



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

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

**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023**

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
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AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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 Organization 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 Organization'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 Organization'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 Organization'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.

July 3, 2025
Hauppauge, New York

Nawrocki Smith LLP

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023

	2024	2023
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 361,360	\$ 324,932
Accounts and program receivable, net	79,666	49,130
Investments	977,184	1,048,013
Contributions receivable	47,511	14,576
Grants receivable	65,580	51,843
Prepaid expenses	20,339	19,650
Total current assets	1,551,640	1,508,144
NONCURRENT ASSETS:		
Property and equipment, net of accumulated depreciation of \$347,593 and \$300,889, respectively	171,067	216,843
Right-of-use assets, net - operating	508,652	722,674
Security deposits	38,768	38,768
Total noncurrent assets	718,487	978,285
Total assets	\$ 2,270,127	\$ 2,486,429
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 48,313	\$ 79,524
Current portion of lease liabilities - operating	253,478	239,603
Line of credit	85,730	-
Accrued interest payable	15,922	-
Total current liabilities	403,443	319,127
NONCURRENT LIABILITIES:		
Lease liabilities, net of current portion - operating	340,942	594,420
Total liabilities	744,385	913,547
NET ASSETS:		
Net assets without donor restrictions:		
Designated for fixed assets	171,067	216,843
Undesignated	877,334	1,032,735
Total net assets without donor restrictions	1,048,401	1,249,578
Net assets with donor restrictions	477,341	323,304
Total net assets	1,525,742	1,572,882
Total liabilities and net assets	\$ 2,270,127	\$ 2,486,429

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, 2024 AND 2023

	2024			2023		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUES:						
Grants	\$ 396,546	\$ 264,790	\$ 661,336	\$ 504,033	\$ 74,300	\$ 578,333
Contributions	303,687	-	303,687	327,271	-	327,271
Program income	543,992	-	543,992	474,802	-	474,802
Special events, net of direct costs of \$207,929 and \$160,772, respectively	379,501	-	379,501	422,446	-	422,446
Miscellaneous	28,326	-	28,326	40,724	-	40,724
Net assets released from restrictions	110,753	(110,753)	-	202,026	(202,026)	-
Total revenues	1,762,805	154,037	1,916,842	1,971,302	(127,726)	1,843,576
EXPENSES:						
Program services	1,714,819	-	1,714,819	1,636,989	-	1,636,989
Administration	113,594	-	113,594	113,584	-	113,584
Fundraising	270,384	-	270,384	241,135	-	241,135
Total expenses	2,098,797	-	2,098,797	1,991,708	-	1,991,708
(Deficiency) excess of revenues over expenses	(335,992)	154,037	(181,955)	(20,406)	(127,726)	(148,132)
NON-OPERATING ITEMS:						
Change in net unrealized gains and losses	21,202	-	21,202	128,496	-	128,496
Investment income, net	60,449	-	60,449	42,029	-	42,029
Net realized gains and losses	53,164	-	53,164	(46,502)	-	(46,502)
Gain on disposal of fixed asset	-	-	-	3,000	-	3,000
Change in net assets	(201,177)	154,037	(47,140)	106,617	(127,726)	(21,109)
NET ASSETS, BEGINNING OF YEAR	1,249,578	323,304	1,572,882	1,142,961	451,030	1,593,991
NET ASSETS, END OF YEAR	\$ 1,048,401	\$ 477,341	\$ 1,525,742	\$ 1,249,578	\$ 323,304	\$ 1,572,882

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, 2024 AND 2023

	2024				2023			
	Program Services	Support Services		Total	Program Services	Support Services		Total
		Administration	Fundraising			Administration	Fundraising	
Payroll	\$ 997,581	\$ 73,895	\$ 160,106	\$ 1,231,582	\$ 932,204	\$ 74,295	\$ 135,754	\$ 1,142,253
Operating lease expense	183,678	11,774	40,032	235,484	183,427	11,758	39,978	235,163
Program expenses	137,848	-	-	137,848	136,301	-	-	136,301
Payroll taxes	82,822	6,451	13,537	102,810	77,467	6,174	11,281	94,922
Fringe benefits	57,658	4,490	9,424	71,572	64,956	5,177	9,459	79,592
Professional fees	37,541	2,407	8,182	48,130	46,178	2,960	10,064	59,202
Depreciation	36,523	2,341	7,960	46,824	36,860	2,363	8,034	47,257
Bank charges and interest	37,230	2,471	6,920	46,621	26,127	1,675	5,694	33,496
Insurance	35,659	2,777	5,828	44,264	30,444	2,426	4,434	37,304
Occupancy	25,318	1,623	5,518	32,459	26,210	1,680	5,712	33,602
Computer	24,531	1,909	4,008	30,448	23,039	1,836	3,355	28,230
Office operating and administrative	23,175	1,803	5,399	30,377	24,807	1,977	4,710	31,494
Transportation	14,010	-	-	14,010	14,531	-	-	14,531
Dues and subscriptions	9,539	743	1,559	11,841	7,120	567	1,037	8,724
Advertising	4,998	389	817	6,204	2,764	220	403	3,387
Miscellaneous	4,775	371	777	5,923	3,984	431	1,137	5,552
Travel and meetings	1,933	150	317	2,400	570	45	83	698
Total expenses	\$ 1,714,819	\$ 113,594	\$ 270,384	\$ 2,098,797	\$ 1,636,989	\$ 113,584	\$ 241,135	\$ 1,991,708

