NEW YORK GENOME CENTER, INC.

Financial Statements and Supplementary Information on Federal Awards Programs

December 31, 2021

(With Independent Auditors' Report Thereon and Reports on Internal Control and Compliance)

NEW YORK GENOME CENTER, INC.

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KPMG LLP
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Independent Auditors' Report

The Board of Directors
New York Genome Center, Inc.:

Opinion

We have audited the financial statements of New York Genome Center, Inc. (the Center), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2022, on our consideration of the New York Genome Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New York Genome Center Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

KPMG LLP

Melville, New York
May 26, 2022

NEW YORK GENOME CENTER, INC.

Statements of Financial Position

December 31, 2021 and 2020

Assets		2021	2020
Cash	$	10,264,308	9,393,791
Accounts receivable		6,350,857	4,431,588
Inventory, net		2,423,898	1,246,622
Prepaid expenses		3,304,280	3,918,628
Other assets (note 10)		213,441	458,717
Pledges receivable, net (note 3)		7,859,130	4,575,195
Security deposits (note 9)		7,339,122	8,255,470
Property and equipment, net (note 5)		47,467,089	51,267,221
Total assets	$	85,222,125	83,547,232
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	5,032,047	6,075,510
Deferred revenue (note 4)		12,695,217	11,521,530
Line of credit (note 7)		—	—
Capital lease obligations (note 5)		—	71,442
Long-term debt (note 8)		4,100,000	4,820,000
Deferred rent		24,252,205	25,106,784
Total liabilities		46,079,469	47,595,266
Net assets:			
Without donor restrictions		26,513,021	27,915,254
With donor restrictions (note 2(k))		12,629,635	8,036,712
Total net assets		39,142,656	35,951,966
Total liabilities and net assets	$	85,222,125	83,547,232

See accompanying notes to financial statements.

NEW YORK GENOME CENTER, INC.

Statement of Activities

Year ended December 31, 2021

(With summarized information for year-ended December 31, 2020)

	2021			2020
	Without donor restrictions	With donor restrictions	Total	Total
Revenue and other support:				
Contributions (note 3)	$ 28,059,399	8,534,412	36,593,811	30,833,270
In-kind contributions	2,301,841	422,402	2,724,243	386,423
Grants (note 4):				
Federal	14,510,236	—	14,510,236	12,907,064
Private	4,993,635	—	4,993,635	4,452,352
Research sequencing services	7,531,190	—	7,531,190	7,021,872
Clinical sequencing services	1,471,418	—	1,471,418	1,475,787
Corporate sponsored research	1,506,337	—	1,506,337	878,878
Members' dues	2,735,000	—	2,735,000	3,060,000
Other revenue (note 4)	3,704,328	—	3,704,328	3,175,886
Net assets released from restrictions	4,363,891	(4,363,891)	—	—
Total revenue and other support	71,177,275	4,592,923	75,770,198	64,191,532
Expenses (note 6):				
Salaries, payroll taxes, and employee benefits	27,400,508	—	27,400,508	28,728,884
Rent, utilities, maintenance, insurance (note 9)	18,244,090	—	18,244,090	17,547,831
Direct cost of sequencing	12,021,474	—	12,021,474	13,256,300
Professional fees	4,732,029	—	4,732,029	4,312,636
Information technology	3,505,972	—	3,505,972	2,722,974
Recruitment, training, memberships, and subscriptions	387,489	—	387,489	341,967
Other expenses	354,140	—	354,140	535,580
Interest expense and bank fees	268,264	—	268,264	461,725
Depreciation	5,665,542	—	5,665,542	7,805,926
Total expenses	72,579,508	—	72,579,508	75,713,823
Change in net assets	(1,402,233)	4,592,923	3,190,690	(11,522,291)
Net assets – beginning of year	27,915,254	8,036,712	35,951,966	47,474,257
Net assets – end of year	$ 26,513,021	12,629,635	39,142,656	35,951,966

See accompanying notes to financial statements.

NEW YORK GENOME CENTER, INC.

