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, 2025 AND 2024

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
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AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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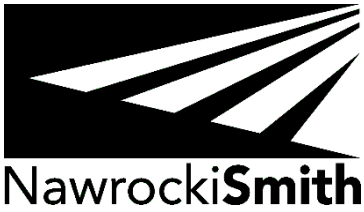

CERTIFIED PUBLIC ACCOUNTANTS

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, 2025 and 2024, 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 Organization as of December 31, 2025 and 2024, 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.

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.

Hauppauge, New York
August 25, 2026

Nawrocki Smith LLP

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 175,401	$ 361,360
Investments	1,049,952	977,184
Accounts and program receivable, net	52,104	79,666
Contributions receivable	51,586	47,511
Grants receivable	51,645	65,580
Prepaid expenses	11,946	20,339
Total current assets	1,392,634	1,551,640
NONCURRENT ASSETS:		
Property and equipment, net	142,350	171,067
Right-of-use assets, net - operating	301,153	508,652
Security deposits	38,768	38,768
Total noncurrent assets	482,271	718,487
Total assets	$ 1,874,905	$ 2,270,127
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 67,257	$ 48,313
Current portion of lease liabilities - operating	269,572	253,478
Line of credit	-	85,730
Accrued interest payable	-	15,922
Total current liabilities	336,829	403,443
NONCURRENT LIABILITIES:		
Lease liabilities, net of current portion - operating	84,169	340,942
Total liabilities	420,998	744,385
NET ASSETS:		
Net assets without donor restrictions:		
Designated for fixed assets	142,350	171,067
Undesignated	885,749	877,334
Total net assets without donor restrictions	1,028,099	1,048,401
Net assets with donor restrictions	425,808	477,341
Total net assets	1,453,907	1,525,742
Total liabilities and net assets	$ 1,874,905	$ 2,270,127

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, 2025 AND 2024

	2025			2024		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
OPERATING REVENUES:						
Grants	$ 366,630	$ 273,500	$ 640,130	$ 421,546	$ 239,790	$ 661,336
Program income	562,162	-	562,162	543,992	-	543,992
Special events, net of direct costs of $248,486 and $207,929, respectively	529,679	-	529,679	460,574	-	460,574
Contributions	247,154	-	247,154	222,614	-	222,614
Miscellaneous	3,071	-	3,071	28,326	-	28,326
Net assets released from restrictions	325,033	(325,033)	-	85,753	(85,753)	-
Total operating revenues	2,033,729	(51,533)	1,982,196	1,762,805	154,037	1,916,842
OPERATING EXPENSES:						
Program services	1,892,534	-	1,892,534	1,745,431	-	1,745,431
Supporting services:						
Administration	115,423	-	115,423	108,885	-	108,885
Fundraising	142,462	-	142,462	244,481	-	244,481
Total supporting expenses	257,885	-	257,885	353,366	-	353,366
Total operating expenses	2,150,419	-	2,150,419	2,098,797	-	2,098,797
INCREASE (DECREASE) IN NET ASSETS FROM OPERATING ACTIVITIES	(116,690)	(51,533)	(168,223)	(335,992)	154,037	(181,955)
NONOPERATING ACTIVITIES:						
Investment income, net	22,582	-	22,582	60,449	-	60,449
Unrealized gains (losses)	(67,823)	-	(67,823)	21,202	-	21,202
Realized gains (losses)	141,629	-	141,629	53,164	-	53,164
INCREASE (DECREASE) IN NET ASSETS FROM NONOPERATING ACTIVITIES	96,388	-	96,388	134,815	-	134,815
Change in net assets	(20,302)	(51,533)	(71,835)	(201,177)	154,037	(47,140)
NET ASSETS, BEGINNING OF YEAR	1,048,401	477,341	1,525,742	1,249,578	323,304	1,572,882
NET ASSETS, END OF YEAR	$ 1,028,099	$ 425,808	$ 1,453,907	$ 1,048,401	$ 477,341	$ 1,525,742