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, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (47,140)	\$ (21,109)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	46,824	47,257
Operating lease costs	214,022	192,122
Decrease in lease liabilities	(239,603)	(210,327)
Change in net unrealized gains and losses	(21,202)	(128,496)
(Increase) decrease in accounts and program receivable, net	(30,536)	1,918
Increase in contributions receivable	(32,935)	(4,848)
(Increase) decrease in grants receivable	(13,737)	23,260
(Increase) decrease in prepaid expenses	(689)	452
(Decrease) increase in accounts payable and accrued expenses	(31,211)	19,697
Decrease in deferred income	-	(500)
Increase in accrued interest payable	15,922	-
Net cash used in operating activities	(140,285)	(80,574)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(210,823)	(536,932)
Sale of investments	302,854	548,236
Purchases of property and equipment	(1,048)	(119,666)
Net cash provided by (used in) investing activities	90,983	(108,362)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings from line of credit	300,000	100,000
Payments on line of credit	(214,270)	(100,000)
Net cash provided by financing activities	85,730	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	36,428	(188,936)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	324,932	513,868
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 361,360	\$ 324,932
SUPPLEMENTAL INFORMATION:		
Interest paid	\$ 15,922	\$ 1,714
Initial recognition of right-of-use assets obtained via lease liabilities	\$ -	\$ 16,462

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 ("GAAP"). 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 GAAP, which requires 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. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

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, but allows for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes. The Organization has elected to show restricted support for which restrictions are met in the same reporting period as support within net assets without donor restrictions.

Cash and cash equivalents -

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

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

Investments -

All investments are presented at fair value. Fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities. Realized and unrealized gains and losses on investments are determined by comparison of the actual cost to the proceeds at the time of the disposition or market values as of the end of the financial statement period. See Note 3 for discussion of fair market value.

Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the Statements of Activities and Changes in Net Assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law. Investment income includes interest, recognized on the accrual basis and dividends which are recognized on the ex-dividend date.

Liquidity considerations -

Quantitative

As of December 31, 2024, the Organization has \$1,531,301 of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Statement of Financial Position date.

Qualitative

As of December 31, 2024, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit of approximately \$500,000 which it could draw upon.

Receivables -

Accounts and programs, grants and contributions receivables are stated at the amount management expects to collect from outstanding balances. Receivables are expected to be collected within one year, and are therefore recorded at net realizable value. The Organization provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information and other relevant factors. As of December 31, 2024 and 2023, the allowance for credit losses was \$1,020 and \$1,000, respectively.

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 of the assets as follows:

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

Leasehold improvements	10 years
Furniture, fixtures, and equipment	5-7 years
Transportation equipment	10 years

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 which require that long-lived assets 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 undiscounted cash flows expected to be generated and any estimated proceeds from the eventual disposition. 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. There were no impairment losses recognized for the years ended December 31, 2024 and 2023.

Conditional asset retirement obligations -

The FASB ASC on accounting for conditional asset retirement and environmental obligations requires the Organization to recognize a liability for the fair value of its legal obligation to perform an asset retirement activity, even though uncertainty exists about the timing and/or method of settlement, if and when the fair value of the liability can be reasonably estimated. As of December 31, 2024 and 2023, the Organization has met the provisions of and is in compliance with these requirements and no obligation currently exists.

Right-of-use assets and lease liabilities -

The Organization complies with the provisions of FASB Accounting Standards Update ("ASU") No. 2016-02, *Leases* ("Topic 842"). All leases entered into during the year were also required to be recognized and measured. Leases with an initial term of 12 months or less are not recorded on the Statements of Financial Position; rather rent expense for these leases are recognized on a straight-line basis over the lease-term, or when incurred if a month-to-month lease.