Statement of Activities

Year ended December 31, 2020

	2020		
	Without donor restrictions	**With donor restrictions**	**Total**
Revenue and other support:			
Contributions (note 3)	26,034,031	4,799,239	30,833,270
In-kind contributions	192,746	193,677	386,423
Grants (note 4):			
Federal	12,907,064	—	12,907,064
Private	4,452,352	—	4,452,352
Research sequencing services	7,021,872	—	7,021,872
Clinical sequencing services	1,475,787	—	1,475,787
Corporate sponsored research	878,878	—	878,878
Members' dues	3,060,000	—	3,060,000
Other revenue (note 4)	3,175,886	—	3,175,886
Net assets released from restrictions	4,079,832	(4,079,832)	—
Total revenue and other support	63,278,448	913,084	64,191,532
Expenses (note 6):			
Salaries, payroll taxes, and employee benefits	28,728,884	—	28,728,884
Rent, utilities, maintenance, insurance (note 9)	17,547,831	—	17,547,831
Direct cost of sequencing	13,256,300	—	13,256,300
Professional fees	4,312,636	—	4,312,636
Information technology	2,722,974	—	2,722,974
Recruitment, training, memberships, and subscriptions	341,967	—	341,967
Other expenses	535,580	—	535,580
Interest expense and bank fees	461,725	—	461,725
Depreciation	7,805,926	—	7,805,926
Total expenses	75,713,823	—	75,713,823
Change in net assets	(12,435,375)	913,084	(11,522,291)
Net assets – beginning of year	40,350,629	7,123,628	47,474,257
Net assets – end of year	$ 27,915,254	8,036,712	35,951,966

See accompanying notes to financial statements.

NEW YORK GENOME CENTER, INC.

Statements of Cash Flows

Years ended December 31, 2021 and 2020

		2021	2020
Cash flows from operating activities:			
Change in net assets	$	3,190,690	(11,522,291)
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation		5,665,543	7,805,926
Gain on sale of equipment		(44,400)	—
Provision for bad debt expense			
Changes in operating assets and liabilities:			
Accounts receivable		(1,919,269)	693,511
Inventory		(1,177,276)	1,717,701
Prepaid expenses		614,348	38,022
Other assets		245,276	(88,563)
Pledges receivable		(3,283,935)	1,462,035
Accounts payable and accrued expenses		(1,043,463)	(33,855)
Deferred revenue		1,173,687	911,309
Accrued interest payable		—	(6,493)
Deferred rent		(854,579)	(854,579)
Net cash provided by operating activities		2,566,622	122,723
Cash flows from investing activities:			
Purchase of property and equipment		(1,821,009)	(1,401,746)
Proceeds from security deposit		916,348	916,770
Net cash used in investing activities		(904,661)	(484,976)
Cash flows from financing activities:			
Repayment of capital lease obligations		(71,442)	(2,072,905)
Repayment of long-term debt		(720,000)	—
Net cash used in financing activities		(791,442)	(2,072,905)
Net increase (decrease) in cash		870,517	(2,435,158)
Cash – beginning of year		9,393,791	11,828,949
Cash – end of year	$	10,264,308	9,393,791
Supplemental disclosure of cash flow information:			
Cash paid for interest	$	—	301,042
Supplemental disclosures of noncash investing and financing activities:			
Contribution of reagents	$	2,724,243	386,423

See accompanying notes to financial statements.

(1) Description of Organization

(a) Organization

The New York Genome Center, Inc. (the Center) was incorporated on August 4, 2010 as a non-stock corporation under the laws of the State of Delaware. The Center is recognized by the Internal Revenue Service as exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Center's mission is centered around furthering genomic research that leads to scientific advances and new insights and therapies for patients with neurodegenerative disease, neuropsychiatric disease, and cancer. In 2020, the Center expanded its research to include the study of the genomics underlying the host-pathogen biology of SARS-CoV-2 and associated COVID-19 disease and expanded its clinical lab to perform SARS-CoV-2 virus testing for the community. The Center serves as a nexus for collaboration in genomic research for the New York community and beyond.

The Center's faculty support the scientific vision of the New York Genome Center through the advancement of genomic technology and medicine. In the collaborative spirit, faculty members have joint appointments with the Center's institutional founding members, which strengthen the Center's research capabilities, advance academic leadership, and enhance the Center's understanding of human diseases.

The Center generates revenues from contributions, grants, and genome sequencing, analysis, and research performed with and for academic and scientific investigators, including its member institutions.

The Center started its initial sequencing services in 2012. Sequencing is a laboratory process that determines the DNA sequence of an organism's genome. A single human genome yields approximately 250 gigabytes of data. This sequence data is computationally analyzed to interpret the genomic sequence compared to a reference genome. Bioinformatics is a branch of biological science that deals with analyzing biological data and expressing it graphically using specialized software and computational methods. Bioinformatics is used to detect and identify genomic variations. In humans, genetic variation can have medical consequences affecting the susceptibility or predisposition of an individual, family or population to disease, including a wide array of genetic diseases such as cancer, diabetes, cardiovascular disease, autism, and Alzheimer's disease. Genetic variations can also affect an individual's response to certain drug treatments, causing her or him to respond well, not respond at all, or experience adverse side effects.

