



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, 2020 AND 2019**

**THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
INDEX TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019**

	<u>PAGE(S)</u>
Independent Auditor's Report	1-2
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-14



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, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses and its 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, 2020 and 2019, 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.

May 27, 2021
Melville, New York

Nawrocki Smith LLP

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020 AND 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 565,880	\$ 484,262
Accounts and program receivable, net	4,543	84,192
Investments	809,344	979,911
Contributions receivable	38,540	47,821
Grants receivable	56,302	33,567
Prepaid expenses	27,035	20,383
	1,501,644	1,650,136
NONCURRENT ASSETS:		
Property and equipment, net of accumulated depreciation of \$208,831 and \$161,140, respectively	223,549	271,240
Security deposits	38,793	38,793
	262,342	310,033
Total noncurrent assets	262,342	310,033
Total assets	\$ 1,763,986	\$ 1,960,169
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 42,946	\$ 89,783
Deferred income	2,515	3,600
	45,461	93,383
Total current liabilities	45,461	93,383
NONCURRENT LIABILITIES:		
Deferred rent payable	119,741	94,397
	119,741	94,397
Total liabilities	165,202	187,780
NET ASSETS:		
Net assets without donor restrictions:		
Designated for fixed assets	223,549	271,240
Undesignated	1,008,937	1,119,084
	1,232,486	1,390,324
Total net assets without donor restrictions	1,232,486	1,390,324
Net assets with donor restrictions	366,298	382,065
Total net assets	1,598,784	1,772,389
Total liabilities and net assets	\$ 1,763,986	\$ 1,960,169

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, 2020 AND 2019

	2020			2019		
	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	\$ 93,604	\$ -	\$ 93,604	\$ 480,981	\$ -	\$ 480,981
Grants	399,241	85,800	485,041	296,537	170,800	467,337
Paycheck Protection Program grant	208,172	-	208,172	-	-	-
Contributions	311,167	-	311,167	234,147	-	234,147
Special events, net of direct costs of \$45,573 and \$125,177, respectively	138,789	-	138,789	281,444	-	281,444
Rental income	7,265	-	7,265	9,725	-	9,725
Miscellaneous	3,967	-	3,967	3,082	-	3,082
Net assets released from restrictions	101,567	(101,567)	-	98,246	(98,246)	-
Total revenues	<u>1,263,772</u>	<u>(15,767)</u>	<u>1,248,005</u>	<u>1,404,162</u>	<u>72,554</u>	<u>1,476,716</u>
EXPENSES:						
Program services	1,207,352	-	1,207,352	1,417,122	-	1,417,122
Administration	96,583	-	96,583	173,459	-	173,459
Fundraising	185,742	-	185,742	180,541	-	180,541
Total expenses	<u>1,489,677</u>	<u>-</u>	<u>1,489,677</u>	<u>1,771,122</u>	<u>-</u>	<u>1,771,122</u>
Excess (deficiency) of revenues over (under) expenses	(225,905)	(15,767)	(241,672)	(366,960)	72,554	(294,406)
NON-OPERATING ITEMS:						
Investment income, net	13,219	-	13,219	19,005	-	19,005
Unrealized gain	58,960	-	58,960	64,148	-	64,148
Realized gain (loss)	(4,112)	-	(4,112)	32,590	-	32,590
Change in net assets	(157,838)	(15,767)	(173,605)	(251,217)	72,554	(178,663)
NET ASSETS, BEGINNING 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>
NET ASSETS, END 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>

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, 2020 AND 2019

	2020				2019			
	Program Services	Support Services		Total	Program Services	Support Services		Total
		Administration	Fundraising			Administration	Fundraising	
Payroll	\$ 658,423	\$ 63,960	\$ 119,934	\$ 842,317	\$ 753,809	\$ 108,199	\$ 109,520	\$ 971,528
Occupancy	234,718	8,310	16,180	259,208	233,038	12,867	14,177	260,082
Payroll taxes	54,366	5,281	9,903	69,550	65,958	9,467	9,583	85,008
Fringe benefits	53,564	5,203	9,757	68,524	81,499	14,698	11,841	108,038
Depreciation	39,379	2,891	5,421	47,691	42,652	4,742	4,799	52,193
Program expenses	43,453	-	-	43,453	55,318	-	-	55,318
Office operating and administrative	23,703	2,303	8,191	34,197	32,860	4,767	6,969	44,596
Insurance	25,784	2,831	4,696	33,311	24,349	3,495	3,538	31,382
Advertising	19,701	1,902	3,566	25,169	22,958	3,295	3,435	29,688
Computer	13,974	1,344	2,520	17,838	14,700	1,989	2,014	18,703
Professional fees	12,250	1,190	2,232	15,672	45,215	6,490	6,569	58,274
Bank charges and interest	13,374	716	1,502	15,592	17,693	673	1,010	19,376
Transportation	6,302	-	-	6,302	16,176	-	-	16,176
Miscellaneous	4,682	314	588	5,584	6,125	1,827	858	8,810
Dues and subscriptions	3,273	316	993	4,582	2,536	426	893	3,855
Travel and meetings	341	16	247	604	644	296	1,373	2,313
Printing	65	6	12	83	1,592	228	3,962	5,782
Total expenses	\$ 1,207,352	\$ 96,583	\$ 185,742	\$ 1,489,677	\$ 1,417,122	\$ 173,459	\$ 180,541	\$ 1,771,122

