ALZHEIMER'S DISEASE RESOURCE CENTER, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

GETTRYMARCUS

Alzheimer's Disease Resource Center, Inc.

Table of Contents

Year Ended June 30, 2020

Independent Auditor's Report

To the Board of Directors
Alzheimer's Disease Resource Center, Inc.
New York, NY

We have audited the accompanying financial statements of Alzheimer's Disease Resource Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alzheimer's Disease Resource Center, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Gettry Marcus CPA, P.C.

Gettry Marcus CPA, P.C.
New York, New York
June 22, 2021

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Alzheimer's Disease Resource Center, Inc.
Statement of Financial Position
June 30, 2020

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Assets			
Current assets			
Cash	$ 261,968	$ 31,267	$ 293,235
Grants receivable, net	-	225,000	225,000
Contributions receivable, net	10,990	-	10,990
Prepaid expenses and other assets	8,062	-	8,062
Total current assets	281,020	256,267	537,287
Other assets			
Property and equipment - net of accumulated depreciation of $421,294	1,154,093	-	1,154,093
Intangible assets - net of accumulated amortization of $987	2,634	-	2,634
Security deposits	6,020	-	6,020
Total other assets	1,162,747	-	1,162,747
Total assets	$ 1,443,767	$ 256,267	$ 1,700,034
Liabilities and Net Assets			
Current liabilities			
Accounts payable and accrued expenses	$ 23,003	$ -	$ 23,003
Deferred revenue	37,910	-	37,910
Note payable - paycheck protection program	82,000	-	82,000
Mortgage payable	209,231	-	209,231
Total liabilities	352,144	-	352,144
Net Assets			
Without donor restrictions	1,091,623	-	1,091,623
With donor restrictions	-	256,267	256,267
Total Net Assets	1,091,623	256,267	1,347,890
Total liabilities and net assets	$ 1,443,767	$ 256,267	$ 1,700,034

Alzheimer's Disease Resource Center, Inc.
Statement of Activities
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Contributions	$ 310,761	$ -	$ 310,761
Special events, net	112,807	-	112,807
Program fees	23,011	-	23,011
Investment return	30	-	30
Total revenue and support	446,609	-	446,609
Net assets released from restrictions	187,200	(187,200)	-
Total revenue, support and reclassifications	633,809	(187,200)	446,609
Functional expenses			
Program services	517,323	-	517,323
Supporting services			
Management and general	361,948	-	361,948
Fundraising	60,960	-	60,960
Total supporting services	422,908	-	422,908
Total functional expenses	940,231	-	940,231
Decrease in net assets	(306,422)	(187,200)	(493,622)
Net assets - Beginning of year	1,398,045	443,467	1,841,512
Net assets - End of year	$ 1,091,623	$ 256,267	$ 1,347,890

Alzheimer's Disease Resource Center, Inc.
Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	Total Functional Expenses
Salaries	$ 283,225	$ 43,677	$ 40,594	$ 84,271	$ 367,496
Payroll taxes	27,599	4,256	3,956	8,212	35,811
Employee benefits	22,658	3,494	3,247	6,741	29,399
Total salaries and related expenses	333,482	51,427	47,797	99,224	432,706
Professional fees	-	60,426	-	60,426	60,426
Rent	17,616	-	-	-	17,616
Travel	564	31	31	62	626
Telephone	9,190	1,417	1,317	2,734	11,924
Supplies and program expenses	22,520	-	-	-	22,520
Education and training	6,492	-	-	-	6,492
Insurance	12,950	3,237	-	3,237	16,187
Interest	10,426	2,607	-	2,607	13,033
Repairs and maintenance	8,363	2,091	-	2,091	10,454
Marketing	2,144	-	2,143	2,143	4,287
Information technology	13,869	2,139	1,987	4,126	17,995
Dues and subscriptions	1,698	653	261	914	2,612
Postage and shipping	907	201	907	1,108	2,015
Advocacy	20,000	-	-	-	20,000
Office and miscellaneous expenses	12,145	1,873	1,740	3,613	15,758
Utilities	9,367	2,342	-	2,342	11,709
Bank and credit card processing fees	597	597	4,777	5,374	5,971
Bad debt	-	224,159	-	224,159	224,159
Depreciation and amortization	34,993	8,748	-	8,748	43,741
Total expenses	$ 517,323	$ 361,948	$ 60,960	$ 422,908	$ 940,231