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, 2025 AND 2024

	2025				2024			
		Support Services				Support Services		
	Program Services	Administration	Fundraising	Total	Program Services	Administration	Fundraising	Total
Payroll	$ 1,084,909	$ 79,367	$ 84,172	$ 1,248,448	$ 997,581	$ 73,895	$ 160,106	$ 1,231,582
Payroll taxes	89,765	6,564	6,962	103,291	82,822	6,451	13,537	102,810
Fringe benefits	71,939	4,961	5,788	82,688	57,658	4,490	9,424	71,572
Total salaries and related expenses	1,246,613	90,892	96,922	1,434,427	1,138,061	84,836	183,067	1,405,964
Operating leases	214,642	7,076	14,152	235,870	214,290	7,065	14,129	235,484
Program expenses	133,126	-	-	133,126	137,848	-	-	137,848
Professional fees	76,970	4,811	14,432	96,213	37,541	2,407	8,182	48,130
Insurance	40,539	2,796	3,262	46,597	35,659	2,777	5,828	44,264
Bank charges and interest	31,974	2,338	4,705	39,017	37,230	2,471	6,920	46,621
Information technology	25,862	1,891	2,006	29,759	24,531	1,909	4,008	30,448
Office operating and administrative	25,081	1,834	2,276	29,191	23,175	1,803	5,399	30,377
Occupancy	22,339	736	1,473	24,548	25,318	1,623	5,518	32,459
Transportation	17,132	-	-	17,132	14,010	-	-	14,010
Dues and subscriptions	11,799	863	915	13,577	9,539	743	1,559	11,841
Miscellaneous	4,585	232	247	5,064	4,775	371	777	5,923
Advertising	2,064	151	160	2,375	4,998	389	817	6,204
Travel and meetings	1,797	131	139	2,067	1,933	150	317	2,400
Subtotal	1,854,523	113,751	140,689	2,108,963	1,708,908	106,544	236,521	2,051,973
Depreciation	38,011	1,672	1,773	41,456	36,523	2,341	7,960	46,824
Total expenses	$ 1,892,534	$ 115,423	$ 142,462	$ 2,150,419	$ 1,745,431	$ 108,885	$ 244,481	$ 2,098,797

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, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (71,835)	$ (47,140)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	41,456	46,824
Operating lease costs	207,499	214,022
Net realized and unrealized (gains) losses on investments	(73,806)	(74,366)
(Increase) decrease in assets:		
Accounts and program receivable, net	27,562	(30,536)
Contributions receivable	(4,075)	(32,935)
Grants receivable	13,935	(13,737)
Prepaid expenses	8,393	(689)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	18,944	(31,211)
Operating leases	(240,679)	(239,603)
Accrued interest payable	(15,922)	15,922
Net cash provided by (used in) operating activities	(88,528)	(193,449)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(1,430,647)	(210,823)
Proceeds from sale of investments	1,431,685	356,018
Purchases of property and equipment	(12,739)	(1,048)
Net cash provided by (used in) investing activities	(11,701)	144,147
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings from line of credit	150,000	300,000
Repayment of line of credit	(235,730)	(214,270)
Net cash provided by (used in) financing activities	(85,730)	85,730
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(185,959)	36,428
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	361,360	324,932
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 175,401	$ 361,360
CASH PAID DURING THE YEAR FOR:		
Interest	$ 6,877	$ 15,922
SUPPLEMENTAL CASH FLOW INFORMATION:		
Initial recognition of right-of-use assets obtained via lease liabilities	$ 13,912	$ -

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

(1) Organization and nature of activities

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 account policies:

The accompanying financial statements include the assets, liabilities, revenues and expenses of the Organization which are presented under the accrual basis of accounting. The following is a summary of significant accounting policies followed by the Organization:

Basis of accounting and 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 ("GAAP"), which requires that the Organization's financial statements distinguish net assets and changes in net assets between those with and without donor restrictions. 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 Trustees.