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, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (173,605)	\$ (178,663)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	47,691	52,193
Unrealized gain	(58,960)	(64,148)
Decrease in accounts and program receivable	79,649	27,645
(Increase) decrease in contributions receivable	9,281	(13,880)
(Increase) decrease in grants receivable	(22,735)	4,092
Increase in prepaid expenses	(6,652)	(4,486)
Increase in security deposit	-	(26)
Decrease in accounts payable and accrued expenses	(46,837)	(27,565)
Increase (decrease) in deferred income	(1,085)	3,600
Increase in deferred rent payable	25,344	8,698
	(147,909)	(192,540)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments, net of sales and reinvested income	229,527	(7,603)
Purchases of property and equipment	-	(427)
	229,527	(8,030)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	81,618	(200,570)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	484,262	684,832
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 565,880	\$ 484,262

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, 2020 and 2019.

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, 2020, the Organization has \$1,501,644 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, 2020, 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, 2020 and 2019, the allowance for doubtful accounts was \$3,567 and \$4,950, 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, 2020 and 2019.

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.

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.

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

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.
- 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:

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

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, 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>

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>

For the years ended December 31, 2020 and 2019, investment fees expense was \$7,328 and \$7,116, 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, 2020 and 2019:

	2020	2019
Leasehold improvements	\$ 194,475	\$ 194,475
Furniture, fixtures and equipment	141,740	141,740
Transportation equipment	96,165	96,165
	432,380	432,380
Less: accumulated depreciation	(208,831)	(161,140)
	\$ 223,549	\$ 271,240

For the years ended December 31, 2020 and 2019, depreciation expense totaled \$47,691 and \$52,193, respectively.

(5) Paycheck Protection Program

On April 24, 2020, the Organization was granted a loan from a bank in the amount of \$208,172, pursuant to the Paycheck Protection Program (the "PPP") under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), which was enacted on March 27, 2020. The loan and accrued interest are forgivable after periods of eight weeks or twenty-four weeks as long as the borrower uses the proceeds for eligible purposes including payroll, benefits, rent and utilities and maintains its payroll levels. In accordance with U.S. 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. Conditions include initial eligibility and forgiveness criteria, which involves incurring eligible costs and maintaining certain employment and salary thresholds. Measurable barriers include the review and approval of the forgiveness application. The Organization has used the proceeds for purposes consistent with the PPP, believes its use of the funds will meet the conditions for forgiveness of the loan and that final approval of the forgiveness application will not be a barrier but a substantive administrative process. The Organization believes all conditions and barriers were substantially met during the fiscal year ending December 31, 2020. Accordingly, the PPP funds have been reflected as grant income in the accompanying Statements of Activities and Changes in Net Assets.

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:

	2020	2019
Hardship fund	\$ 152,170	\$ 147,424
Weekend dropoff program	85,385	98,568
Music & memory program	63,405	15,785
Lunch program	41,600	20,800
Respite program	23,739	24,488
Purchase of new bus	-	75,000
	\$ 366,298	\$ 382,065

(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 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 \$231,254 and \$243,272 for the years ended December 31, 2020 and 2019, 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:

Year-Ending <u>December 31,</u>			
2021	\$	234,884	
2022		234,884	
2023		234,884	
2024		231,379	
Thereafter		<u>617,011</u>	
Total	\$	<u>1,553,042</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, 2020, the deferred rent liability balance was \$119,741.

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 2020 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 a PPP loan 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 occurring are still developing.

(8) Subsequent events

The Organization has evaluated subsequent events through May 27, 2021, which is the date these financial statements were available to be issued, noting no additional matters requiring consideration.