The Center's institutional founding members are: Cold Spring Harbor Laboratory, Cornell University/Weill Cornell Medical College, Memorial Sloan-Kettering Cancer Center, Icahn School of Medicine at Mount Sinai, New York-Presbyterian Hospital, New York University, Northwell Health, The Research Foundation of State University of New York, on behalf of Stony Brook University, The Rockefeller University, The Trustees of Columbia University in the City of New York, and Albert Einstein College of Medicine.

(b) Concentration of Support

The Center relies on philanthropic contributions to fulfill its mission. The Center has historically relied on significant contributions from two board members. In May 2019, the two board members pledged a new conditional $125 million five-year gift to support the continued operations of the Center. In 2020 and 2021, $25 million was received in each year and an additional $12.5 million was received by

May 2022. The remaining amount of $62.5 million is expected to be paid out in accordance with the agreements.

The Center continues to rely on contributions from these two donors.

(c) COVID-19

The spread of coronavirus (COVID-19) around the world in 2020 caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Center is unable to determine if it will have a material impact to its operations.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting in conformity with generally accepted accounting principles in the United States of America (GAAP).

(b) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Fair Value Measurement

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic No. 820, *Fair Value Measurement*, also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted or published prices in active markets for identical assets or liabilities

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities.

(d) Cash

The Center maintains its cash in deposit accounts with a financial institution, which at times may exceed the federally insured limits. The Center has not incurred any losses in such accounts and believes it is not exposed to any significant credit risk as of December 31, 2021 and 2020.

(e) Accounts Receivable

Accounts receivable are recorded at the net invoice value and are not interest-bearing. The Center reviews its exposure to accounts receivable and reserves specific amounts if collectability is no longer reasonably assured. The December 31, 2021 and 2020 balances include $1.2 million, in each year, of accounts receivable from sequencing activities from members. As of December 31, 2021 and 2020, the Center did not deem it necessary to record allowances for uncollectible accounts.

(f) Inventory

Inventory is stated at the lower of cost (on a first-in, first-out basis) or market. Inventory includes raw materials used in sequencing and research and development processes, as well as work in process. Work in process includes an allocation of labor and overhead costs. Labor for work in process is allocated based on the number of samples in work in process, as compared with the total number of samples processed for the year. Overhead, including depreciation of sequencing machines, is allocated based on the number of samples in work in process, as compared with total capacity for the year. Provisions for slow-moving, excess, and obsolete inventories are estimated based on product life cycles, quality issues, historical experience, and usage forecasts. Management evaluated the inventory for obsolescence and recorded a provision of $0.1 million at both December 31, 2021 and December 31, 2020.

(g) Pledges Receivable

Pledges receivable, which have a stipulated time and/or purpose restriction, are included in net assets with donor restrictions at December 31, 2021 and 2020.

Unconditional promises to give which are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give which are to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts were computed using a discount rate of 2.64% to 1.44% at December 31, 2021 and 2020, respectively. Amortization of the discount is recorded as an increase in contribution revenue. The Center periodically assesses the collectability of its pledges and provides allowances for anticipated losses, if any. The Center did not write off any pledges that were deemed not collectible in 2021 or 2020.

(h) Property and Equipment

Property and equipment acquisitions are recorded at cost, except donated assets that are recorded at fair value at the date of donation. Depreciation is recorded over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Leasehold improvements are amortized over the life of the asset or term of the lease, whichever is shorter. Estimated useful lives utilized to calculate depreciation are as follows:

Furniture, fixtures, and equipment	3–10 years
Scientific equipment and IT equipment	3–5 years
Software	5 years

Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment.

Gifts of land, building, and equipment are reported as without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

(i) Leases

Leases are reviewed and classified as capital or operating at their inception. The Center records rent expense on a straight-line basis over the term of the lease, which includes the construction build-out period of the Center's building lease. The difference between rent payments and straight-line rent expense is recorded as deferred rent in the statements of financial position. Landlord allowances are amortized on a straight-line basis over the lease term as a reduction to rent expense.

(j) Security Deposit

The Center is required, pursuant to the terms of an operating lease agreement for the building lease, to maintain collateral in an aggregate amount of $7.3 million and $8.3 million, in 2021 and 2020, respectively, in a separate interest-bearing account as security for the Center's obligations under the operating lease agreement. Refer to note 9 for further discussion of the operating lease agreement.

