



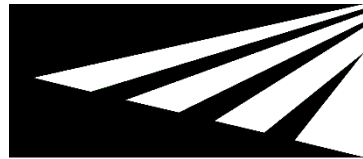
THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.

**FINANCIAL STATEMENTS
TOGETHER WITH AUDITOR'S REPORT**

**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
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AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
The Long Island Alzheimer's and Dementia Center, Inc.:

Opinion

We have audited the accompanying financial statements of The Long Island Alzheimer's and Dementia Center, Inc. (the "Organization", a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Long Island Alzheimer's and Dementia Center, Inc. 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 accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Long Island Alzheimer's and Dementia Center, Inc. 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 accounting principles generally accepted in the United States of America, 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 Long Island Alzheimer's and Dementia Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

NawrockiSmith

Auditor's Responsibilities for the Audit of the Financial Statements

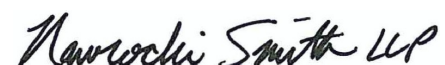
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, including omissions, 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 generally accepted 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 Long Island Alzheimer's and Dementia Center, Inc.'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 Long Island Alzheimer's and Dementia Center, Inc.'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.

June 16, 2022
Hauppauge, New York



THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 485,130	\$ 565,880
Accounts and program receivable, net	58,435	4,543
Investments	1,063,410	809,344
Contributions receivable	15,653	38,540
Grants receivable	78,959	56,302
Prepaid expenses	22,428	27,035
	1,724,015	1,501,644
NONCURRENT ASSETS:		
Property and equipment, net of accumulated depreciation of \$255,707 and \$208,831, respectively	180,886	223,549
Security deposits	38,793	38,793
	219,679	262,342
Total noncurrent assets	219,679	262,342
Total assets	\$ 1,943,694	\$ 1,763,986
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 45,375	\$ 42,946
Deferred income	-	2,515
	45,375	45,461
Total current liabilities	45,375	45,461
NONCURRENT LIABILITIES:		
Deferred rent payable	149,869	119,741
	149,869	119,741
Total liabilities	149,869	119,741
NET ASSETS:		
Net assets without donor restrictions:		
Designated for fixed assets	180,886	223,549
Undesignated	1,232,969	1,008,937
	1,413,855	1,232,486
Total net assets without donor restrictions	1,413,855	1,232,486
Net assets with donor restrictions	334,595	366,298
Total net assets	1,748,450	1,598,784
Total liabilities and net assets	\$ 1,943,694	\$ 1,763,986

The accompanying notes to financial statements
are an integral part of these statements.

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUES:						
Grants	\$ 505,033	\$ 10,000	\$ 515,033	\$ 399,241	\$ 85,800	\$ 485,041
Contributions	491,250	-	491,250	311,167	-	311,167
Special events, net of direct costs of \$106,989 and \$45,573, respectively	296,508	-	296,508	138,789	-	138,789
Paycheck Protection Program grant	208,172	-	208,172	208,172	-	208,172
Program income	204,672	-	204,672	93,604	-	93,604
Miscellaneous	4,408	-	4,408	3,967	-	3,967
Rental income	230	-	230	7,265	-	7,265
Net assets released from restrictions	41,703	(41,703)	-	101,567	(101,567)	-
Total revenues	<u>1,751,976</u>	<u>(31,703)</u>	<u>1,720,273</u>	<u>1,263,772</u>	<u>(15,767)</u>	<u>1,248,005</u>
EXPENSES:						
Program services	1,326,682	-	1,326,682	1,207,352	-	1,207,352
Administration	104,008	-	104,008	96,583	-	96,583
Fundraising	187,236	-	187,236	185,742	-	185,742
Total expenses	<u>1,617,926</u>	<u>-</u>	<u>1,617,926</u>	<u>1,489,677</u>	<u>-</u>	<u>1,489,677</u>
Excess (deficiency) of revenues over (under) expenses	134,050	(31,703)	102,347	(225,905)	(15,767)	(241,672)
NON-OPERATING ITEMS:						
Unrealized gain	24,134	-	24,134	58,960	-	58,960
Investment income, net	12,948	-	12,948	13,219	-	13,219
Realized gain (loss)	10,237	-	10,237	(4,112)	-	(4,112)
Change in net assets	<u>181,369</u>	<u>(31,703)</u>	<u>149,666</u>	<u>(157,838)</u>	<u>(15,767)</u>	<u>(173,605)</u>
NET ASSETS, BEGINNING OF YEAR	<u>1,232,486</u>	<u>366,298</u>	<u>1,598,784</u>	<u>1,390,324</u>	<u>382,065</u>	<u>1,772,389</u>
NET ASSETS, END OF YEAR	<u>\$ 1,413,855</u>	<u>\$ 334,595</u>	<u>\$ 1,748,450</u>	<u>\$ 1,232,486</u>	<u>\$ 366,298</u>	<u>\$ 1,598,784</u>

The accompanying notes to financial statements
are an integral part of these statements.