Alzheimer's Disease Resource Center, Inc.
Statement of Cash Flows
Year Ended June 30, 2020

Cash flows from operating activities	
Decrease in net assets	$ (493,622)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation and amortization	43,741
Provision for doubtful accounts	224,159
Decrease in operating assets:	
Grants receivable	187,200
Contributions receivable	(181,692)
Prepaid expenses and other assets	5,460
Increase in operating liabilities:	
Accounts payable and accrued expenses	(8,466)
Deferred revenue	23,489
Total adjustments	293,891
Net cash used by operating activities	(199,731)
Cash flows from investing activity	
Purchase of intangible assets	(1,575)
Cash flows from financing activities	
Principal payments on mortgage payable	(11,696)
Proceeds from note payable - paycheck protection program	82,000
Net cash provided by financing activities	70,304
Net decrease in cash	(131,002)
Cash - Beginning of year	424,237
Cash - End of year	$ 293,235

Note 1 – Summary of Organization and Nature of Activities

Organization and Nature of Activities
Alzheimer's Disease Resource Center, Inc. (the Organization) is a non-profit organization incorporated in the state of New York in September 1983. The Organization's mission is to provide care, support and educational programs for families in need, and to be advocates for local families who are coping with Alzheimer's disease and other dementias.

The Organization is supported primarily through donor contributions and grants, as well as its annual event.

Description of Program and Supporting Services

Care, Support and Education
Provide a vital connection to diagnosed individuals and their loved ones through various services that include; a robust schedule of online music and art activities, individual care consultations, or meaningful support groups.

Management and General
Includes the functions necessary to ensure an adequate working environment and to manage the administrative, financial and budgetary responsibilities of the Organization.

Fundraising
Provides the structure necessary to encourage and secure financial support from individuals, foundations, corporations and government agencies.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation
The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. When a restriction expires (when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Note 2 – Summary of Significant Accounting Policies (continued)

Contributions, Revenues and Expenditures
Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give will be recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets will be reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities will be reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

Government contracts and certain other grants are subject to audit by the government or granting agency, and as a result of such audit, adjustments to revenue and support could be required.

Uninsured Cash Balances
The Organization maintains cash balances at a bank in the New York metropolitan area. Cash accounts at the bank are insured by the Federal Deposit Insurance Corporation subject to certain limits. At times, such cash balances may be in excess of the insured limits. The Organization has not experienced any losses in these accounts and does not believe it its exposed to any significant credit risk on its cash.

Contributions and Grants Receivable
Contributions and grants 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 and an adjustment to a valuation allowance 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 bad debt expense and a credit to contributions receivable. The allowance for uncollectible accounts was $189,140 as of June 30, 2020. Bad debt expense amounted to $224,159 for the year ended June 30, 2020.

Investment Valuation and Income Recognition
Investments are initially recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are stated at fair value. The Organization's investments include $1,411 of equity securities as of June 30, 2020 and are included in prepaid expenses and other assets on the statement of financial position. The equity securities are Level 1 in the fair value hierarchy, however, as these amounts are not material, the balance of the fair value disclosures are not presented. Investment returns of $30 reported in the statement of activities for the year ended June 30, 2020 consists of interest and dividend income and unrealized capital gains and losses.

Note 2 – Summary of Significant Accounting Policies (continued)

Property and Equipment and Depreciation Methods
Property and equipment additions are recorded at cost if purchased. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the respective assets, which are as follows:

Buildings and improvements	40 years
Office/computer equipment	5-7 years
Office furniture	5-7 years
Computer software	5-7 years

Intangible Assets
Intangible assets represent the Organization's cost to obtain trademarks and are being amortized on a straight-line basis over 15 years. At June 30, 2020, the trademark costs totaled $3,621 and accumulated amortization amounted to $987. Related amortization expense was $171 for the year ended June 30, 2020.