(k) Net Assets with Donor Restrictions

Net assets with donor restrictions represent those resources whose use has been restricted by donors to specific purposes and/or the passage of time (i.e. pledges). Net assets with donor restrictions consist of the following at December 31, 2021 and 2020:

		2021	2020
Time-restricted	$	2,529,855	3,830,565
Restricted for research, and other programs		10,099,780	4,206,147
	$	12,629,635	8,036,712

(l) Revenue Recognition

Contributions – Contributions to the Center are recorded as revenues at the earlier of the receipt of unconditional pledges or of cash or other assets. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions, whose restrictions are met within the same year as received, are reflected as contributions without donor restrictions. In the absence of donor specification that income and gains on donated funds are restricted, such income and gains are reported as increases of net assets without donor restrictions. Contributions are classified as conditional if a barrier must be overcome to be entitled to the funds and if a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. Conditional pledges are not included as support until

the conditions are substantially met. In-kind donations are recorded as a contribution at fair market value and expenses are included in the applicable functional line item. If the in-kind donation is restricted, then it is recorded as donor restricted in-kind contribution and, accordingly, released from restriction.

Members' dues – The Center charges an annual membership fee to its members (institutional founding members and associate members). Revenues are pro-rated and recognized evenly over the one-year membership period.

Sequencing – The Center recognizes revenue when the following elements have been met: (i) a formal arrangement exists, (ii) delivery has occurred, or services have been rendered, (iii) the price is fixed or determinable; and (iv) collectability is reasonably assured.

Deferred revenue includes payments received in advance for sequencing services, including amounts received from grantors for research projects. Deferred revenue also includes the remaining balance of the NYCEDC loan that was converted to a grant in 2020 and reclassified as deferred revenue (see note 8).

Currently, the Center performs a variety of sequencing activities as one service package and may collect fees upon services delivery, upfront fees or periodic payments based on contract milestones. Revenue is recognized at the amount the Center expects to collect in exchange for the services provided. The Center reviewed these service agreements for the value of individual elements and to ascertain whether they are separable from the other aspects of the contractual relationship and concluded these agreements are interdependent and are treated as one agreement. If periodic payments are required, a determination is made to ascertain if they represent consideration for milestones achieved.

Service agreements may be terminated by the customer at any time; however, the customer remains responsible for any costs incurred by the Center in connection with the services, including any services the Center has in process under the quotation during the time of notification of termination. The services may be terminated by the Center upon 30 days' written notice to the customer, if the customer fails to pay the fees due to the Center or breaches any of the terms and conditions or other customer obligations outlined in the quotation.

During 2021 and 2020, the Center recognized $4.5 million and $3.3 million, respectively, of sequencing revenue from the members. The revenue and cost associated with these services were recognized as research or clinical sequencing services and sequencing costs, respectively, in the statements of activities.

(m) Income Taxes

The Center is subject to the provisions of the FASB ASC Section 740-10-05, *Income Taxes – Overall*, relating to accounting and reporting for uncertainty in income taxes. The Center recognizes the effect of income tax positions only if those positions are more likely than not of being sustained and has determined it did not have any exposure to uncertain tax positions during 2021 and 2020.

(n) Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which require lessees to recognize a lease liability and a right of use asset for all lease obligations with the exception for short-term leases (less than 12 months). The lease liability will represent the lessee's obligation to make lease payments arising from the lease measured on a discounted basis. The right of use asset will represent the lessee's right to use or control a specified asset during the lease term. The new standard is effective for the Center for the year ending December 31, 2022. The Center is currently evaluating the impact of the adoption of this standard.

(3) Pledges Receivable

Pledges receivable as of December 31, 2021 and 2020 included in the statements of financial position are as follows:

		2021	2020
Amounts expected to be collected in:			
Less than one year	$	3,216,557	2,348,559
One to five years		4,858,313	2,272,458
		8,074,870	4,621,017
Discount to present value of future cash flows		(215,740)	(45,822)
Total	$	7,859,130	4,575,195

Approximately $1.9 million and $3.2 million of gross pledges receivable at December 31, 2021 and 2020, respectively, are from members of the Center's board of directors.

In May 2019, two board members pledged a $125 million, five-year, conditional contribution. Revenue and pledges receivable were not recognized in 2019, and will be recognized as conditions are met, which is expected to be $25 million per year. In 2021 and 2020, $25 million was received each year and an additional $12.5 million was received as of May 2022 on the conditional pledge, with $62.5 million remaining on the conditional pledge.

(4) Grants

In January 2016, the Center was awarded $40 million, over four years, from the National Human Genome Research Institute (NHGRI), part of the National Institutes of Health (NIH), to create a Center for Common Disease Genomics (CCDG), to establish a collaborative large-scale genome sequencing program. The Center's CCDG uses whole genome sequencing to explore genomic contributions to common diseases with a primary focus on autism. The program aims to discern general principles of complex disease architecture. Included in revenue from grants and clinical sequencing services is $14.9 million (74%) and $13.6 million (97%) of amounts recognized from the National Institutes of Health (NIH) for the years ended December 31, 2021 and 2020, respectively.