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021				2020			
	Program Services	Support Services		Total	Program Services	Support Services		Total
		Administration	Fundraising			Administration	Fundraising	
Payroll	\$ 738,941	\$ 70,374	\$ 123,281	\$ 932,596	\$ 658,423	\$ 63,960	\$ 119,934	\$ 842,317
Occupancy	226,187	7,950	14,946	249,083	234,718	8,310	16,180	259,208
Payroll taxes	64,535	6,146	10,767	81,448	54,366	5,281	9,903	69,550
Program expenses	66,062	-	-	66,062	43,453	-	-	43,453
Fringe benefits	52,186	4,970	8,706	65,862	53,564	5,203	9,757	68,524
Depreciation	39,139	2,812	4,925	46,876	39,379	2,891	5,421	47,691
Insurance	27,784	2,646	4,636	35,066	25,784	2,831	4,696	33,311
Office operating and administrative	25,165	2,395	5,179	32,739	23,703	2,303	8,191	34,197
Professional fees	20,071	1,911	3,349	25,331	12,250	1,190	2,232	15,672
Advertising	18,203	1,711	2,997	22,911	19,701	1,902	3,566	25,169
Bank charges and interest	16,637	1,013	2,118	19,768	13,374	716	1,502	15,592
Computer	13,607	1,296	2,270	17,173	13,974	1,344	2,520	17,838
Miscellaneous	5,490	332	2,965	8,787	4,682	314	588	5,584
Transportation	7,702	-	-	7,702	6,302	-	-	6,302
Dues and subscriptions	4,461	403	707	5,571	3,273	316	993	4,582
Travel and meetings	512	49	390	951	341	16	247	604
Printing	-	-	-	-	65	6	12	83
Total expenses	\$ 1,326,682	\$ 104,008	\$ 187,236	\$ 1,617,926	\$ 1,207,352	\$ 96,583	\$ 185,742	\$ 1,489,677

The accompanying notes to financial statements
are an integral part of these statements.

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 149,666	\$ (173,605)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	46,876	47,691
Unrealized gain	(24,134)	(58,960)
(Increase) decrease in accounts and program receivable	(53,892)	79,649
Decrease in contributions receivable	22,887	9,281
Increase in grants receivable	(22,657)	(22,735)
(Increase) decrease in prepaid expenses	4,607	(6,652)
Increase (decrease) in accounts payable and accrued expenses	2,429	(46,837)
Decrease in deferred income	(2,515)	(1,085)
Increase in deferred rent payable	30,128	25,344
	<u>153,395</u>	<u>(147,909)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(459,972)	(50,339)
Sale of investments	230,040	279,866
Purchases of property and equipment	(4,213)	-
	<u>(234,145)</u>	<u>229,527</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(80,750)	81,618
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	565,880	484,262
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 485,130	\$ 565,880

The accompanying notes to financial statements
are an integral part of these statements.

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

(1) Nature of operations

Founded in 1988, The Long Island Alzheimer's and Dementia Center, Inc. (the "Organization", formerly known as Long Island Alzheimer's Foundation, Inc.) provides innovative support services for individuals with Alzheimer's disease and related dementias and their family caregivers in Nassau, Suffolk, and Queens, New York. The Organization's services include social adult day care programs, support groups for diagnosed individuals and caregivers, information and referral services, in-home respite services, brain fitness programs and Alzheimer's awareness, education and training. The Organization receives a significant portion of its support from private contributions, grants and fundraising events.

(2) Summary of significant accounting policies:

The accompanying financial statements include the assets, liabilities, revenues and expenses of the Organization which are presented under the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The following is a summary of significant accounting policies followed by the Organization.

Financial statement presentation -

The accompanying financial statements include the accounts of the Organization's programs, administration and fundraising. The Organization presents its financial statements in accordance with U.S. generally accepted accounting principles which require that the Organization's financial statements distinguish between those with and without donor restricted net assets and changes in net assets. The Organization's net assets consist of the following:

Without donor restrictions - net assets of the Organization which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Organization.

