

**THE FOUNDATION OF THE CONSORTIUM OF MULTIPLE SCLEROSIS CENTERS, INC.**

**FINANCIAL STATEMENTS**

**December 31, 2019**

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Table of Contents**  
**December 31, 2019**

	<u>Page No.</u>
<b>Independent Auditors' Report</b>	1
<b>Financial Statements</b>	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5 – 7
<b>Supplementary Information</b>	
<b>Independent Auditors' Report on Supplementary Information</b>	8
Schedule 1 – Functional Expenses	9
Schedule 2 - Cash and Cash Equivalents	10

**M.D. SULLIVAN**  
**Certified Public Accountant**  
**174 Main Street – Hwy 35**  
**Eatontown, New Jersey 07724**  
**Phone: 732-544-8484**  
**Fax: 732-544-1833**

**Independent Auditors' Report**

To the Board of Directors of  
The Foundation of the Consortium of Multiple Sclerosis Centers, Inc.  
Hackensack, New Jersey

I have audited the accompanying financial statements of The Foundation of the Consortium of Multiple Sclerosis Centers, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2019 and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Foundation of the Consortium of Multiple Sclerosis Centers, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*M. D. Sullivan*

Eatontown, New Jersey  
September 25, 2020

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Statement of Financial Position**  
**December 31, 2019**

**ASSETS**

Current assets:		
Cash and cash equivalents	\$	529,394
Accounts receivable		58
Accounts receivable – Consortium of Multiple Sclerosis Centers		5,751
Prepaid expenses		<u>12,411</u>
Total current assets		<u>547,614</u>
<b>Total assets</b>	<b>\$</b>	<b><u>547,614</u></b>

**LIABILITIES AND NET ASSETS**

Current liabilities:		
Accounts payable	\$	77,948
Accrued expenses		<u>470</u>
Total current liabilities		78,418
Net assets:		
Net assets without donor restrictions		165,505
Net assets with donor restrictions		<u>303,691</u>
Total net assets		<u>469,196</u>
<b>Total liabilities and net assets</b>	<b>\$</b>	<b><u>547,614</u></b>

See Accompanying Notes and Independent Auditors' Report.

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2019**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Changes in Net Assets From Operating Activities			
Revenue:			
Contributions	\$ 41,450	\$ -	\$ 41,450
Unrestricted grants	10,250	-	10,250
CMSC Board designated support	50,250	-	50,250
Investment income	4,091	-	4,091
Temporarily restricted grants:			
Workforce of the Future	-	59,750	59,750
Professional Tools and Resources	-	137,783	137,783
Research, Resources and Patient Registry	-	64,525	64,525
Net assets released from restrictions:			
Satisfaction of purpose restrictions	<u>393,158</u>	<u>(393,158)</u>	<u>-</u>
 Total revenue	 499,199	 (131,100)	 368,099
Expenses:			
Management and general (Schedule 1)	113,597	-	113,597
Fundraising (Schedule 1)	805	-	805
Program services (Schedule 1)	<u>456,852</u>	<u>-</u>	<u>456,852</u>
 Total expenses	 <u>571,254</u>	 <u>-</u>	 <u>571,254</u>
 <b>Change in net assets</b>	 (72,055)	 (131,100)	 (203,155)
<b>Net assets beginning of the year</b>	<u>237,560</u>	<u>434,791</u>	<u>672,351</u>
<b>Net assets end of the year</b>	<u>\$ 165,505</u>	<u>\$ 303,691</u>	<u>\$ 469,196</u>

See Accompanying Notes and Independent Auditors' Report.

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.  
Statement of Cash Flows  
For the Year Ended December 31, 2019**

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ (203,155)
Changes in operating assets and liabilities:	
Increase in accounts receivable	(58)
Increase in accounts receivable – Consortium of Multiple Sclerosis Centers	(5,751)
Increase in prepaid expenses	(6,080)
Increase in accounts payable	48,283
Decrease in accounts payable – Consortium of Multiple Sclerosis Centers	(8,815)
Decrease in accrued expenses	<u>(2,556)</u>
<b>Net cash used by operating activities</b>	<u>(178,132)</u>
<b>Net decrease in cash and cash equivalents</b>	(178,132)
<b>Cash and cash equivalents at beginning of the year</b>	<u>707,526</u>
<b>Cash and cash equivalents at end of the year</b>	<u>\$ 529,394</u>

See Accompanying Notes and Independent Auditor's Report.

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 1 – Description of the Organization**

The mission of The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc. (the Foundation) is to stimulate the growth, development and provision of patient care services, education and research in the field of multiple sclerosis and to enhance the quality of life of those affected by multiple sclerosis through supporting the mission of the membership of The Consortium of Multiple Sclerosis Centers, Inc.

**Note 2 - Summary of Significant Accounting Policies**

Basis of Presentation

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and board of directors.

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Foundation's ongoing professional services and interest earned on investments. Nonoperating activities are limited to resources that generate return from investment and other activities considered to be of a more unusual or nonrecurring nature.

Cash and cash equivalents

For purposes of the statement of cash flows, the Foundation considers all instruments with an original maturity of one year or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents. The Foundation maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Foundation's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

Pledges receivable

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Use of estimates

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

See Independent Auditors' Report.

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 2 - Summary of Significant Accounting Policies (continued)**

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restrictions. When a restriction expires (that is, when stipulated time restrictions end or purpose restrictions is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Income taxes

The Foundation is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Foundation has determined that there are no material tax positions that require recognition or disclosure in the financial statements.

