special events revenue, net of direct special events expenses of \$207,746 and \$200,321 in 2017 and 2016, respectively	2,383,138	-	2,383,138	2,300,341	-	2,300,341
Contributions in kind	375,000	-	375,000	375,842	-	375,842
Investment loss	(1,047)	(18,708)	(19,755)	(11,515)	-	(11,515)
Other income	8,823	-	8,823	7,412	-	7,412
Net assets released from restrictions	3,638,926	(3,638,926)	-	650,000	(650,000)	-
Total support and revenue	<u>11,222,724</u>	<u>(3,167,332)</u>	<u>8,055,392</u>	<u>8,695,188</u>	<u>2,984,608</u>	<u>11,679,796</u>
Expenses						
Program services						
Research	5,625,866	-	5,625,866	5,493,330	-	5,493,330
Public information and education	131,604	-	131,604	127,616	-	127,616
Total program services	<u>5,757,470</u>	<u>-</u>	<u>5,757,470</u>	<u>5,620,946</u>	<u>-</u>	<u>5,620,946</u>
Supporting Services						
Management and general	849,735	-	849,735	827,198	-	827,198
Fundraising	625,329	-	625,329	485,632	-	485,632
Total supporting services	<u>1,475,064</u>	<u>-</u>	<u>1,475,064</u>	<u>1,312,830</u>	<u>-</u>	<u>1,312,830</u>
Total expenses	<u>7,232,534</u>	<u>-</u>	<u>7,232,534</u>	<u>6,933,776</u>	<u>-</u>	<u>6,933,776</u>
Change in net assets	3,990,190	(3,167,332)	822,858	1,761,412	2,984,608	4,746,020
Net assets - beginning of year	2,532,524	3,167,332	5,699,856	785,325	182,724	968,049
Adjustments to net assets	106,906	-	106,906	(14,213)	-	(14,213)
Net assets - end of year	<u>\$ 6,629,620</u>	<u>\$ -</u>	<u>\$ 6,629,620</u>	<u>\$ 2,532,524</u>	<u>\$ 3,167,332</u>	<u>\$ 5,699,856</u>

The accompanying notes are an integral part of these financial statements.
(4)

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2016)

	Program Services			Supporting Services			Total 2016
	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	\$ 1,591,021
Payroll taxes and related costs	136,103	-	136,103	23,697	18,208	41,905	166,482
Employee benefits	274,565	-	274,565	51,066	39,236	90,302	323,410
Total salaries and related costs	1,746,633	-	1,746,633	323,236	248,355	571,591	2,080,913
Occupancy	1,801,435	-	1,801,435	223,336	223,336	446,672	2,202,638
Research and related expenses	1,031,004	-	1,031,004	-	-	-	1,083,911
Insurance	39,467	-	39,467	39,467	-	39,467	74,802
Professional services	422,002	-	422,002	110,720	-	110,720	485,180
Equipment and related maintenance	97,870	-	97,870	5,151	-	5,151	101,267
Patient symposium	-	123,888	123,888	-	-	-	120,189
Office expenses and other	20,630	7,716	28,346	69,998	78,348	148,346	208,367
Conferences and travel	31,637	-	31,637	-	-	-	12,619
Fundraising expenses	-	-	-	-	51,113	51,113	7,591
Depreciation and amortization	435,188	-	435,188	24,177	24,177	48,354	520,555
Bad debt expense	-	-	-	53,650	-	53,650	35,744
Special event expenses	-	-	-	-	207,746	207,746	200,321
Subtotal	5,625,866	131,604	5,757,470	849,735	833,075	1,682,810	7,134,097
Less: special events expenses	-	-	-	-	(207,746)	(207,746)	(200,321)
Total expenses	\$ 5,625,866	\$ 131,604	\$ 5,757,470	\$ 849,735	\$ 625,329	\$ 1,475,064	\$ 6,933,776