With donor restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

As required by U.S. generally accepted accounting principles, the Organization has also presented Statements of Cash Flows for the years ended December 31, 2021 and 2020.

Cash and cash equivalents -

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments -

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the Statements of Financial Position, and changes in fair value are reported in the Statements of Activities and Changes in Net Assets.

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Liquidity considerations -

Quantitative

As of December 31, 2021, the Organization has \$1,724,015 of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Statement of Financial Position date, which consist of the current assets of the Organization.

Qualitative

As of December 31, 2021, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Accounts receivable -

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts. As of December 31, 2021 and 2020, the allowance for doubtful accounts was \$6,112 and \$3,567, respectively.

Contributions receivable -

Unconditional contributions are recognized as support in the period pledged. Conditional promises are recognized when the conditions on which they depend are substantially met. The Organization considers contributions receivable past due or delinquent when payments have not been received in a timely manner. Receivables are written off when management deems the possibility of collecting amounts due as completely unlikely.

Property and equipment -

The Organization capitalizes all fixed asset purchases provided their useful life is greater than one year. Property and equipment are recorded at cost, net of accumulated depreciation. Any donated assets are capitalized at fair market value. Expenditures for maintenance and repairs which do not add to the economic life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives (generally three to ten years).

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Impairment of long-lived assets and long-lived assets to be disposed of -

The Organization follows the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") on accounting for the impairment or disposal of long-lived assets. It requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. These provisions did not have an impact on the Organization's financial position, results of activities or liquidity during the years ended December 31, 2021 and 2020.

Revenue recognition -

The following are the significant revenue recognition accounting policies of the Organization:

Program income - Program income is reported at an amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing support services for individuals with Alzheimer's disease and related dementias and their family caregivers. These amounts are due from individuals and third-party payors, as applicable, and include variable consideration and price concessions due to coverage. Revenue is recognized as performance obligations are satisfied based on actual charges incurred in relation to total expected collections.

Grants and contributions - Grants and contributions are recognized as income when received and are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions. Grants received from governmental agencies which are to be credited toward an individual's account, are shown as unrestricted revenue. Government grant revenue is recognized on a cost reimbursement method, whereby grant revenue is recognized as grant funds are expended. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Conditional contributions are accounted for as a liability or are not recognized as revenue initially, until the barriers to entitlement are overcome, at which point a transaction is recognized as unconditional and classified as either net assets with donor restrictions, or net assets without donor restrictions.

Fundraising revenue - The portion of fundraising revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held, and performance obligations are met.

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Donated services -

A number of volunteers have donated significant amounts of their time in the Organization's program services, administration and fundraising campaigns. However, since these services do not meet the criteria for recognition under U.S. generally accepted accounting principles ("U.S. GAAP"), they are not reflected in the accompanying financial statements.

Functional allocation of expenses -

Expenses are recognized when incurred. The Statements of Functional Expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Direct program expenses are reported in their respective functional categories. The significant expenses that are allocated include: payroll, occupancy, medical insurance and payroll taxes which are allocated on the basis of estimates of time and effort. All other expenses are allocated based on a systematic and rational basis.

Income taxes -

The Organization qualifies as a tax-exempt nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and applicable New York State tax laws. Accordingly, no provision for federal or state income taxes is required.

The use of estimates in the preparation of financial statements -

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Estimates include accounts receivable valuation allowances, depreciation and certain accrued expenses. Actual results may differ from those estimates.

(3) Fair value measurement

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Organization has adopted the standard for its financial assets and liabilities measured on a recurring and nonrecurring basis.

Fair Value Measurement defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reported entity has the ability to access at the measurement date.

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used by the Organization in addressing the fair value of financial instruments:

Mutual funds, exchange-traded funds and common stock are generally valued based on quoted market prices in active markets obtained from exchange or dealer markets for identical assets, and are accordingly categorized as Level 1, with no valuation adjustments applied. Fixed income and bonds are categorized as Level 2 and can be indirectly determined based on fair value or market prices.

The following table represents the Organization's fair value hierarchy for investments at fair value as of December 31, 2021:

	Fair Value	Level 1	Level 2	Level 3
Mutual funds	\$ 740,233	\$ 740,233	\$ -	\$ -
ETFs	211,456	211,456	-	-
Common stock	111,721	111,721	-	-
	<u>\$ 1,063,410</u>	<u>\$ 1,063,410</u>	<u>\$ -</u>	<u>\$ -</u>

The following table represents the Organization's fair value hierarchy for investments at fair value as of December 31, 2020:

	Fair Value	Level 1	Level 2	Level 3
Mutual funds	\$ 543,007	\$ 543,007	\$ -	\$ -
ETFs	152,758	152,758	-	-
Common stock	113,579	113,579	-	-
	<u>\$ 809,344</u>	<u>\$ 809,344</u>	<u>\$ -</u>	<u>\$ -</u>

For the years ended December 31, 2021 and 2020, investment fees expense was \$9,333 and \$7,328, respectively.