Impairment of Long-Lived Assets
The Organization evaluates whether events or circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance of an asset may not be recoverable. The measurement of possible impairment is based on the ability to recover the balance of assets from expected future operating cash flows on an undiscounted basis. Impairment losses, if any, would be determined based on fair value, using the present value of the cash flows with discount rates that reflect the inherent risk of the underlying business. No impairment was required to be recognized for the year ended June 30, 2020.

In-Kind Contributions
Contributions of services are recorded at estimated fair value when received, if such services require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not donated. Volunteers contribute significant amounts of time to the Organization's activities that do not meet recognition criteria and the value of these contributed services is not reflected in the financial statements. Contributions of food, equipment and other goods are recorded at estimated fair value when received.

Tax-Exempt Status
The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code ("Code"). The Organization has been determined by the Internal Revenue Service to not be a private foundation under Section 509(a)(3) of the Code. The Organization follows the guidance of Accounting Standards Codification (ASC) 740, Accounting for Income Taxes, related to uncertain income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities. Accordingly, no provision for income taxes has been recorded.

Note 2 – Summary of Significant Accounting Policies (continued)

Functional Expenses
The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited, using appropriate measurement methodologies. Expenses related to more than one function are allocated among program and supporting services based on occupied space (including insurance, interest, repairs and maintenance, utilities, and depreciation and amortization) or estimated time spent by Organization staff (including salaries and related expenses, telephone, information technology, and office and miscellaneous expenses). Management and general expenses include those that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Financial Instruments
The Organization's financial instruments include cash, contributions receivable, grants receivable, and accounts payable. The recorded values of cash, contributions receivable, grants receivable, and accounts payable approximate their fair values based on their short-term nature.

Use of Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Estimates are based on past experience and other assumptions that management believes are reasonable under the circumstances, and management evaluates these estimates on an ongoing basis. The significant estimates of the Organization include the allowance for uncollectible receivables, estimated useful lives of property and equipment, and expense allocations.

Subsequent Events
Management has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 22, 2021, the date the financial statements were available to be issued.

Accounting Standards Updates ("ASU")
The Organization has reviewed recently issued ASU's by the Financial Accounting Standards Board ("FASB") and based on that review, has determined that those pronouncements, with the exceptions below, will not have a significant effect on the Organization's financial statements.

In May 2014, FASB ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606).* This ASU replaces all current U.S. GAAP guidance on this topic and eliminates industry-specific guidance. The topic, which was amended several times since, contains a core principle, that is, to recognize revenues when promised goods or services are transferred to customers in an amount that reflect the consideration to which an entity is expected to be entitled for those goods or services. The ASU defines a five-step process to achieve this core principle and, in so doing, more judgement and estimates may be required within the revenue recognition process than was previously required. This process includes identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction to each performance obligation. The ASU was to be effective for annual periods beginning after December 15, 2018 (for private entities), but such effective date was recently postponed by FASB to annual periods commencing after December 15, 2019. Entities can use either one of these methods (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within the ASU, or, (b) retrospective with the cumulative effect of initially applying the ASU recognized at the date of initial application and

Note 2 – Summary of Significant Accounting Policies (continued)

providing certain additional disclosures as defined in the ASU. The Organization has not determined what impact the adoption of this ASU will have, if any, on its financial statements.

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"). ASU 2016-02 replaced all current U.S. GAAP guidance on this topic. Under ASU 2016-02:

- A lessee would account for both finance leases and operating leases by recognizing a right-of-use asset and a lease liability on the statement of financial position, with an exception for leases that commence at or near the end of the underlying asset's economic life. Finance leases will recognize amortization of the right-of-use asset separately from interest on the lease liability, and operating leases will recognize the lease expense on a straight-line basis.

  Additionally, the ASU only allows for the capitalization of only those costs, as initial direct costs, that are incurred due to the successful execution of a lease.