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 -

All highly liquid investments purchased with an original maturity of three months or less are considered to be cash for financial statement purposes.

(2) Summary of significant accounting policies (continued):

Accounts and program receivable -

Accounts and program receivable 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, the allowance for credit losses was $1,020. There was no allowance for credit losses as of December 31, 2025.

Contributions receivable -

Contributions receivable are unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. For the years ended December 31, 2025 and 2024, there was no allowance for doubtful accounts.

Grants receivable -

Grants receivable are recognized when the Organization has an unconditional right to receive the grant, which generally occurs when all grant conditions have been substantially met or explicitly waived. Grants receivable are measured at fair value at the date of recognition. Grants expected to be collected in more than one year are recorded at the present value of estimated future cash flows, discounted using a risk-adjusted rate applicable at the date of the grant. The Organization provides an allowance for doubtful accounts based on management’s assessment of the collectability of specific grants, historical experience, and current economic conditions. Grants receivable are presented net of the allowance for doubtful accounts and any applicable discount in the Statements of Financial Position. The determination of the allowance for doubtful accounts, the discount rate, and the timing of recognition involve significant estimates that could change in the near term as a result of changes in economic conditions or other factors. For the years ended December 31, 2025 and 2024, there was no allowance for doubtful accounts.

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 4 for discussion of fair market value.

(2) Summary of significant accounting policies (continued):

Investments (continued) -

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.

Property and equipment -

Property and equipment are stated at cost, if purchased, or estimated fair value, if donated, at the date of donation. Maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

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. 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. There were no impairment losses recognized for the years ended December 31, 2025 and 2024.

Leases -

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 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.

(2) Summary of significant accounting policies (continued):

Leases (continued) -

The Organization determines if an arrangement is or contains a lease at inception. The Organization's operating lease arrangements are comprised of equipment leases and a building lease. 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. If a lease contains a renewal option at the commencement date and it is considered reasonably certain that the renewal option will be exercised by management to renew the lease, the renewal option payments are included in the Organization's net minimum lease payments used to determine the right-of-use lease assets and related lease liabilities. All other renewal options are included in the right-of-use lease assets and related lease liabilities when they are reasonably certain to be exercised.

All lease agreements generally require the Organization to pay maintenance, repairs, property taxes and insurance costs, which are variable amounts based on actual costs incurred during each applicable period. Such costs are not included in the determination of the ROU assets or lease liabilities.

Fixed lease payments, including escalating rent payments over future periods that are contained in the terms of the lease, are included in the measurement of the right-of-use asset and lease liability. Variable lease payments that depend on an index or rate are included in the calculation of the right-of-use asset and corresponding liability using the index or rate at lease commencement. Subsequent changes in the index or rate, and other variable lease payments that are not based on an index or rate, are not included in the measurement of the right-of-use asset and lease liability and are recognized in the period incurred as occupancy expenses in the Statements of Functional Expenses.

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.

(2) Summary of significant accounting policies (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 restriction. 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.

Special events - 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. Income from sponsorships received in advance of future special events, which the resource provider is receiving commensurate value in return or a right of return exists if the event does not occur, is deferred and recognized over the periods to which the sponsorships relate.

Functional 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. Depreciation is allocated on the basis of square footage and use, and all other expenses are allocated based on a systematic and rational basis.

(2) Summary of significant accounting policies (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. However, income, if any, from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. Accordingly, no provision for federal or state income taxes is required.

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Estimates -

The preparation of financial statements in conformity with GAAP requires management of the Organization to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Reclassifications -

Certain reclassifications of prior year balances on the Statement of Activities and Change in Net Assets and the Statement 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, 2024.

(3) Liquidity consideration:

Quantitative -

As of December 31, 2025, the Organization has $954,880 of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Statement of Financial Position date. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for expenditures within one year of the Statement of Financial Position date.