**Note 3 – Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the balance sheet date comprise the following:

Cash and cash equivalents	\$ 529,394
Accounts receivable	<u>5,809</u>
	<u>\$ 535,203</u>

As part of Foundation's liquidity management plan, the Foundation invests cash in excess of daily requirements in short-term investments, CD's and money market funds.

**Note 4 – Related Party Transactions**

The Foundation receives administrative and support services and grant funding from The Consortium of Multiple Sclerosis Centers, Inc. (CMSC).

**Note 5 – Investment return**

Investment income consisted of interest earned of \$4,091 for the year ended December 31, 2019.

**Note 6 – Pension**

The Foundation has established a retirement program titled a 403(b) Retirement Plan (the Plan) for employees meeting plan criteria. Requirements for plan participation are two years of employment. The Foundation contributes to the Plan 3% of the employees' salary and the employee can contribute to the maximum allowed by the Plan. The employees, upon separation from the Foundation retain ownership of the contributions made by the Foundation and may elect withdrawal or an annuity beginning at age 65. The Foundation's contribution to the Plan for the year ended December 31, 2019 was \$1,562.

See Independent Auditors' Report.



**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 7 – Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes:	
Workforce of the Future	\$ 79,512
Professional Tools and Resources	65,731
Research, Resources and Patient Registry	<u>158,448</u>
	<u>\$ 303,691</u>

Net assets were released from donor restrictions by incurring expenses, satisfying the purpose or time restrictions specified by donors as follows:

Purpose restrictions accomplished:	
Workforce of the Future	\$ 194,708
Professional Tools and Resources	98,400
Research, Resources and Patient Registry	<u>100,050</u>
Total restrictions released	<u>\$ 393,158</u>

**Note 8 – Subsequent Events**

The Foundation has evaluated subsequent events through September 25, 2020, which is the date the financial statements were available to be issued.

COVID-19

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020 the World Health Organization characterized COVID-19 as a pandemic. In addition, as of March 21, 2020 the State of New Jersey ordered the closure of the physical location of every non-essential business for what may be an extended period of time. All employees have been working remotely and there has been no immediate impact to the organization's operations. Future potential impacts may include continued disruptions or restrictions on our employees' ability to work and impairment of our ability to obtain contributions. The future effects of these issues are unknown.

See Independent Auditors' Report.

**SUPPLEMENTARY INFORMATION**

**M.D. SULLIVAN**  
**Certified Public Accountant**  
**174 Main Street – Hwy 35**  
**Eatontown, New Jersey 07724**  
**Phone: 732-544-8484**  
**Fax: 732-544-1833**

**Independent Auditors' Report on Supplementary Information**

To the Board of Directors of  
The Foundation of the Consortium of Multiple Sclerosis Centers, Inc.  
Hackensack, New Jersey

My audit of the financial statements included in the preceding section of this report was conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*M. D. Sullivan*

Eatontown, New Jersey  
September 25, 2020

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Schedule 1**  
**Schedule of Functional Expenses**  
**For the Year Ended December 31, 2019**

	<u>Management and General</u>	<u>Fundraising</u>	<u>Program Services</u>	<u>Total</u>
Expenses:				
Salaries	\$ 54,355	\$ -	\$ -	\$ 54,355
Payroll taxes and employee benefits	7,234	146	-	7,380
Bookkeeping fees	9,700	-	-	9,700
Accounting fees	15,000	-	-	15,000
Audiovisual	-	-	9,185	9,185
Audit fee	6,925	-	-	6,925
Awards and plaques	-	-	10,050	10,050
Bank and credit card fees	282	-	-	282
Contract administrative support	488	-	-	488
Database maintenance	2,415	-	-	2,415
Food and beverage	539	-	15,661	16,200
Graphic design	-	564	-	564
Honoraria	-	-	40,850	40,850
Insurance	6,331	-	-	6,331
Legal fees	357	-	-	357
Office supplies and expense	1,145	-	54	1,199
Onsite meeting management	1,875	-	1,575	3,450
Payroll processing fees	2,907	-	-	2,907
Postage and shipping	289	95	-	384
Printing	6	-	1,143	1,149
Professional fees	4,000	-	10,850	14,850
Publications and outreach	225	-	90,413	90,638
Repairs and maintenance	233	-	-	233
Research grants	-	-	150,571	150,571
Scholarships	-	-	118,423	118,423
State licenses	150	-	-	150
Telephone	138	-	-	138
Travel, meetings and conferences	3,985	-	8,077	12,062
Website development and maintenance	<u>(4,982)</u>	<u>-</u>	<u>-</u>	<u>(4,982)</u>
<b>Total expenses</b>	<b><u>\$ 113,597</u></b>	<b><u>\$ 805</u></b>	<b><u>\$ 456,852</u></b>	<b><u>\$ 571,254</u></b>

See Independent Auditors' Report on Supplementary Information.

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Schedule 2**  
**Schedule of Cash and Cash Equivalents**  
**December 31, 2019**

<u>Bank Account</u>	<u>Description</u>	<u>Amount</u>
Bank of New Jersey	Operating Checking	\$ 104,251
Bank of New Jersey	Payroll Checking	1,677
Bank of New Jersey	Credit Card Checking	4,299
Mariner's Bank	Money Market Savings	249,167
Bank of New Jersey	CDARS - Savings	<u>170,000</u>
Total cash and cash equivalents as of December 31, 2018		<u>\$ 529,394</u>

See Independent Auditors' Report on Supplementary Information.