



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, 2019 AND 2018**

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
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AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018

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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.:

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, 2019 and 2018, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

NawrockiSmith

Opinion

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, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

May 22, 2020
Melville, New York

Nawrocki Smith LLP

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 AND 2018

	2019	2018
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 484,262	\$ 684,832
Accounts and program receivable, net	84,192	111,837
Investments	979,911	908,160
Contributions receivable	47,821	33,941
Grants receivable	33,567	37,659
Prepaid expenses	20,383	15,897
Total current assets	1,650,136	1,792,326
PROPERTY AND EQUIPMENT, net of accumulated depreciation of \$161,140 and \$108,947, respectively	271,240	323,006
SECURITY DEPOSIT	38,793	38,767
Total assets	\$ 1,960,169	\$ 2,154,099
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 89,783	\$ 117,348
Deferred income	3,600	-
Total current liabilities	93,383	117,348
DEFERRED RENT PAYABLE	94,397	85,699
Total liabilities	187,780	203,047
NET ASSETS:		
Net assets without donor restrictions:		
Designated for fixed assets	271,240	323,006
Undesignated	1,119,084	1,318,535
Total net assets without donor restrictions	1,390,324	1,641,541
Net assets with donor restrictions	382,065	309,511
Total net assets	1,772,389	1,951,052
Total liabilities and net assets	\$ 1,960,169	\$ 2,154,099

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, 2019 AND 2018

	2019			2018		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUES:						
Program income	\$ 480,981	\$ -	\$ 480,981	\$ 671,738	\$ -	\$ 671,738
Grants	296,537	170,800	467,337	216,565	250,000	466,565
Contributions	234,147	-	234,147	272,132	-	272,132
Special events, net of direct costs of \$125,177 and \$141,938, respectively	281,444	-	281,444	342,952	-	342,952
Rental income	9,725	-	9,725	4,500	-	4,500
Miscellaneous	3,082	-	3,082	5,976	-	5,976
Net assets released from restrictions	98,246	(98,246)	-	125,649	(125,649)	-
Total revenues	<u>1,404,162</u>	<u>72,554</u>	<u>1,476,716</u>	<u>1,639,512</u>	<u>124,351</u>	<u>1,763,863</u>
EXPENSES:						
Program services	1,417,122	-	1,417,122	1,323,383	-	1,323,383
Administration	173,459	-	173,459	141,828	-	141,828
Fundraising	180,541	-	180,541	230,039	-	230,039
Total expenses	<u>1,771,122</u>	<u>-</u>	<u>1,771,122</u>	<u>1,695,250</u>	<u>-</u>	<u>1,695,250</u>
Excess (deficiency) of revenues over (under) expenses	(366,960)	72,554	(294,406)	(55,738)	124,351	68,613
NON-OPERATING ITEMS:						
Investment income, net	19,005	-	19,005	2,076	-	2,076
Unrealized gain (loss)	64,148	-	64,148	(7,206)	-	(7,206)
Realized gain (loss)	32,590	-	32,590	-	-	-
Loss on disposal of fixed asset	-	-	-	(19,635)	-	(19,635)
Change in net assets	<u>(251,217)</u>	<u>72,554</u>	<u>(178,663)</u>	<u>(80,503)</u>	<u>124,351</u>	<u>43,848</u>
NET ASSETS, BEGINNING OF YEAR	<u>1,641,541</u>	<u>309,511</u>	<u>1,951,052</u>	<u>1,722,044</u>	<u>185,160</u>	<u>1,907,204</u>
NET ASSETS, END OF YEAR	<u>\$ 1,390,324</u>	<u>\$ 382,065</u>	<u>\$ 1,772,389</u>	<u>\$ 1,641,541</u>	<u>\$ 309,511</u>	<u>\$ 1,951,052</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, 2019 AND 2018

	2019				2018			
	Program Services	Support Services		Total	Program Services	Support Services		Total
		Administration	Fundraising			Administration	Fundraising	
Payroll	\$ 753,809	\$ 108,199	\$ 109,520	\$ 971,528	\$ 684,633	\$ 94,384	\$ 129,783	\$ 908,800
Occupancy	233,038	12,867	14,177	260,082	226,419	11,840	17,579	255,838
Fringe benefits	81,499	14,698	11,841	108,038	77,250	10,650	14,644	102,544
Payroll taxes	65,958	9,467	9,583	85,008	61,055	5,746	17,769	84,570
Program expenses	55,318	-	-	55,318	71,981	-	-	71,981
Professional fees	45,215	6,490	6,569	58,274	38,571	5,317	7,312	51,200
Depreciation	42,652	4,742	4,799	52,193	36,606	3,445	10,653	50,704
Computer	14,700	1,989	2,014	18,703	29,701	2,795	8,644	41,140
Office operating and administrative	32,860	4,767	6,969	44,596	25,774	2,426	7,501	35,701
Insurance	24,349	3,495	3,538	31,382	21,629	2,036	6,295	29,960
Bank charges and interest	17,693	673	1,010	19,376	14,034	1,321	4,084	19,439
Transportation	16,176	-	-	16,176	15,885	-	-	15,885
Dues and subscriptions	2,536	426	893	3,855	4,853	457	1,412	6,722
Travel and meetings	644	296	1,373	2,313	4,006	377	1,166	5,549
Advertising	22,958	3,295	3,435	29,688	2,943	277	857	4,077
Printing	1,592	228	3,962	5,782	2,496	235	726	3,457
Miscellaneous	6,125	1,827	858	8,810	5,547	522	1,614	7,683
Total expenses	<u>\$ 1,417,122</u>	<u>\$ 173,459</u>	<u>\$ 180,541</u>	<u>\$ 1,771,122</u>	<u>\$ 1,323,383</u>	<u>\$ 141,828</u>	<u>\$ 230,039</u>	<u>\$ 1,695,250</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 CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (178,663)	\$ 43,848
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	52,193	50,704
Loss on disposal of fixed asset	-	19,635
Unrealized (gain) loss	(64,148)	7,206
(Increase) decrease in accounts and program receivable	27,645	(41,167)
Increase in contributions receivable	(13,880)	(33,941)
(Increase) decrease in grants receivable	4,092	(17,086)
Increase in prepaid expenses	(4,486)	(3,125)
Increase in security deposit	(26)	-
Increase (decrease) in accounts payable and accrued expenses	(27,565)	29,583
Increase in deferred income	3,600	-
Increase in deferred rent payable	8,698	43,175
	(192,540)	98,832
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments, net of sales and reinvested income	(7,603)	(221,401)
Purchases of property and equipment	(427)	(52,191)
	(8,030)	(273,592)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(200,570)	(174,760)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	684,832	859,592
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 484,262	\$ 684,832