- Allows for an optional transition method to adopt this ASU for comparative financial statement presentations. Under this transition method, an entity initially applies the new lease standard at the adoption date and recognizes a cumulative-effect adjustment to the opening balance of net assets (deficit) in the year of adoption. Consequently, an entity's reporting for the comparative year presented in the financial statements in which it adopts the new lease standard, will continue to be in accordance with current U.S. GAAP (Topic 840, Leases) although it will not be consistently applied to both years.

- The ASU, as amended, is effective for fiscal years beginning after December 15, 2021.

The Organization is evaluating the impact the adoption of this ASU, as amended, could have on its financial statements.

In June 2018, FASB ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies and improves accounting guidance for contributions received and made. This ASU clarifies (i) the evaluation of transactions that are to be characterized as contributions/grants (nonreciprocal transactions) or as exchange (reciprocal) transactions, and (ii) determining whether a contribution is conditional. The ASU is effective for annual periods beginning after December 15, 2018 for entities that serve as a resource recipient and periods beginning after December 15, 2019 for entities that serve as a resource provider. The Organization adopted the resource recipient portion of this ASU for the year ended June 30, 2020, and this accounting guidance did not have a material effect on the Organization's financial statements. Management is in the process of assessing the impact of the resource provider portion of this ASU on the financial statements.

Note 2 – Summary of Significant Accounting Policies (continued)

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The intention of this ASU is to increase transparency about nonfinancial gifts in kind, including how they are used and how they are valued. The ASU requires a separate line-item presentation of contributed nonfinancial assets in the statement of activities, apart from the contributions of cash or other financial assets. The ASU requires disclosure of the disaggregation of the amount of nonfinancial gifts in-kind received by category and the organization, and for each category, disclosure of: (i) qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period; (ii) the not-for-profit's policy about monetizing rather than utilizing contributed nonfinancial assets; (iii) a description of any related donor-imposed restrictions associated with the contributed nonfinancial assets; (iv) the valuation techniques and inputs used to arrive at a fair value measure; and (v) the principal market (or most advantageous market) used to arrive at a fair value measure. The ASU is effective for annual reporting periods beginning after June 15, 2021, to be applied on a retrospective basis, and earlier application is permitted. Management has not assessed the impact, if any, this ASU will have on its financial statements.

Note 3 – Contributions and Grants Receivable, net

Contributions and grants receivable consist of unconditional and conditional promises to give that are expected to be collected in the future. Donor restricted contributions and grants are reported as additions to the appropriate donor restricted net assets.

The Organization was awarded a grant in the amount of $225,000 which was included in New York State's final budget for fiscal year 2019-2020 and is being administered by the New York State Health Department ("DOH"). This grant is a reimbursement grant whereby payments are disbursed to the Organization only after documentation of services rendered are submitted and approved by DOH. As of June 30, 2020, all services were performed and submitted, however funding has not yet been received by the Organization.

In 2017, the Organization was awarded a grant from the Dormitory Authority of the State of New York ("DASNY") under the Nonprofit Infrastructure Capital Investment Program ("NICIP") in the amount of $187,200. The sole source of funds for the NICIP grant program is bond proceeds, which by law may only be used for certain eligible purposes. The Organization requested the funds to construct an Adult Daycare Facility in the building they own. DASNY requested certain documentation to prove the Organization had proper control or ownership of the site and they established certain utilization goals which required the Organization to make a "Good Faith Effort" to utilize Women Owned Business Enterprises or Minority Owned Business Enterprises for 30 percent of the cost of the project. As of June 30, 2020, the Adult Daycare Facility had not been constructed and the DASNY grant remained uncollected. However, the Organization is currently in contract to sell its building (as further discussed in Note 13 herein). Accordingly, the Organization has contacted DASNY and is requesting that the purpose of the grant be amended to cover other capital improvement related costs. DASNY has not made any determination if the grant could be redirected. Consequently, the Organization recorded an allowance for uncollectible grants receivable for the full amount of the NICIP grant from DASNY as of June 30, 2020.