On November 16, 2012, the Center entered into a loan agreement with the New York City Economic Development Corporation (NYCEDC). Pursuant to the agreement, the NYCEDC loaned the Center an aggregate principal amount of $5 million to finance part of the cost of outfitting, furnishing and equipping the Center's facilities. Principal payments commenced on January 1, 2018, and were payable quarterly through December 31, 2022. Interest on the loan accrued at 5% of the aggregate principal and was payable quarterly. Under the terms of the loan agreement, the Center was subject to certain financial covenants. The balance of the principal of $3,249,000 was converted to a grant on December 31, 2019 and interest of $81,579 was waived. The loan was reclassified as deferred revenue on the statement of financial position. Under the terms of the grant agreement, certain conditions need to be met monthly. As conditions are met monthly, grant revenues are recognized. In the event the conditions are not met, the interest rate on the remaining recapture amounts will be 5%. In 2021 and 2020, the Center recognized revenue of $500,632 and $476,265, respectively, from this grant within other revenue.

(5) Property and Equipment

Property and equipment consist of the following as of December 31, 2021 and 2020:

		2021	2020
Leasehold improvements	$	71,059,157	71,040,084
Furniture, fixtures, equipment		1,694,767	1,694,767
Scientific equipment		29,492,895	27,796,288
IT equipment		29,305,210	29,283,502
Software		1,496,094	1,496,094
Total		133,048,124	131,310,735
Less accumulated depreciation		(85,581,035)	(80,043,514)
Property, plant and equipment-net	$	47,467,089	51,267,221

The Center occupies a research facility at 101 Avenue of the Americas in New York City. The facility serves as the Center's headquarters. The Center's leasehold improvements represent the extensive build-out required to renovate the office space into a lab and genomic sequencing center.

As of December 31, 2021 and 2020, approximately $800,000 and $6 million, respectively, of equipment was financed through capital leases.

(6) Total Expenses by Function

Certain expenses can be directly identified with the program and supporting service to which they relate and are charged accordingly. Other expenses (e.g., depreciation, interest, and rent) have been allocated to program and support service classifications using bases determined by management to be reasonable (i.e., square footage, employee head count). The Center's total expenses are classified by function and natural expense accounts as follows for the years ended December 31, 2021 and 2020.

	2021		
	Program	**Support**	**Total**
Salaries, payroll taxes, and employee benefits	$ 19,111,410	8,289,097	27,400,507
Rent, utilities, maintenance, insurance (note 9)	14,487,453	3,756,636	18,244,089
Direct cost of sequencing	12,021,474	—	12,021,474
Professional fees	4,066,364	665,665	4,732,029
Information technology	3,231,366	274,606	3,505,972
Recruitment, training, memberships, and subscriptions	148,373	239,117	387,490
Other expenses	132,525	221,616	354,141
Interest expense and bank fees	188,575	79,689	268,264
Depreciation	5,222,851	442,692	5,665,543
	$ 58,610,391	13,969,118	72,579,509

	2020		
	Program	**Support**	**Total**
Salaries, payroll taxes, and employee benefits	$ 18,853,443	9,875,441	28,728,884
Rent, utilities, maintenance, insurance (note 10)	13,913,270	3,634,561	17,547,831
Direct cost of sequencing	13,256,300	—	13,256,300
Professional fees	3,778,130	534,506	4,312,636
Information technology	2,419,129	303,845	2,722,974
Recruitment, training, memberships, and subscriptions	242,977	98,990	341,967
Other expenses	166,269	369,311	535,580
Interest expense and bank fees	255,030	206,695	461,725
Depreciation	7,307,825	498,101	7,805,926
	$ 60,192,373	15,521,450	75,713,823

(Continued)

(7) Line of Credit

The Center had a $5 million unsecured credit line facility available through December 31, 2021, which is guaranteed by the personal assets of two board members. Borrowings under the line of credit bear interest at approximately 3%, with the rate variable based on the Daily Floating BBA London InterBank Offered Rate. Interest is payable monthly. On August 14, 2021 the line of credit was extended for $5 million through June 29, 2022.

The line of credit was not used during 2021 or 2020.