Qualitative -

As a part of the Organization's liquidity management, it 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 $627,000 which it could draw upon.

(4) 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 following table represents the Organization's fair value hierarchy for investments at fair value as of December 31, 2025:

	Fair Value	Level 1	Level 2	Level 3
Mutual funds	$ 127,104	$ 127,104	$ -	$ -
Common stock and ETFs	549,574	549,574	-	-
Fixed income	373,274	-	373,274	-
	$ 1,049,952	$ 676,678	$ 373,274	$ -

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

	Fair Value	Level 1	Level 2	Level 3
Mutual funds	$ 580,001	$ 580,001	$ -	$ -
Common stock and ETFs	397,183	397,183	-	-
	$ 977,184	$ 977,184	$ -	$ -

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.

(4) Fair value measurement (continued)

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, 2025 and 2024.

Mutual funds, exchange-traded funds and common stocks - Securities traded on a national securities exchange are stated at the last reported sales price on the day of the valuation.

Fixed income - Investments include U.S. government obligations and corporate bonds. U.S. government obligations are government securities (local or national) backed by the credit and taxing power of our country with very little risk of default. Corporate bonds are bonds used by a corporation to raise money effectively in order to expand its business. These debt instruments are usually long-term with a maturity date falling at least a year after issuance. Fixed income securities classified in Level 2 of the fair value hierarchy are valued using inputs other than quoted prices that are observable.

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.

(5) Property and equipment

Property and equipment as of December 31, 2025 and 2024 are comprised of the following:

	2025	2024
Leasehold improvements	$ 196,476	$ 196,476
Furniture, fixtures and equipment	183,485	170,746
Transportation equipment	151,438	151,438
	531,399	518,660
Less: accumulated depreciation	(389,049)	(347,593)
	$ 142,350	$ 171,067

Depreciation expense for the years ended December 31, 2025 and 2024 was $41,456 and $46,824, respectively.

(6) Leases

The Organization has various lease agreements for office space and equipment, expiring at various dates through December 2030. The ROU assets and lease liabilities, all of which arise from these 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 its incremental borrowing rate to discount future lease payments.

There were no noncash investing and financing transactions related to leasing.

Total lease costs for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Operating lease costs	$ 235,870	$ 235,484
Short-term lease costs	$ 922	$ 864
Variable lease costs	$ -	$ -
Weighted-average remaining lease term	1.39 Years	2.27 Years
Weighted-average discount rate	3.13%	3.07%

Future maturities of operating lease liabilities are presented in the following table:

For the Year Ending December 31,	
2026	$ 276,203
2027	76,006
2028	5,720
2029	2,376
2030	1,188
Total	361,493
Less: discount to present value	(7,752)
Total lease liabilities	$ 353,741

(7) 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, 2025 was approximately $627,000. 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 6%-7% as of December 31, 2025. As of December 31, 2024, the outstanding balance was $101,652. The line of credit is fully available as of December 31, 2025. Interest expense on the line of credit was $6,877 and $15,922 for the years ended December 31, 2025 and 2024, respectively.

(8) Net assets with donor restrictions

Purpose restricted net assets are available for or relate to the following purposes:

	2025	2024
Subject to expenditure for specific purpose:		
Hardship fund	$ 100,000	$ 91,771
Music & memory program	88,276	84,927
Caregiver/family/pet therapy	85,595	36,935
Lunch program	69,884	119,506
Weekend dropoff program	45,596	75,423
Respite program	36,457	43,739
Legal services & information	-	25,040
	$ 425,808	$ 477,341

(9) 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. As of December 31, 2025 and 2024, based on actual bank balances, cash was not in excess of federally insured limits. The Organization believes it is not exposed to any significant credit risk on cash.

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.

(10) Subsequent events

The Organization has evaluated subsequent events through August 25, 2026, which is the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in the financial statements.