In 2018, the Organization was notified that they were named as a charitable remainder beneficiary of a trust ("Trust") as well as the beneficiary of certain Individual Retirement Accounts ("IRAs") of the same donor. The owner of the Trust and the IRA account passed away on February 24, 2018. The funds received are to be used for the Organization's general charitable purposes. The Organization began receiving distributions of the assets pursuant to the terms of the Trust and the IRA accounts. The amounts to be received upon final dissolution of the estate could not be

Note 3 – Contributions and Grants Receivable, net (continued)

reasonably determined. Therefore, the Organization has been recording the contributions as payments are received.

Contributions and grants receivable at June 30, 2020 were for the following purposes:

NYS Department of Health - Alzheimer Work Plan	$	225,000
NYS Dormitory Authority - Construction of Adult Daycare Center		187,200
General spending		12,930
		425,130
Less: allowance for uncollectible accounts		(189,140)
	$	235,990

Note 4 – Net Assets – With Donor Restrictions

Donor restricted net assets as of June 30, 2020 were available to support the following:

Subject to expenditure for specified purpose:		
NYS Department of Health - Alzheimer Work Plan	$	225,000
NYS Dormitory Authority - Adult Day Care Center		187,200
Research		31,051
Art Expression Program		216
		443,467
Less: allowance for uncollectible accounts		(187,200)
Total subject to expenditure for specified purpose		256,267
Total net assets with donor restrictions	$	256,267

Note 5 – Property and Equipment

Property and equipment consisted of the following as of June 30, 2020:

Land	$	120,000
Buildings and improvements		1,260,493
Office/computer equipment		78,065
Office furniture		85,168
Computer software		31,661
		1,575,387
Less: accumulated depreciation		(421,294)
	$	1,154,093

Note 5 – Property and Equipment (continued)

Depreciation expense for the year ended June 30, 2020 amounted to $43,570. The Organization is in contract to sell the land, building and improvements (see Note 13). Once the sale is finalized, the Organization plans to relocate into a rented space, which they are currently searching for.

Note 6 – Note Payable – Paycheck Protection Program

On April 29, 2020, the Organization obtained an $82,000 loan from New York Community Bank. (“Loan”) pursuant to the Paycheck Protection Program ("PPP”) under the CARES Act, as administered by the U.S. Small Business Administration (“SBA”). In accordance with the PPP and the SBA, the Loan was available to fund designated expenses (“qualifying expenses”). In addition, up to the entire amount of the funded Loan’s principal and accrued interest was eligible to be fully or partially forgiven to the extent the Loan proceeds were used for qualifying expenses during specified time periods, and the Organization met certain other qualitative and quantitative thresholds (collectively, “qualifying criteria”). On June 5, 2020 the PPP Flexibility Act ("Flexibility Act") was signed into law, which amended the qualifying criteria.

Management has performed initial calculations for the Loan forgiveness according to the terms and conditions of the SBA's Loan Forgiveness Application and expects that the Loan will be forgiven in full. On February 12, 2021, the Organization applied for complete forgiveness and is awaiting approval of such forgiveness.

Management has determined that the PPP Loan should be accounted for as debt until forgiven. Accordingly, the $82,000 forgiveness of the Loan will be recorded as other income entirely in the period it receives notification from the SBA that the Loan has been forgiven.

In December 2020, the CARES Act was further amended by the Economic Aid Act (“EAA”). The EAA allows certain enterprises that previously received a PPP Loan, to apply for a “Second Draw” PPP Loan that contains similar general forgiveness terms as the original PPP Loan. However, the Second Draw contains additional qualifying criteria, such as that an organization must be able to demonstrate that they experienced a 25 percent reduction in gross receipts (as defined by the SBA) in a 2020 calendar quarter compared to the same quarter in 2019. The Organization applied for $60,000 in Second Draw PPP and received funding in March 2021.

Note 7 – Commitments

Operating Leases
The Organization leases office space in Long Island, New York under a noncancelable lease that expires June 30, 2021. The lease includes two one-year renewal options, of which the first was executed. Rent expense amounted to $17,616 for the year ended June 30, 2020.