(8) Long-Term Debt

Long-term debt as of December 31, 2021 and 2020 included in the statements of financial position is as follows:

		2021	2020
New York City Partnership Foundation, Inc., subordinated debt	$	4,100,000	4,820,000
Total long-term debt	$	4,100,000	4,820,000

On November 21, 2012, the Center entered into a loan agreement with the New York City Partnership Foundation, Inc. (PFNYC). Pursuant to the agreement, the PFNYC loaned the Center an aggregate principal amount of $5 million to support the build-out of the Center's headquarters and initial operations, working capital, and general corporate purposes. Principal payments commenced on March 31, 2016, and were payable quarterly through December 31, 2022. In April 2017, the Center amended the loan agreement to defer remaining payments on the loan balance to March 31, 2021. Interest on the loan accrues at 5% of the aggregate principal and is payable quarterly. Under the terms of the loan agreement, the Center is subject to certain financial covenants. On December 18, 2019, NYCPF agreed to waive the minimum fixed charge coverage ratio for the quarter ended December 31, 2019. In addition, the Center obtained a waiver of the covenant through December 31, 2021. Management believes that the Center was in compliance with all other aspects of such financial covenants at December 31, 2021 and 2020.

Required principal payments on long-term debt for the next five years and thereafter as of December 31, 2021 are as follows:

Year ending December 31:		
2022	$	720,000
2023		720,000
2024		720,000
2025		720,000
2026		1,220,000
Total	$	4,100,000

(Continued)

(9) Commitments

In July 2012, the Center entered into a lease agreement for 170,000 square feet of office space in New York City, New York to construct its research facility. Rental payments began in October 2013, the term of the lease is for 20 years and contains an abatement period.

Under the terms of the lease agreement, the Center was required to issue a letter of credit for a security deposit of $11 million. The funds deposited by the Center as collateral for the letter of credit are restricted by the Center's bank and can only be accessed by modifying the letter of credit. On the 5th anniversary of the rent commencement date, October 2018, the Center was entitled to reduce the amount of the letter of credit by $0.9 million, in October 2019 and October 2020. The Center reported $7.3 million and $8.3 million as security deposits at December 31, 2021 and 2020, respectively.

Future minimum rent payments for each of the succeeding five years and thereafter are as follows:

Year ending December 31:	
2022	$ 13,765,606
2023	14,050,637
2024	13,108,692
2025	12,781,520
2026	12,781,520
Thereafter	91,361,021
Total	$ 157,848,996

Rent expense was approximately $12.8 million and $12.7 million for the years ended December 31, 2021 and 2020, respectively.

In January 2017, the Center and Johnson & Johnson Innovation, LLC (JNJ) announced a collaboration to develop a life sciences "incubator" for early-stage biotechnology, pharmaceutical, medical device and medical consumer companies. Under an operating agreement between the parties, the Center renovated approximately 30,000 square feet of vacant, unimproved space for the incubator at its research facility, and JNJ manages the recruitment and licensing of space in the incubator to early-stage companies. The term of the agreement is five years, beginning June 2018, with the Center receiving an annual operating fee and reimbursement for operating expenses for each year. JNJ has the option to extend the term for an additional five years.

The Center will receive the following operating fees for the next two years:

Year ending December 31:	
2022	$ 2,000,000
2023	2,093,311
Total	$ 4,093,311

(Continued)

(10) Employee Benefits

Defined Contribution Retirement Plan – The Center has a defined contribution retirement plan in accordance with Section 401(k) of the Internal Revenue Code. The Center's plan contributions were approximately $1.1 million for the years ended December 31, 2021 and 2020, respectively.

Deferred Compensation Plan – In 2016, the Center adopted a deferred compensation plan in accordance with Section 457(b) of the Internal Revenue Code. The fair value of the assets and related liability to employees were $213,441 and $218,872 at December 31, 2021 and 2020, respectively. The assets and related liabilities are reflected in the statement of financial position within other assets and accounts payable and accrued expenses, respectively.

(11) Liquidity

The Center monitors and reviews the availability of resources required to meet its operating needs on a regular basis and structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. General expenditures include support and operational costs, including sequencing and research costs. The following reflects the Center's financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. Amounts available include cash, accounts receivable and pledges receivable. Pledges receivable in the table below are expected to be collected within one year and do not have a purpose restriction. In addition to the financial assets available, the Center also anticipates collecting sufficient revenue, from existing and new grants and contributions to cover any remaining general expenditures. The Center also maintains a revolving line of credit of which is available to manage unanticipated liquidity needs (note 7).

		2021	2020
Cash and cash equivalents	$	10,264,308	9,393,791
Accounts receivable, net		6,350,857	4,431,588
Pledges receivable, net		3,216,557	2,348,559
Security deposit		920,409	916,512
Total financial assets		20,752,131	17,090,450
Liquidity resources:			
Line of credit (available at December 31)		5,000,000	5,000,000
Total financial assets and other liquidity resources	$	25,752,131	22,090,450

In addition to the above, as discussed in note 3, the Center received $25 million of the 2019 conditional pledge in 2021 and expects to receive another $25 million in 2022.