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, 2016

	Program Services			Supporting Services			Total 2016
	Research	Public Information and Education	Total Program Services	Management and General	Fund Raising	Total Supporting Services	
Salaries	\$ 1,233,127	\$ -	\$ 1,233,127	\$ 244,484	\$ 113,410	\$ 357,894	\$ 1,591,021
Payroll taxes and related costs	130,723	-	130,723	24,230	11,529	35,759	166,482
Employee benefits	250,644	-	250,644	49,674	23,092	72,766	323,410
Total salaries and related costs	1,614,494	-	1,614,494	318,388	148,031	466,419	2,080,913
Occupancy	1,762,110	-	1,762,110	220,264	220,264	440,528	2,202,638
Research and related expenses	1,083,911	-	1,083,911	-	-	-	1,083,911
Insurance	37,401	-	37,401	37,401	-	37,401	74,802
Professional services	392,500	-	392,500	92,680	-	92,680	485,180
Equipment and related maintenance	96,204	-	96,204	5,063	-	5,063	101,267
Patient symposium	-	120,189	120,189	-	-	-	120,189
Office expenses and other	25,592	7,427	33,019	91,630	83,718	175,348	208,367
Conferences and travel	12,619	-	12,619	-	-	-	12,619
Fundraising expenses	-	-	-	-	7,591	7,591	7,591
Depreciation and amortization	468,499	-	468,499	26,028	26,028	52,056	520,555
Bad debt expense	-	-	-	35,744	-	35,744	35,744
Special event expenses	-	-	-	-	200,321	200,321	200,321
Subtotal	5,493,330	127,616	5,620,946	827,198	685,953	1,513,151	7,134,097
Less: special events expenses	-	-	-	-	(200,321)	(200,321)	(200,321)
Total expenses	\$ 5,493,330	\$ 127,616	\$ 5,620,946	\$ 827,198	\$ 485,632	\$ 1,312,830	\$ 6,933,776

The accompanying notes are an integral part of these financial statements.
(6)

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2016)

	2017	2016
Cash flows from operating activities		
Change in net assets	\$ 822,858	\$ 4,746,020
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Adjustment to net assets	106,906	(14,213)
Depreciation and amortization expense	483,542	520,555
Bad debt expense	53,650	35,744
Net realized and unrealized loss on sale of contributed marketable securities	19,755	11,705
Contributed marketable securities	(1,065,913)	(1,468,347)
Deferred rent	(318,090)	(264,901)
Sub-total	102,708	3,566,563
Changes in operating assets and liabilities		
(Increase) Decrease in:		
Pledges receivable	1,770,946	(1,889,558)
Prepaid expenses and other assets	(70,524)	(77,252)
Increase (Decrease) in:		
Accounts payable and accrued expenses	315,279	(226,598)
Net cash provided by operating activities	2,118,409	1,373,155
Cash flows from investing activities		
Proceeds from sale of contributed marketable securities	1,046,158	1,456,642
Purchase of property and equipment	(4,054,073)	(786,333)
Net cash (used for), provided by investing activities	(3,007,915)	670,309
Cash flow from financing activities		
Advance from (repayment to) related party	23,350	(182,932)
Net cash provided by, (used for) financing activities	23,350	(182,932)
Net (decrease), increase in cash	(866,156)	1,860,532
Cash - beginning of year	2,101,248	240,716
Cash - end of year	\$ 1,235,092	\$ 2,101,248

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, 2017 AND 2016

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 three classes of net assets, when applicable: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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 either as temporarily restricted or permanently restricted support.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

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.

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 is stated at cost if purchased or contributed value if donated, less accumulated depreciation and amortization. Depreciation is computed on 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.

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, 2017 AND 2016

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.

Functional Allocation of Expenses

The costs of providing program and supporting services of TMSRCNY have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingencies. Actual results may differ from those estimates.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

NOTE 3 - PLEDGES RECEIVABLE

Pledges receivable are unconditional promises to give consisting of the following as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Amount due in less than one year	<u>\$ 158,000</u>	<u>\$ 1,982,596</u>

As of December 31, 2017 and 2016 approximately \$15,000 and \$1,125,000, respectively, of the total pledges receivable were from TMSRCNY's Board members, including amounts due from related parties of \$-0- and \$100,000, respectively.

