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, 2023 AND 2022

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
INDEX TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NawrockiSmith
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of The Long Island Alzheimer's and Dementia Center, Inc. (the "Organization", a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Long Island Alzheimer's and Dementia Center, Inc. as of December 31, 2023 and 2022, 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.

Nawrocki Smith LLP

June 25, 2024
Hauppauge, New York

THE LONG ISLAND ALZHEIMER'S AND DEMENTIA CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 324,932	$ 513,868
Accounts and program receivable, net	49,130	51,048
Investments	1,048,013	930,821
Current portion of right-of-use assets - operating	214,021	207,762
Contributions receivable	14,576	9,728
Grants receivable	51,843	75,103
Prepaid expenses	19,650	20,102
Total current assets	1,722,165	1,808,432
NONCURRENT ASSETS:		
Property and equipment, net of accumulated depreciation of $300,889 and $300,711, respectively	216,843	144,434
Right-of-use assets, net - operating	508,653	707,034
Security deposits	38,768	38,768
Total noncurrent assets	764,264	890,236
Total assets	$ 2,486,429	$ 2,698,668
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 79,524	$ 59,827
Current portion of lease liabilities - operating	239,603	225,967
Deferred income	-	500
Total current liabilities	319,127	286,294
NONCURRENT LIABILITIES:		
Lease liabilities, net of current portion - operating	594,420	818,383
Total liabilities	913,547	1,104,677
NET ASSETS:		
Net assets without donor restrictions:		
Designated for fixed assets	216,843	144,434
Undesignated	1,032,735	998,527
Total net assets without donor restrictions	1,249,578	1,142,961
Net assets with donor restrictions	323,304	451,030
Total net assets	1,572,882	1,593,991
Total liabilities and net assets	$ 2,486,429	$ 2,698,668

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, 2023 AND 2022

	2023			2022		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUES:						
Grants	$ 504,033	$ 74,300	$ 578,333	$ 444,191	$ 184,050	$ 628,241
Contributions	327,271	-	327,271	452,390	-	452,390
Program income	474,802	-	474,802	436,521	-	436,521
Special events, net of direct costs of $160,772 and $174,831, respectively	422,446	-	422,446	231,141	-	231,141
Miscellaneous	40,724	-	40,724	11,475	-	11,475
Rental income	-	-	-	115	-	115
Net assets released from restrictions	202,026	(202,026)	-	88,415	(88,415)	-
Total revenues	1,971,302	(127,726)	1,843,576	1,664,248	95,635	1,759,883
EXPENSES:						
Program services	1,636,749	-	1,636,749	1,480,570	-	1,480,570
Administration	113,669	-	113,669	107,979	-	107,979
Fundraising	241,290	-	241,290	196,610	-	196,610
Total expenses	1,991,708	-	1,991,708	1,785,159	-	1,785,159
Excess (deficiency) of revenues over (under) expenses	(20,406)	(127,726)	(148,132)	(120,911)	95,635	(25,276)
NON-OPERATING ITEMS:						
Unrealized gain (loss)	128,496	-	128,496	(149,417)	-	(149,417)
Investment income, net	42,029	-	42,029	29,911	-	29,911
Realized gain (loss)	(46,502)	-	(46,502)	(9,677)	-	(9,677)
Gain on disposal of fixed asset	3,000	-	3,000	-	-	-
Change in net assets	106,617	(127,726)	(21,109)	(250,094)	95,635	(154,459)
NET ASSETS, BEGINNING OF YEAR	1,142,961	451,030	1,593,991	1,393,055	355,395	1,748,450
NET ASSETS, END OF YEAR	$ 1,249,578	$ 323,304	$ 1,572,882	$ 1,142,961	$ 451,030	$ 1,593,991