(12) Subsequent Events

The Center has evaluated subsequent events through May 26, 2022, the date the financial statements were available to be issued.

NEW YORK GENOME CENTER, INC.

Schedule of Expenditures of Federal Awards

Year ended December 31, 2021

Federal grantor/pass-through grantor/program or cluster title	Pass through agency	Federal assistance listing number	Other identification number	Federal expenditures		
				Expenditures	Pass-through to subrecipients	Total
Research and Development Cluster:						
U.S. Department of Health and Human Services (HHS):						
NHLBI_WGS & Omics Projects for NHLBI TOPMed Program	Direct	93.000	HHSN268201600036I	$ 2,644	—	2,644
New York Center for Collaborative Research in Common Disease Genomics	Direct	93.172	5UM1HG008901-04	789,431	326,767	1,116,198
Massively Parallel Multi-Modal Single-Cell Phenotyping Using a Portable Device	Direct	93.172	1R21HG009748-01	31,770	—	31,770
Single-cell Sequencing Study	Direct	93.000	75N91019D00032	53,033	—	53,033
In situ functional genomics to understand transcriptional regulation	Direct	93.310	1DP2HG010099-01	1,631,773	—	1,631,773
Comprehensive reference map construction, geolocation and data integration for HuBMAP HIVE	Direct	93.310	3OT2OD026673-01S3	526,098	227,119	753,217
Learning the metadata of the cell with single cell genomics	Direct	93.310	1DP2HG009623-01	1,066,795	—	1,066,795
Spatially Resolved Dynamics of Molecular Pathology and Intercellular Interactions in Amyotrophic Lateral Sclerosis	Direct	93.853	5R01NS116350-03	513,771	119,678	633,449
Regulatory modifiers of coding variant penetrance via haplotype epistasis in human populations and diseases	Direct	93.859	5R01GM122924-05	234,015	22,676	256,691
Center for Integrated Cellular Analysis	Direct	93.172	5RM1HG011014-02	900,941	500,805	1,401,746
Center for Integrated Cellular Analysis	Direct	93.172	5RM1HG011014-02	485,391	51,846	537,237
Center for Integrated Cellular Analysis	Direct	93.172	5RM1HG011014-02	347,440	—	347,440
Center for Integrated Cellular Analysis	Direct	93.172	5RM1HG011014-02	256,753	—	256,753
Integrating spatial multi-omics and clinical covariates to identify mechanisms of disease in ALS-FTD	Direct	93.853	5R01NS118183-02	588,781	168,697	757,478
NCI Methylation	Direct	93.000	75N91019D00032	224,116	—	224,116
COVID Supplement	Direct	93.310	3DP2HG010099 - 01S2	398,568	—	398,568
Comprehensive mapping of multimodal chromatin	Direct	93.172	5K99HG011489-02	89,923	—	89,923
RBP binding to improve predictive models of RNA splicing	Direct	93.859	1F32GM142213-01	50,581	—	50,581
Fine-mapping Psychiatric disease	Direct	93.242	1R56MH127844-01	150,835	53,085	203,920
Narzisi U01 Advance Development of Lancet	Direct	93.396	1U01CA253405-01A1	18,956	—	18,956
Incorporating genomics into the clinical care of diverse NYC children	Icahn School of Medicine at Mount Sinai	93.172	5U01HG009610-04	1,274,591	—	1,274,591
Direct Nanopore Detection of Modified RNA to Probe Structure and Dynamics	Johns Hopkins University	93.172	5R01HG010538-02	191,664	—	191,664
Higher Order Chromatin and Genetic Risk for Schizophrenia (NIHsub)	Icahn School of Medicine at Mount Sinai	93.242	5R01MH106056-07	176,624	—	176,624
PAGES:PhysicalActivityGenomics,Eplgenomics/transcriptomicsSite	Icahn School of Medicine at Mount Sinai	93.310	5U24DK112331-06	128,634	—	128,634
Integrative analysis of genetic variation and transcription factor networks to elucidate mechanisms of mental health disorders	Columbia University	93.242	5R01MH106842-05	267,698	—	267,698
Computational Methods for identifying Non-coding Cancer Drivers	Weill Cornell Medical College	93.393	5R01CA218668-04	293,926	—	293,926
Defining Epidrivers of CLL Evolution in Response to Targeted Therapy	Weill Cornell Medical College	93.393	5R01CA229902-02	148,583	—	148,583
The joint WCM-NYGC Center for Functional and Clinical Interpretation of Tumor Profiles	Weill Cornell Medical College	93.394	5U24CA210989-05	308,628	—	308,628
Integration of omics data to improve interpretation of genetic risk variants in lung disease	Columbia University	93.838	5R01HL142028-02	30,338	—	30,338
Combining new molecular and informatic strategies to find hidden ways to treat brain disease	Rockefeller University	93.853	5R35NS097404-06	37,726	—	37,726
Connecting TDP-43 Pathology to the Molecular Profiles of Neurodegeneration	Cold Spring Harbor Laboratory	93.853	1RF1NS118570-01	375,054	—	375,054
Single-nucleotide resolution mapping of allelic protein-RNA interactions and splicing-regulatory variants	Columbia University	93.859	5R01GM124486-04	55,429	—	55,429
Understanding Cellular and Transcriptional Regulatory Changes in Human Aging	Albert Einstein College of Medicine	93.866	5R01AG057422-05	157,018	—	157,018
Characterizing complex structural variation in Alzheimer's disease	Columbia University	93.866	1UF1AG068028-01	323,782	—	323,782
Understanding the molecular mechanisms that contribute to neuropsychiatric symptoms in Alzheimer Disease	Icahn School of Medicine at Mount Sinai	93.866	5R01AG067025-02	14,376	—	14,376
The Regional and Genetic Diversity of Cortical Interneurons	Harvard University	93.242	5R01MH071679-16	168,046	—	168,046
Elucidating changes in astrocyte subpopulations	Columbia University	93.866	5R01AG066831-02	5,968	—	5,968
Learning the Regulatory Code of Alzheimer's Disease Genomes	Icahn School of Medicine at Mount Sinai	93.866	5U01AG068880-02	529,317	—	529,317
Princeton Prime	Princeton University	93.396	5U24CA248453-02	133,803	—	133,803
Identifying genetic and transcriptomic drivers of Parkinson's disease	Icahn School of Medicine at Mount Sinai	93.853	1U01NS120256-01	150,042	—	150,042
Organizational Principles	Weill Cornell Medical College	93.859	5R01GM138635-02	85,799	—	85,799
Leidos -MP2PRT GCC: FFPE DNA High Coverage WGS/WES project	Leidos	93.000	HHSN261201500003I	377,269	—	377,269
EHR-linked biobank data	University of Pennsylvania	93.859	5R01GM138597-02	40,161	—	40,161
Subtotal HHS				13,636,091	1,470,673	15,106,764
U.S. Department of Defense (DoD):						
A Molecular Framework for Understanding DCIS	Cancer Research UK at Cambridge Institute	12.UNK	W81XWH-14-1-0110	381,495	—	381,495
Subtotal DoD				381,495	—	381,495
Total Research and Development Cluster				14,017,586	1,470,673	15,488,259
Total expenditures of federal awards				$ 14,017,586	1,470,673	15,488,259