Note 8 – Special Events

Special events generate revenue for the Organization as well as raise awareness about the Organization's mission. Some events are annual and some are incidental to the Organization's central activities and do not happen regularly. Special events are recorded net of event expenses in the accompanying statement of activities. Changes in net assets without donor restrictions related to these events are as follows:

Special event revenue	$	162,397
Less: event expenses		(49,590)
Increase in net assets without donor restrictions	$	112,807

Note 9 – Concentrations

As of and for the year ended June 30, 2020, two major donors made up 97% of contributions and grants receivable and 52% of total revenue and support.

Note 10 – Liquidity

As part of its liquidity management, the Organization established a goal to maintain financial assets on hand to meet 90 days of normal operating expenses. The Organization's goal is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization does not have a line of credit available to assist with liquidity management.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash	$	293,235
Grants receivable, net		225,000
Contributions receivable, net		10,990
Total financial assets		529,225
Less: those unavailable for general expenditures within one year due to purpose restrictions		(256,267)
Financial assets available to meet cash needs for general expenditures within one year	$	272,958

The Organization's financial assets have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the statement of financial position date. In addition to financial assets available to meet general expenditures over the year, the Organization operates with a balanced budget and anticipates covering its expenditures through donor contributions, proceeds from annual fundraising events and by utilizing donor-restricted resources from current and prior years.

Note 10 – Liquidity (continued)

In addition, as noted previously (see Note 3), the Organization is currently in contract to sell its building and expects to receive, in cash, approximately $2,000,000 from this transaction when completed (which is net of the Mortgage Payable balance and normal closing costs). In the event the sale of the building does not occur, management believes they can refinance the Mortgage Payable with the bank or other lenders.

Note 11 – Mortgage Payable

The Organization has a mortgage note ("note") with TD Bank ("bank") in the original amount of $300,000. As of June 30, 2020, the note has a balance of $209,231. The note bears interest at 5.94% per annum, is payable in equal monthly installments of $2,154 covering interest and principal, matures on June 1, 2021 and is collateralized by the building. On June 1, 2021 a final balloon payment of $200,000 was due. The Organization does not plan to refinance the mortgage and is in contract to sell the building to which the mortgage relates (see Note 13). The bank verbally agreed to a 90 day extension of the balloon payment pending the sale of the building.

Note 12 – Risk and Uncertainties

The Organization is dependent upon contributions from the public for its revenue. The ability of the Organization to continue to elicit this level of contribution is dependent upon current and future economic conditions as well as income tax efficiencies.

The coronavirus pandemic ("COVID-19") has adversely impacted the United States and many other parts of the world. Accordingly, the Organization could experience reductions in contributions and grants from donors as well as special event income. Currently, the Organization has been materially impacted by these consequences (through the date of these financial statements) and there could be a significant adverse impact on the Organization's future activities as it is impossible to predict the effect COVID-19 will have on the economy.

In response to the COVID-19 outbreak, the Organization has implemented various long-term cost effective measures, cash flow improvement actions, and applied for and received assistance funds from the United States Small Business Administration ("SBA") under the CARES Act (to provide aid in the form of loans and other potential debt relief options). The Organization has also successfully implemented virtual fundraising events. Given this uncertainty, the Organization is not able to estimate the potential effects of COVID-19 for near and long term purposes.

Note 13 – Subsequent Events

On February 16, 2021, the Organization entered into an agreement to sell its building for $2,300,000 in cash, prior to normal closing costs. The Organization is awaiting a closing date for the sale and plans to use a portion of the proceeds from the sale of the building to pay off the existing mortgage balance. The purchase and sale agreement gives the purchaser the right to conduct their due diligence with respect to the property within a given time period, and to notify the seller within five business days if they wish to terminate the agreement. This period of time has passed and the sale is proceeding as per the sale agreement. The sale is expected to close in July or August 2021. The Organization is currently working with a real estate broker to find new space to lease and plans to continue operating from that new location.