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, 2023 AND 2022

	2023				2022			
		Support Services				Support Services		
	Program Services	Administration	Fundraising	Total	Program Services	Administration	Fundraising	Total
Payroll	$ 932,204	$ 74,295	$ 135,754	$ 1,142,253	$ 860,633	$ 72,039	$ 111,448	$ 1,044,120
Operating lease expense	183,427	11,758	39,978	235,163	175,470	11,248	38,244	224,962
Program expenses	136,061	85	155	136,301	106,356	50	78	106,484
Payroll taxes	77,467	6,174	11,281	94,922	72,461	6,065	9,384	87,910
Fringe benefits	64,956	5,177	9,459	79,592	50,145	4,197	6,494	60,836
Professional fees	46,178	2,960	10,064	59,202	26,200	1,680	5,710	33,590
Depreciation	36,860	2,363	8,034	47,257	38,785	2,442	3,777	45,004
Insurance	30,444	2,426	4,434	37,304	34,448	2,884	4,461	41,793
Occupancy	26,210	1,680	5,712	33,602	29,784	1,908	6,491	38,183
Bank charges and interest	26,127	1,675	5,694	33,496	22,305	1,365	2,290	25,960
Office operating and adminstrative	24,807	1,977	4,710	31,494	20,275	1,300	4,418	25,993
Computer	23,039	1,836	3,355	28,230	12,848	1,076	1,664	15,588
Transportation	14,531	-	-	14,531	12,287	-	-	12,287
Dues and subscriptions	7,120	567	1,037	8,724	6,650	556	861	8,067
Miscellaneous	3,984	431	1,137	5,552	1,967	336	-	2,303
Advertising	2,764	220	403	3,387	8,893	744	1,152	10,789
Travel and meetings	570	45	83	698	1,063	89	138	1,290
Total expenses	$ 1,636,749	$ 113,669	$ 241,290	$ 1,991,708	$ 1,480,570	$ 107,979	$ 196,610	$ 1,785,159

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, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (21,109)	$ (154,459)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	47,257	45,004
Net change in operating lease liabilities	(18,205)	129,554
Unrealized (gain) loss	(128,496)	149,417
Decrease in accounts and program receivable	1,918	7,387
(Increase) decrease in contributions receivable	(4,848)	5,925
Decrease in grants receivable	23,260	3,856
Decrease in prepaid expenses	452	2,326
Decrease in security deposit	-	25
Increase in accounts payable and accrued expenses	19,697	14,452
Increase (decrease) in deferred income	(500)	500
Decrease in deferred rent payable	-	(149,869)
Net cash provided by (used in) operating activities	(80,574)	54,118
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(536,932)	(519,352)
Sale of investments	548,236	502,524
Purchases of property and equipment	(119,666)	(8,552)
Net cash used in investing activities	(108,362)	(25,380)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings from line of credit	100,000	-
Payments on line of credit	(100,000)	-
Net cash used in financing activities	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(188,936)	28,738
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	513,868	485,130
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 324,932	$ 513,868
SUPPLEMENTAL INFORMATION:		
Interest paid	$ 1,714	$ -
Initial recognition of right-of-use assets obtained via lease liabilities	$ 16,462	$ 1,115,627
Retirement of fully depreciated fixed assets	$ 47,079	$ -

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

(1) Nature of operations

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

(2) Summary of significant accounting policies:

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

Financial statement presentation -

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

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

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 GAAP, the Organization has also presented Statements of Cash Flows for the years ended December 31, 2023 and 2022.

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.

Liquidity considerations -

Quantitative

As of December 31, 2023, the Organization has $1,488,494 of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Statement of Financial Position date.

Qualitative

As of December 31, 2023, 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, 2023 and 2022, the allowance for doubtful accounts was $1,000 and $2,068, 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 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, 2023 and 2022.

Conditional asset retirement obligations -

The FASB ASC on accounting for conditional asset retirement and environmental obligations requires the Organization to recognize a liability for the fair value of its legal obligation to perform an asset retirement activity, even though uncertainty exists about the timing and/or method of settlement, if and when the fair value of the liability can be reasonably estimated. As of December 31, 2023 and 2022, the Organization has met the provisions of and is in compliance with these requirements and no obligation currently exists.

Right-of-use assets and lease liabilities -

Effective January 1, 2022, the Organization adopted FASB Accounting Standards Update ("ASU") No. 2016-02, *Leases* ("Topic 842"). The new guidance increases transparency by requiring the recognition of right-of-use assets and lease liabilities on the Statements of Financial Position. The recognition of these lease assets and lease liabilities represents a change from previous GAAP, which did not require lease assets and lease liabilities to be recognized for most leases. The recognition, measurement and presentation of expenses and cash flows arising from a lease have not significantly changed from previous GAAP requirements.

