

TISCH MULTIPLE SCLEROSIS
RESEARCH CENTER OF NEW YORK, INC.

FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT

DECEMBER 31, 2019 AND 2018

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

DECEMBER 31, 2019 AND 2018

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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, 2019 and 2018, 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.

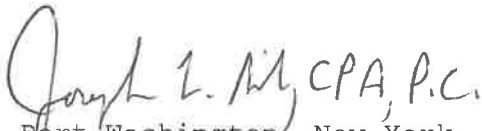
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2019 and 2018 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
July 27, 2020

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
Assets		
Cash and temporary cash investments	\$ 4,330,228	\$ 1,538,549
Pledges receivable	64,228	60,449
Prepaid expenses and other assets	267,222	894,672
Marketable securities, at fair value	-	1,502
Security deposit	19,293	19,293
Property and equipment, net	6,199,895	6,419,641
Total assets	\$ 10,880,866	\$ 8,934,106
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 302,015	\$ 244,322
Due to related parties	104,803	43,271
Deferred rent	228,387	656,875
Total liabilities	635,205	944,468
Commitments and contingencies		
Net Assets		
Without donor restrictions	5,202,192	6,905,185
With donor restrictions	5,043,469	1,084,453
Total net assets	10,245,661	7,989,638
Total liabilities and net assets	\$ 10,880,866	\$ 8,934,106

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, 2019

FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total 2019	Without Donor Restrictions	With Donor Restrictions	Total 2018
Support and Revenue						
Grants and contributions	\$ 4,622,398	\$ 4,446,003	\$ 9,068,401	\$ 4,707,649	\$ 1,623,312	\$ 6,330,961
Special events revenue, net of direct special events expenses of \$308,949 and \$231,186 in 2019 and 2018, respectively	2,653,169	-	2,653,169	2,448,728	-	2,448,728
Contributions in kind	588,050	-	588,050	520,964	-	520,964
Investment loss, net	(3,812)	-	(3,812)	(3,754)	-	(3,754)
Other income	1,275	-	1,275	964	-	964
Net assets released from restrictions	486,987	(486,987)	-	538,859	(538,859)	-
Total support and revenue	8,348,067	3,959,016	12,307,083	8,213,410	1,084,453	9,297,863
Expenses						
Program services						
Research	8,242,207	-	8,242,207	6,433,978	-	6,433,978
Public information and education	199,072	-	199,072	131,104	-	131,104
Total program services	8,441,279	-	8,441,279	6,565,082	-	6,565,082
Supporting Services						
Management and general	909,019	-	909,019	876,191	-	876,191
Fundraising	663,648	-	663,648	632,062	-	632,062
Total supporting services	1,572,667	-	1,572,667	1,508,253	-	1,508,253
Total expenses	10,013,946	-	10,013,946	8,073,335	-	8,073,335
Change in net assets	(1,665,879)	3,959,016	2,293,137	140,075	1,084,453	1,224,528
Net assets - beginning of year	6,905,185	1,084,453	7,989,638	6,629,620	-	6,629,620
Adjustments to net assets	(37,114)	-	(37,114)	135,490	-	135,490
Net assets - end of year	\$ 5,202,192	\$ 5,043,469	\$ 10,245,661	\$ 6,905,185	\$ 1,084,453	\$ 7,989,638

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, 2019
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2018)

	Program Services			Supporting Services			Total 2018
	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	\$ 1,992,692
Payroll taxes and related costs	153,674	-	153,674	22,380	16,351	38,731	165,191
Employee benefits	521,828	-	521,828	76,627	55,984	132,611	440,185
Total salaries and related costs	2,684,703	-	2,684,703	394,044	287,890	681,934	2,598,068
Occupancy	1,789,556	-	1,789,556	223,597	223,597	447,194	2,197,003
Laboratory supplies, services and other expe	2,203,009	-	2,203,009	-	-	-	1,376,934
Insurance	77,371	-	77,371	19,060	8,767	27,827	120,536
Professional services	540,807	-	540,807	141,655	-	141,655	526,779
Equipment and related maintenance	134,838	-	134,838	6,732	-	6,732	124,349
Patient symposium	-	143,855	143,855	-	-	-	127,319
Office expenses and other	33,751	2,567	36,318	82,310	74,709	157,019	202,416
Conferences and travel	28,988	-	28,988	-	-	-	29,497
Fundraising events and related expenses	-	-	-	-	16,664	16,664	12,196
Depreciation and amortization	749,184	-	749,184	41,621	41,621	83,242	742,237
Bad debt expense	-	-	-	-	-	-	16,000
Donated goods and services	-	52,650	52,650	-	10,400	10,400	-
Special event expenses	-	-	-	-	308,949	308,949	231,186
Subtotal	8,242,207	199,072	8,441,279	909,019	972,597	1,881,616	8,304,521
Less: special events expenses	-	-	-	-	(308,949)	(308,949)	(231,186)
Total expenses	\$ 8,242,207	\$ 199,072	\$ 8,441,279	\$ 909,019	\$ 663,648	\$ 1,572,667	\$ 8,073,335

