

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

FINANCIAL STATEMENTS

December 31, 2020

The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.
Table of Contents
December 31, 2020

	<u>Page No.</u>
Independent Auditors' Report	1
Financial Statements	
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
Supplementary Information	
Independent Auditors' Report on Supplementary Information	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, 2020 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, 2020, 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.

Eatontown, New Jersey
July 30, 2021



The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.
Statement of Financial Position
December 31, 2020

ASSETS

Current assets:	
Cash and cash equivalents	\$ 594,430
Accounts receivable	428
Prepaid expenses	<u>8,027</u>
Total current assets	<u>602,885</u>
 Total assets	 <u>\$ 602,885</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable:	
Vendors	\$ 16,000
The Consortium of Multiple Sclerosis Centers, Inc.	<u>1,463</u>
Total current liabilities	17,463
 Net assets:	
Net assets without donor restrictions	133,962
Net assets with donor restrictions	<u>451,460</u>
Total net assets	<u>585,422</u>
 Total liabilities and net assets	 <u>\$ 602,885</u>

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, 2020

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Changes in Net Assets			
From Operating Activities			
Revenue:			
Unrestricted contributions and grants	\$ 38,349	\$ -	\$ 38,349
CMSC Board designated support	51,370	-	51,370
Investment income	1,599	-	1,599
Temporarily restricted grants:			
Workforce of the Future	-	273,690	273,690
Professional Tools and Resources	-	91,180	91,180
Research, Resources and Patient Registry	-	10,000	10,000
Net assets released from restrictions:			
Satisfaction of purpose restrictions	<u>227,101</u>	<u>(227,101)</u>	<u>-</u>
Total revenue	318,419	147,769	466,188
Expenses:			
Management and general (Schedule 1)	104,361	-	104,361
Annual meeting (Schedule 1)	3,500	-	3,500
Program services (Schedule 1)	<u>242,101</u>	<u>-</u>	<u>242,101</u>
Total expenses	<u>349,962</u>	<u>-</u>	<u>349,962</u>
Change in net assets	(31,543)	147,769	116,226
Net assets beginning of the year	<u>165,505</u>	<u>303,691</u>	<u>469,196</u>
Net assets end of the year	<u>\$ 133,962</u>	<u>\$ 451,460</u>	<u>\$ 585,422</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, 2020

Cash flows from operating activities:	
Change in net assets	\$ 116,226
Changes in operating assets and liabilities:	
Increase in accounts receivable	(370)
Decrease in accounts receivable – The Consortium of Multiple Sclerosis Centers	5,751
Decrease in prepaid expenses	4,384
Decrease in accounts payable	(61,948)
Increase in accounts payable – The Consortium of Multiple Sclerosis Centers	1,463
Decrease in accrued expenses	<u>(470)</u>
Net cash provided by operating activities	<u>65,036</u>
Net increase in cash and cash equivalents	65,036
Cash and cash equivalents at beginning of the year	<u>529,394</u>
Cash and cash equivalents at end of the year	<u><u>\$ 594,430</u></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, 2020

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, 2020

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	\$ 594,430
Accounts receivable	<u>428</u>
	<u>\$ 594,858</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 shares salaries, payroll taxes, employee benefits and other overhead expenses and receives grant funding from The Consortium of Multiple Sclerosis Centers, Inc. (CMSC). Common costs are allocated and charged proportionately.

Note 5 – Investment return

Investment income consisted of interest earned of \$1,599 for the year ended December 31, 2020.

See Independent Auditors' Report.

The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.
Notes to Financial Statements
December 31, 2020

Note 6 – Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

Workforce of the Future	\$ 276,336
Professional Tools and Resources	49,801
Research, Resources and Patient Registry	<u>125,323</u>
	<u>\$ 451,460</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	\$ 76,866
Professional Tools and Resources	107,110
Research, Resources and Patient Registry	<u>43,125</u>
Total restrictions released	<u>\$ 227,101</u>

Note 7 – Subsequent Events

The Foundation has evaluated subsequent events through July 30, 2021, which is the date the financial statements were available to be issued.

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.



Eatontown, New Jersey
July 30, 2021

The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.
Schedule 1
Schedule of Functional Expenses
For the Year Ended December 31, 2020

	<u>Management and General</u>	<u>Annual Meeting</u>	<u>Program Services</u>	<u>Total</u>
Expenses:				
Salaries	\$ 41,632	\$ 3,000	\$ -	\$ 44,632
Payroll taxes and employee benefits	9,315	-	-	9,315
Accounting fees	15,000	-	-	15,000
Audiovisual	-	-	3,191	3,191
Audit fee	6,925	-	-	6,925
Bank and credit card fees	314	-	-	314
Database maintenance	1,207	-	-	1,207
Fellowships	-	-	45,958	45,958
Honoraria	-	500	16,500	17,000
Insurance	7,411	-	-	7,411
Office supplies and expense	269	-	-	269
Payroll processing fees	101	-	-	101
Publications and outreach	21,250	-	64,777	86,027
Scholarships	-	-	111,675	111,675
State licenses	833	-	-	833
Subscriptions	50	-	-	50
Travel, meetings and conferences	136	-	-	136
Website development and maintenance	(82)	-	-	(82)
Total expenses	<u>\$ 104,361</u>	<u>\$ 3,500</u>	<u>\$ 242,101</u>	<u>\$ 349,962</u>

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, 2020

<u>Bank Account</u>	<u>Description</u>	<u>Amount</u>
ConnectOne Bank	Operating Checking	\$ 67,722
ConnectOne Bank	Payroll Checking	2,185
ConnectOne Bank	Credit Card Checking	4,396
Mariner's Bank	Money Market Savings	250,115
Kearny Bank	Savings	<u>270,012</u>
Total cash and cash equivalents as of December 31, 2020		<u>\$ 594,430</u>

See Independent Auditors' Report on Supplementary Information.