On January 1, 2022, the effective date of Topic 842, existing leases of the Organization were required to be recognized and measured. Additionally, any leases entered into during the year were also required to be recognized and measured. In applying Topic 842, the Organization made an accounting policy election not to recognize the right-of-use assets and lease liabilities relating to short-term leases. Implementation of Topic 842 involved an analysis of contracts, including property and equipment leases and service contracts to identify embedded leases, in order to determine the initial recognition of the right-of-use assets and lease liabilities, which required subjective assessment over the determination of the associated discount rates to apply in determining the lease liabilities.

The Organization determines if an arrangement is or contains a lease at inception. The Organization's operating lease arrangements are comprised of a building lease and equipment leases. Right-of-use 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. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the lease payments over the lease terms. As the Organization's leases do not provide an implicit rate and the implicit rate is not readily determinable, the Organization estimates its incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. The present value of the lease payments was determined using a 3.06% incremental borrowing rate. Right-of-use assets also exclude lease incentives.

The Organization reconciles the operating lease expenses with the operating lease payments by presenting the amortization of the right-of-use assets and the change in the lease liabilities in a single line item within the adjustments to reconcile change in net assets to net cash provided by operating activities in the accompanying Statements of Cash Flows.

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 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 GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Estimates include accounts receivable valuation allowances, depreciation and certain accrued expenses. Actual results may differ from those estimates.

Reclassifications -

Certain reclassifications of prior year balances on the Statements of Activities and Changes in Net Assets and the Statements of Functional Expenses 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, 2022.

(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:

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, 2023:

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

The following table represents the Organization’s fair value hierarchy for investments at fair value as of December 31, 2022:

	Fair Value	Level 1	Level 2	Level 3
Mutual funds	$ 597,392	$ 597,392	$ -	$ -
ETFs	246,725	246,725	-	-
Common stock	86,704	86,704	-	-
	$ 930,821	$ 930,821	$ -	$ -

For the years ended December 31, 2023 and 2022, investment fees expense was $9,763 and $9,529, respectively.

(4) **Property and equipment**

Property and equipment consist of the following as of December 31, 2023 and 2022:

	2023	2022
Leasehold improvements	$ 196,476	$ 195,733
Furniture, fixtures and equipment	169,818	153,247
Transportation equipment	151,438	96,165
	517,732	445,145
Less: accumulated depreciation	(300,889)	(300,711)
	$ 216,843	$ 144,434

For the years ended December 31, 2023 and 2022, depreciation expense totaled $47,257 and $45,004, respectively.

(5) **Leases**

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

The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use ("ROU") assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use its incremental borrowing rate to discount future lease payments. The weighted average incremental borrowing rate applied to calculate lease liabilities was 3.06%.

As of December 31, 2023, the weighted average remaining lease term for the Organization's operating leases was approximately 3.26 years.

Cash paid for the operating leases for the year ended December 31, 2023 was $253,367. There were no noncash investing and financing transactions related to leasing other than the transition entry described in Note 2.

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

For the Year Ended December 31,	
2024	$ 261,066
2025	267,506
2026	272,759
2027	72,562
2028	2,366
Total	876,259
Less: discount to present value	(42,236)
Total lease liabilities	$ 834,023

(6) Line of credit

The Organization has a secured line of credit with a financial institution which allows the Organization to draw up to the total margin value of the collateralized account. The total available line of credit as of December 31, 2023 was approximately $530,000. 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 8% as of December 31, 2023. As of December 31, 2023 and 2022, there was no balance outstanding on the line of credit. Interest expense on the line of credit was $1,714 and $0 for the years ended December 31, 2023 and 2022, respectively.

(7) Net assets with donor restrictions

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

	2023	2022
Lunch program	$ 98,223	$ 78,124
Weekend dropoff program	75,423	75,423
Music & memory program	71,807	64,112
Hardship fund	34,362	93,382
Respite program	23,739	23,739
Legal services & information	19,750	16,250
New vehicle	-	100,000
	$ 323,304	$ 451,030

(8) Commitments and contingencies:

Concentrations of credit risk -

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

Government grants and contracts -

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

(9) Subsequent events

The Organization has evaluated subsequent events through June 25, 2024, which is the date these financial statements were available to be issued. Based on this evaluation, the Organization has determined there are no matters which require disclosure in the financial statements.