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services			Supporting Services			Total 2018
	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	\$ 1,992,692
Payroll taxes and related costs	128,869	-	128,869	20,903	15,419	36,322	165,191
Employee benefits	336,151	-	336,151	59,872	44,162	104,034	440,185
Total salaries and related costs	1,986,759	-	1,986,759	351,810	259,499	611,309	2,598,068
Occupancy	1,757,602	-	1,757,602	219,700	219,700	439,401	2,197,003
Laboratory supplies, services and other exp	1,376,934	-	1,376,934	-	-	-	1,376,934
Insurance	84,900	-	84,900	25,636	10,000	35,636	120,536
Professional services	386,734	-	386,734	140,045	-	140,045	526,779
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 events and related expenses	-	-	-	-	12,196	12,196	12,196
Depreciation and amortization	668,013	-	668,013	37,112	37,112	74,224	742,237
Bad debt expense	-	-	-	16,000	-	16,000	16,000
Special event expenses	-	-	-	-	231,186	231,186	231,186
Subtotal	6,433,978	131,104	6,565,082	876,191	863,248	1,739,439	8,304,521
Less: special events expenses	-	-	-	-	(231,186)	(231,186)	(231,186)
Total expenses	\$ 6,433,978	\$ 131,104	\$ 6,565,082	\$ 876,191	\$ 632,062	\$ 1,508,253	\$ 8,073,335

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, 2019 AND 2018
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2018)

	2019	2018
Cash flows from operating activities		
Change in net assets	\$ 2,293,137	\$ 1,224,528
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Adjustment to net assets	(37,114)	135,490
Depreciation and amortization expense	832,426	742,237
Bad debt expense	-	16,000
Net realized and unrealized loss on sale of contributed marketable securities	3,812	3,754
Contributed marketable securities	(446,068)	(206,140)
Contributed equipment	-	(145,964)
Deferred rent	(428,488)	(372,607)
Sub-total	2,217,705	1,397,298
Changes in operating assets and liabilities		
(Increase) Decrease in:		
Pledges receivable	(3,779)	81,551
Prepaid expenses and other assets	627,450	(616,634)
Increase (Decrease) in:		
Accounts payable and accrued expenses	57,693	(197,869)
Net cash provided by operating activities	2,899,069	664,346
Cash flows from investing activities		
Proceeds from sale of contributed marketable securities	443,759	200,884
Purchase of property and equipment	(612,681)	(569,226)
Net cash used for investing activities	(168,922)	(368,342)
Cash flow from financing activities		
Advances from related parties, net	61,532	7,453
Net cash provided by financing activities	61,532	7,453
Net increase in cash	2,791,679	303,457
Cash and temporary cash investments - beginning of year	1,538,549	1,235,092
Cash and temporary cash investments - end of year	\$ 4,330,228	\$ 1,538,549

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, 2019 AND 2018

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, 2019 AND 2018

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, 2019 AND 2018

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. 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, 2019 AND 2018

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 2018 financial statements have been reclassified to conform to the 2019 presentation. Such reclassifications had no change to total assets, liabilities, revenues or expenses or change in net assets as reflected on the 2018 financial statements.

NOTE 3 - RESTRICTIONS ON NET ASSETS

In 2019, TMSRCNY began construction on a new facility, the Experimental Research Center, as an expansion of the research laboratory. A capital campaign to fund the construction, as well as equipment and operating needs, received commitments of \$5 million, of which \$4,500,000 was collected as of December 31, 2019. The donations are restricted for use of construction costs, property and equipment purchases and operating costs of this facility. 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. Interest earned on the investment of restricted support is without donor restrictions.