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(4) Property and equipment

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

	<u>2021</u>	<u>2020</u>
Leasehold improvements	\$ 194,475	\$ 194,475
Furniture, fixtures and equipment	145,953	141,740
Transportation equipment	<u>96,165</u>	<u>96,165</u>
	436,593	432,380
Less: accumulated depreciation	<u>(255,707)</u>	<u>(208,831)</u>
	<u>\$ 180,886</u>	<u>\$ 223,549</u>

For the years ended December 31, 2021 and 2020, depreciation expense totaled \$46,876 and \$47,691, respectively.

(5) Paycheck Protection Program

On April 24, 2020, the Organization received loan proceeds in the amount of \$208,172 to fund payroll and benefits, through the Paycheck Protection Program (the "PPP") under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), which was enacted on March 27, 2020. In accordance with U.S. generally accepted accounting principles, the Organization has opted to account for its PPP loan as in-substance conditional government grant, which should be recognized in income when all conditions or measurable barriers have been substantially met. The Organization believes all conditions and measurable barriers have been met during the fiscal year ended December 31, 2020. Accordingly, the Organization has recorded the proceeds as revenue, which is reflected in grant income in the accompanying Statements of Activities and Changes in Net Assets. The Organization was subsequently granted approval for the forgiveness application in 2021.

On February 9, 2021, the Organization received a second draw loan in the amount of \$208,172. In accordance with generally accepted accounting principles, the Organization has opted to account for its PPP loan as an in-substance conditional government grant, which should be recognized in income when all conditions or measurable barriers have been substantially met. The Organization believes all conditions and measurable barriers have been met during the fiscal year ended December 31, 2021. Accordingly, the Organization has recorded the proceeds as revenue, which is reflected in grant income in the accompanying Statements of Activities and Changes in Net Assets. The Organization was granted approval for the forgiveness application in 2021.

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(6) Net assets with donor restrictions

Net assets with donor restrictions are available for, or relate to the following purposes:

	2021	2020
Hardship fund	\$ 140,283	\$ 152,170
Weekend dropoff program	75,423	85,385
Music & memory program	51,126	63,404
Lunch program	36,524	41,600
Respite program	23,739	23,739
Legal services & information	7,500	-
	\$ 334,595	\$ 366,298

(7) Commitments and contingencies:

Concentrations of credit risk -

The Organization maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Government grants and contracts -

The Organization receives a portion of its funding from contracts and grants which are subject to audit by government agencies. Such audits may result in disallowances and a request for a return of funds. In addition, numerous contracts are funded on a cost reimbursement basis. Delays in receiving related funding may result in increased borrowings and related interest costs on the part of the Organization. It is the opinion of management that the effect of disallowances, if any, would be immaterial to the Organization's financial position.

Operating leases -

The Organization is obligated under operating leases for certain equipment which expire in December 2023. During 2016, the Organization entered into a lease for new office facilities, which expires on September 1, 2027. Total rent expense incurred under operating leases totaled \$232,971 and \$231,254 for the years ended December 31, 2021 and 2020, respectively.

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Future minimum payments under these operating leases are as follows:

<u>Year-Ending</u> <u>December 31,</u>		
2022	\$	232,971
2023		232,971
2024		229,467
2025		229,467
2026		229,467
Thereafter		<u>145,968</u>
Total	\$	<u><u>1,300,311</u></u>

Deferred rent is based on the excess of rent expense on a straight-line basis over the payments required by the lease and is reported on the Statements of Financial Position. As of December 31, 2021, the deferred rent liability balance was \$149,869.

COVID-19 -

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 has impacted various parts of its 2021 operations and financial results. Management believes the Organization is taking appropriate actions to mitigate the negative impact. In connection therewith, the Organization applied for and received two PPP loans in connection with the CARES Act (see Note 5). However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still ongoing.

(8) Subsequent events

The Organization has evaluated subsequent events through June 16, 2022, which is the date these financial statements were available to be issued. Based on this evaluation, the Organization has determined there are no matters which require disclosure in the financial statements.