For the years ending December 31, 2017 and 2016, TMSRCNY wrote off \$53,650 and \$35,744, respectively, of uncollectible pledges receivable.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>	Estimated Useful Life
Leasehold improvements	\$ 4,958,491	\$ 4,958,491	Lesser of useful life or the term of the lease
Research equipment	4,240,771	2,809,318	5 - 10 years
Office furniture and equipment	990,555	845,237	3 - 10 years
Construction in progress	<u>2,928,159</u>	<u>513,356</u>	
Total cost	13,117,976	9,126,402	
Less: accumulated depreciation and amortization	<u>(6,671,288)</u>	<u>(6,250,245)</u>	
Net book value	<u>\$ 6,446,688</u>	<u>\$ 2,876,157</u>	

Depreciation and amortization expense amounted to \$483,542 and \$520,555 for the years ended December 31, 2017 and 2016 respectively.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

NOTE 5 - 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 to perform certain clinical services in connection with its research. As of December 31, 2017 and 2016, TMSRCNY owed \$35,818 and \$12,468, respectively, to IMSMP for its share of these costs, including rent, advances and clinical services.

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, which treats patients with multiple sclerosis. 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 two entities' financial statements 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, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Research related services provided by the Director	\$ 375,000	\$ 375,000
Gifts in-kind	-	842
	<u>\$ 375,000</u>	<u>\$ 375,842</u>

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Lease Commitments

TMSRCNY and IMSMP share leased space that commenced on January 1, 2006 and was amended with an effective date of September 30, 2009, to expire on June 30, 2020, whereby IMSMP subleases a portion of the 4th floor at 521 West 57th Street, New York, NY to TMSRCNY (see Note 5). The IMSMP lease was amended to include the 3rd floor commencing on July 1, 2010 of which TMSRCNY leases a portion of the space. 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.

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

2018	\$ 2,235,000
2019	2,291,000
2020	<u>1,160,000</u>
	<u>\$ 5,686,000</u>

Rent expense computed on the straight-line basis, totaled \$1,862,633 and \$1,862,633, respectively, for the years ended December 31, 2017 and 2016 and is included in occupancy expense in the accompanying financial statements. TMSRCNY recorded a deferred rent liability at December 31, 2017 and 2016 of \$1,029,482 and \$1,347,572, respectively.

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.

Income Taxes

TMSRCNY has no uncertain tax positions as of December 31, 2017 and 2016 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, 2014.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

NOTE 7 - TEMPORARILY RESTRICTED NEW ASSETS

Temporarily restricted net assets consist of the following as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Purpose restricted	\$ -	\$ 3,167,332
	<u>\$ -</u>	<u>\$ 3,167,332</u>

For the years ended December 31, 2017 and 2016, temporarily restricted net assets of \$3,638,926 and \$650,000, respectively, were released from donor restrictions when expenses satisfying the restricted purpose were incurred.

NOTE 8 - 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 year ended December 31, 2017 and 2016, TMSRCNY elected to match its employees' contributions, limited to 6% and 4% of their annual salary, respectively, resulting in an expense of \$40,711 and \$18,650 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, 2017 AND 2016

NOTE 9 - CONCENTRATIONS

For the years ended December 31, 2017 and 2016, TMSRCNY received contributions from major donors, as follows:

	<u>2017</u>	<u>2016</u>
Number of major donors	3	3
Amount donated	\$ 3,500,000	\$ 6,127,500
% of total support and revenue	42%	52%

These donors consisted of not-for-profit foundations, two of which are controlled by or related to board members. One of the major donors was the same in both years.

NOTE 10 - SUBSEQUENT EVENTS

In 2016, TMSRCNY secured funding to expand their stem cell laboratory as well as begin a Phase II stem cell trial. The stem cell laboratory expansion commenced on March 1, 2017 and was completed in 2018. Further expansion of TMSRCNY's research laboratory includes plans to build an animal facility. The animal facility expansion project will not begin until funding is secured. Funding for this project is estimated at \$8 million.

Management has evaluated events subsequent to the date of the statement of financial position through June 5, 2018, the date the financial statements were available to be issued.