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, 2019 and 2018.

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, 2019 and 2018, the Organization has \$1,650,136 and \$1,792,326 respectively, of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Statements of Financial Position date, which consist of the current assets of the Organization.

Qualitative

As of December 31, 2019, 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, 2019 and 2018, the allowance for doubtful accounts was \$4,950 and \$9,500, 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).

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

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

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, 2019 and 2018.

Revenue recognition -

Effective January 1, 2019, the Organization adopted FASB Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The new guidance requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization applied the modified retrospective method of adoption, which resulted in no adjustment to net assets as of January 1, 2019.

Effective January 1, 2019, the Organization adopted FASB ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). The new guidance clarifies and improves guidance on whether a transfer of assets is a contribution or an exchange and whether a contribution is conditional. The Organization applied the modified retrospective method of adoption, which resulted in no adjustment to net assets as of January 1, 2019.

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

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

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 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

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

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 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, 2019:

	Fair Value	Level 1	Level 2	Level 3
Mutual funds	\$ 523,707	\$ 523,707	\$ -	\$ -
ETFs	177,581	177,581	-	-
Common stock	69,732	69,732	-	-
Fixed income	204,278	-	204,278	-
Bonds	4,613	-	4,613	-
	<u>\$ 979,911</u>	<u>\$ 771,020</u>	<u>\$ 208,891</u>	<u>\$ -</u>

The following table represents the Organization's fair value hierarchy for investments at fair value as of December 31, 2018:

	Fair Value	Level 1	Level 2	Level 3
Mutual funds	\$ 430,950	\$ 430,950	\$ -	\$ -
ETFs	188,590	188,590	-	-
Common stock	93,392	93,392	-	-
Fixed income	190,047	-	190,047	-
Bonds	5,181	-	5,181	-
	<u>\$ 908,160</u>	<u>\$ 712,932</u>	<u>\$ 195,228</u>	<u>\$ -</u>

For the years ended December 31, 2019 and 2018, investment fees expense was \$7,116 and \$6,398, 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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Leasehold improvements	\$ 194,475	\$ 194,048
Furniture, fixtures and equipment	141,740	141,740
Transportation equipment	<u>96,165</u>	<u>96,165</u>
	432,380	431,953
Less: accumulated depreciation	<u>(161,140)</u>	<u>(108,947)</u>
	<u>\$ 271,240</u>	<u>\$ 323,006</u>

For the years ended December 31, 2019 and 2018, depreciation expense totaled \$52,193 and \$50,704, respectively.

(5) Net assets with donor restrictions

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

	<u>2019</u>	<u>2018</u>
Weekend dropoff program	\$ 98,568	\$ 109,942
Purchase of new bus	75,000	5,031
Hardship fund	147,424	194,538
Music & memory program	15,785	-
Respite program	24,488	-
Lunch program	<u>20,800</u>	<u>-</u>
	<u>\$ 382,065</u>	<u>\$ 309,511</u>

(6) Concentrations of credit risk:

Cash concentration -

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.

(7) Commitments and contingencies:

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

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

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 on December 31, 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 \$243,272 and \$228,847 for the years ended December 31, 2019 and 2018, respectively.

Future minimum payments under these operating leases are as follows:

<u>Year-Ending</u> <u>December 31,</u>		
2020	\$	243,272
2021		234,884
2022		234,884
2023		234,884
2024		231,379
Thereafter		<u>617,011</u>
Total	\$	<u><u>1,796,314</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, 2019, the deferred rent liability balance was \$94,397.

(8) Subsequent events

The Organization has evaluated subsequent events through May 22, 2020, which is the date these financial statements were available to be issued. Based on this evaluation, the Organization has determined the following subsequent event has occurred, which requires disclosure in the financial statements:

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic. In addition, multiple jurisdictions in the United States have declared a state of emergency. It is anticipated that the impact of COVID-19 will continue for some time. The extent of the impact of COVID-19 on the Organization's operational and financial performance, and cash flow needs will depend on certain developments, including the duration and spread of the outbreak, impact on donors, employees and vendors, all of which are uncertain and cannot be predicted as of the date of these financial statements.