See accompanying notes to the schedule of expenditures of federal awards.

NEW YORK GENOME CENTER, INC.

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2021

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the New York Genome Center, Inc. (the Center) under programs of the federal government for the year ended December 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Center.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

(3) Indirect Cost Rate

The Center uses the indirect cost rate agreed upon with the federal grantor.

KPMG LLP
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1305 Walt Whitman Road
Melville, NY 11747-4302

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
New York Genome Center, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of New York Genome Center, Inc. (the Center) which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 26, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Melville, New York
May 26, 2022

KPMG LLP
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Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Board of Directors
New York Genome Center, Inc.:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited New York Genome Center, Inc.'s (the Center) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Center's major federal program for the year ended December 31, 2021. The Center's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Center's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Center's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Center as of and for the year ended December 31, 2021, and have issued our report thereon dated May 26, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended December 31, 2021 is presented for purposes of additional analysis as required by the Uniform Guidance 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 additional 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 our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

New York, New York
September 23, 2022

NEW YORK GENOME CENTER, INC.

Schedule of Findings and Questioned Costs

Year ended December 31, 2021

(1) Summary of Auditors' Results

(a) Type of report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified**

(b) Internal control deficiencies over financial reporting disclosed by the audit of the financial statements:

- Material weaknesses: **No**
- Significant deficiencies: **None Reported**

(c) Noncompliance material to the financial statements: **No**

(d) Internal control deficiencies over the major program disclosed by the audit:

- Material weaknesses: **No**
- Significant deficiencies: **None reported**

(e) Type of report issued on compliance for the major program: **Unmodified**

(f) Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **No**

(g) Major program:

- Research and Development Cluster – various ALN numbers

(h) Dollar threshold used to distinguish between Type A and Type B programs: **$750,000**

(i) Auditee qualified as a low risk auditee: **No**

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

None

(3) Findings and Questioned Costs Relating to Federal Awards

None