The Organization determines if an arrangement is or contains a lease at inception. The Organization's operating lease arrangements are primarily comprised of vehicles and a building lease and the financing lease arrangements are comprised of equipment leases. Right-of-use ("ROU") assets represent the Organization's right to use the underlying assets for the lease terms and lease liabilities represent the Organization's obligation to make lease payments arising from the leases. ROU assets and lease liabilities are recognized at the commencement date based on the present value of the lease payments over the lease terms. As the Organization's leases do not provide an implicit rate and the implicit rate is not readily determinable, the Organization estimates its incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments.

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

Revenue recognition -

The Organization complies with and accounts for its revenues in accordance with FASB ASC 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASC 606, *Revenue from Contracts with Customers*.

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. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire 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.

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 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.

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

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 GAAP 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.

Reclassifications -

Certain reclassifications of prior year balances on the Statements of Financial Position and the Statements of Cash Flows have been made to conform to the current year presentation. These reclassifications had no effect on the change in net assets for the year ended December 31, 2023.

(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.
- Level 2 inputs are inputs other than quoted prices included in 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 asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. The Organization did not hold any Level 3 investments. There have been no changes in the methodologies used as of December 31, 2024 and 2023.

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

Mutual funds, exchange-traded funds and common stock are measured using quoted market prices at the reporting date multiplied by the quantity held. The carrying value equals fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table represents the Organization's fair value hierarchy for investments at fair value as of December 31, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 580,001	\$ 580,001	\$ -	\$ -
ETFs	325,180	325,180	-	-
Common stock	72,003	72,003	-	-
	<u>\$ 977,184</u>	<u>\$ 977,184</u>	<u>\$ -</u>	<u>\$ -</u>

The following table represents the Organization's fair value hierarchy for investments at fair value as of December 31, 2023:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 586,132	\$ 586,132	\$ -	\$ -
ETFs	384,807	384,807	-	-
Common stock	77,074	77,074	-	-
	<u>\$ 1,048,013</u>	<u>\$ 1,048,013</u>	<u>\$ -</u>	<u>\$ -</u>

For the years ended December 31, 2024 and 2023, investment fees of \$10,717 and \$9,763 are reported net of investment income on the Statements of Activities and Changes in Net Assets, 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, 2024 and 2023:

	2024	2023
Leasehold improvements	\$ 196,476	\$ 196,476
Furniture, fixtures and equipment	170,746	169,818
Transportation equipment	151,438	151,438
	518,660	517,732
Less: accumulated depreciation	(347,593)	(300,889)
	\$ 171,067	\$ 216,843

For the years ended December 31, 2024 and 2023, depreciation expense totaled \$46,824 and \$47,257, respectively.

(5) Leases

The Organization is obligated under various operating leases for certain equipment and office space expiring through 2028.

The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use ("ROU") assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate, comparable to that of the relevant lease term, to discount future lease payments. The weighted average risk-free rate applied to calculate lease liabilities was 3.07%.

As of December 31, 2024, the weighted average remaining lease term for the Organization's operating leases was approximately 2.27 years.

Cash paid for the operating leases for the year ended December 31, 2024 was \$261,066. There were no noncash investing and financing transactions related to leasing.

The future minimum lease payments under these leases are as follows:

For the Year Ended December 31,	
2025	\$ 267,506
2026	272,759
2027	72,562
2028	2,366
Total	615,193
Less: discount to present value	(20,773)
Total lease liabilities	\$ 594,420

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

(6) Line of credit

The Organization has a secured line of credit with a financial institution which allows the Organization to draw up to the total margin value of the collateralized account. The total available line of credit as of December 31, 2024 was approximately \$535,000. The agreement is subject to certain covenants and has no expiration. The line of credit interest rate also varies, subject to the daily secured overnight financing rate plus 2.9%, which was approximately 7%-8% as of December 31, 2024. As of December 31, 2024, there was a balance outstanding on the line of credit of \$101,652 (none at December 31, 2023). Interest expense on the line of credit was \$15,922 and \$1,714 for the years ended December 31, 2024 and 2023, respectively.

(7) Net assets with donor restrictions

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

	2024	2023
Lunch program	\$ 119,506	\$ 98,223
Hardship fund	91,771	34,362
Music & memory program	84,927	71,807
Weekend dropoff program	75,423	75,423
Respite program	43,739	23,739
Caregiver/Family/Pet Therapy	36,935	-
Legal services & information	25,040	19,750
	\$ 477,341	\$ 323,304

(8) 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.

(9) Subsequent events

The Organization has evaluated subsequent events through July 3, 2025, which is the date these financial statements were available to be issued, noting there to be no matters which require disclosure in the financial statements.