For the years ended December 31, 2019 and 2018, net assets with donor restrictions of \$486,987 and \$538,859, 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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Amount due in less than one year	<u>\$ 64,228</u>	<u>\$ 60,449</u>

As of December 31, 2019, and 2018 approximately \$10,000 of the total pledges' receivable were from TMSRCNY's Board members in each year.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

For the years ending December 31, 2019 and 2018, TMSRCNY wrote off \$2,500 and \$31,000, 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>2019</u>	<u>2018</u>
Financial assets at year-end	\$ 4,394,456	\$ 1,600,500
Less those unavailable for general expenditures within one year, due to:		
Donor-restricted for leashold improvements and capital expenditures	<u>4,100,603</u>	<u>1,001,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 293,853</u>	<u>\$ 599,500</u>

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>	Estimated Useful Life
Leasehold improvements	\$ 8,364,812	\$ 8,364,812	Lesser of useful life or the term of the lease
Research equipment	4,522,532	4,428,082	5 - 10 years
Office furniture and equipment	1,009,439	989,772	3 - 10 years
Software	19,895	-	3 years
Construction in progress	373,116	-	
Total cost	<u>14,289,794</u>	<u>13,782,666</u>	
Less: accumulated depreciation and amortization	<u>(8,089,899)</u>	<u>(7,363,025)</u>	
Net book value	<u>\$ 6,199,895</u>	<u>\$ 6,419,641</u>	

Depreciation and amortization expense amounted to \$832,426 and \$742,237 for the years ended December 31, 2019 and 2018 respectively.

NOTE 7 - IN-KIND DONATED GOODS AND SERVICES

From time to time, 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. During 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, 2019 AND 2018

Contributed goods and services consist of the following for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Research related services provided by the Director	375,000	375,000
Other professional services	150,000	-
Gifts in-kind	<u>63,050</u>	<u>145,964</u>
	<u>\$ 588,050</u>	<u>\$ 520,964</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, 2019, and 2018, TMSRCNY owed \$104,803 and \$43,271, respectively, to IMSMP and MSMPNY for its share of these costs, including 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, 2019 AND 2018

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 expired 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 \$1,862,633 and \$1,862,633, respectively, for the years ended December 31, 2019 and 2018 and is included in occupancy expense in the accompanying financial statements. TMSRCNY recorded a deferred rent liability at December 31, 2019 and 2018 of \$228,387 and \$656,875, respectively.

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

2020	\$	2,319,000
2021		2,354,000
2022		2,424,000
2023		2,497,000
2024		2,572,000
Thereafter		<u>15,576,000</u>
	\$	<u>27,742,000</u>

Income Taxes

TMSRCNY is not aware of any uncertain tax positions as of December 31, 2019 and 2018 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, 2016.

TISCH MULTIPLE SCLEROSIS RESEARCH CENTER OF NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

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, 2019 and 2018, TMSRCNY elected to match its employees' contributions, limited to 8% and 6% of their annual salary, respectively, resulting in an expense of \$110,973 and \$71,687 which is included in employee benefits in the accompanying financial statements.

NOTE 11 - CONCENTRATIONS

For the years ended December 31, 2019 and 2018, TMSRCNY received contributions from major donors, as follows:

	<u>2019</u>	<u>2018</u>
Number of major donors	3	4
Amount donated	\$ 4,650,000	\$ 4,125,000
% of total support and revenue	37%	43%

In 2019, these donors consisted of two not-for-profit foundations, one of which is controlled by a Board Member, and one individual donor. Three of the major donors were the same in both years.

NOTE 11 - SUBSEQUENT EVENTS

In response to the economic impact from the COVID-19 coronavirus pandemic, in April 2020 at the approval of three donors, TMSRCNY released \$2,000,000 of net assets with donor restrictions, for general use. In May 2020, TMSRCNY received a loan from the Small Business Administration under the Paycheck Protection Program. The loan, in the amount of \$599,695, is expected to qualify fully for forgiveness. Management has evaluated the economic uncertainties caused by the coronavirus pandemic and has implemented several contingency measures to minimize any negative impact on the financial position of TMSRCNY.

Management has evaluated events subsequent to the date of the statement of financial position through July 27, 2020, the date the financial statements were available to be issued.