

**ALZHEIMER'S DISEASE AND RELATED DISORDERS, NEW YORK CITY, INC.
(D/B/A CARINGKIND)**

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

ALZHEIMER'S DISEASE AND RELATED DISORDERS, NEW YORK CITY, INC.
(D/B/A CARINGKIND)

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Alzheimer's Disease and Related Disorders, New York City, Inc. (d/b/a CaringKind)
New York, New York

Opinion

We have audited the accompanying financial statements of Alzheimer's Disease and Related Disorders, New York City, Inc. (d/b/a CaringKind) ("CaringKind"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, 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 CaringKind as of June 30, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CaringKind 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 CaringKind's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 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 CaringKind'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 CaringKind'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.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAs, P.C.

New York, New York
September 17, 2025

ALZHEIMER'S DISEASE AND RELATED DISORDERS, NEW YORK CITY, INC.
(D/B/A CARINGKIND)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,089,355	\$ 342,735
Certificates of deposit	137,598	131,744
Investments	5,142,721	4,135,865
Contributions receivable, net	865,727	2,883,735
Accounts receivable	169,080	324,558
Other assets	138,404	148,751
Operating lease right-of-use assets	1,339,700	1,816,036
Finance lease right-of-use assets	41,526	53,520
Property and equipment, net	<u>538,712</u>	<u>674,029</u>
 TOTAL ASSETS	 <u><u>\$ 9,462,823</u></u>	 <u><u>\$ 10,510,973</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 245,383	\$ 218,065
Deferred revenue	-	161
Operating lease liabilities	1,920,721	2,648,806
Finance lease liabilities	32,126	48,905
Annuity payment obligations	<u>12,796</u>	<u>13,167</u>
 Total Liabilities	 <u>2,211,026</u>	 <u>2,929,104</u>
 COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without donor restrictions	5,628,512	5,866,022
With donor restrictions:		
Purpose restricted	1,457,811	1,557,764
Endowments	<u>165,474</u>	<u>158,083</u>
 Total Net Assets	 <u>7,251,797</u>	 <u>7,581,869</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 9,462,823</u></u>	 <u><u>\$ 10,510,973</u></u>

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

ALZHEIMER'S DISEASE AND RELATED DISORDERS, NEW YORK CITY, INC.
(D/B/A CARINGKIND)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025				2024			
	With Donor Restrictions				With Donor Restrictions			
	Without Donor Restrictions	Purpose Restricted	Endowments	Total	Without Donor Restrictions	Purpose Restricted	Endowments	Total
OPERATING REVENUES, GAINS, LOSSES AND OTHER SUPPORT:								
Contributions:								
Individuals	\$ 702,497	\$ 392,556	\$ -	\$ 1,095,053	\$ 575,319	\$ 716,824	\$ -	\$ 1,292,143
Corporate and foundations	158,935	553,062	-	711,997	122,783	611,813	-	734,596
Bequests	457,287	20,174	-	477,461	4,210,944	157,626	-	4,368,570
In-kind	40,225	-	-	40,225	1,950	-	-	1,950
Special events	3,025,780	140,009	-	3,165,789	2,658,666	18,870	-	2,677,536
Less: Cost of direct benefits of special events	(408,453)	-	-	(408,453)	(338,578)	-	-	(338,578)
Government grants	399,682	-	-	399,682	581,000	-	-	581,000
Program service revenues	82,419	-	-	82,419	83,363	-	-	83,363
Investment income (including realized gains), net	254,405	-	7,391	261,796	137,463	-	8,191	145,654
Unrealized gain on investments	117,329	-	-	117,329	163,532	-	-	163,532
Other revenue	16,874	-	-	16,874	12,824	-	-	12,824
Net assets released from restrictions	1,205,754	(1,205,754)	-	-	1,402,211	(1,390,272)	(11,939)	-
 Total Operating Revenues, Gains, Losses and Other Support	 6,052,734	 (99,953)	 7,391	 5,960,172	 9,611,477	 114,861	 (3,748)	 9,722,590
OPERATING EXPENSES:								
Program services	4,505,146	-	-	4,505,146	4,250,291	-	-	4,250,291
Supporting services:								
Management and general	747,261	-	-	747,261	715,420	-	-	715,420
Fundraising	1,037,837	-	-	1,037,837	907,271	-	-	907,271
 Total Operating Expenses	 6,290,244	 -	 -	 6,290,244	 5,872,982	 -	 -	 5,872,982
CHANGE IN NET ASSETS	(237,510)	(99,953)	7,391	(330,072)	3,738,495	114,861	(3,748)	3,849,608
NET ASSETS, BEGINNING OF YEAR	5,866,022	1,557,764	158,083	7,581,869	2,127,527	1,442,903	161,831	3,732,261
NET ASSETS, END OF YEAR	\$ 5,628,512	\$ 1,457,811	\$ 165,474	\$ 7,251,797	\$ 5,866,022	\$ 1,557,764	\$ 158,083	\$ 7,581,869

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

ALZHEIMER'S DISEASE AND RELATED DISORDERS, NEW YORK CITY, INC.
(D/B/A CARINGKIND)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

		Supporting Services			
	Program Services	Management and General	Fund Raising	Cost of Direct Benefits of Special Events	Total
Salaries	\$ 2,106,617	\$ 438,613	\$ 440,337	\$ -	\$ 2,985,567
Fringe benefits	515,862	107,424	107,942	-	731,228
Professional services and contract service payments	278,005	44,608	93,617	-	416,230
Supplies	96,744	3,627	50,719	-	151,090
Telephone	28,855	6,328	6,054	-	41,237
Postage and shipping	16,206	285	15,470	-	31,961
Occupancy	662,337	75,308	102,443	-	840,088
Insurance	24,436	4,981	4,231	-	33,648
Printing and publications	73,761	1,167	47,525	-	122,453
Staff development	7,398	-	818	-	8,216
Conferences	151,858	-	-	408,453	560,311
Travel	59,334	1,132	24,912	-	85,378
Research grants and allocations	127,759	-	-	-	127,759
Client services	158,339	-	-	-	158,339
Bad debt	-	-	20,000	-	20,000
Depreciation and amortization	164,683	15,285	21,358	-	201,326
Miscellaneous	32,952	8,278	102,411	-	143,641
In-kind expenses	-	40,225	-	-	40,225
Total Expenses	4,505,146	747,261	1,037,837	408,453	6,698,697
Cost of direct benefits of special events	-	-	-	(408,453)	(408,453)
TOTAL EXPENSES REPORTED BY FUNCTION ON THE STATEMENT OF ACTIVITIES	<u>\$ 4,505,146</u>	<u>\$ 747,261</u>	<u>\$ 1,037,837</u>	<u>\$ -</u>	<u>\$ 6,290,244</u>

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

ALZHEIMER'S DISEASE AND RELATED DISORDERS, NEW YORK CITY, INC.
(D/B/A CARINGKIND)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

		Supporting Services			
	Program Services	Management and General	Fund Raising	Cost of Direct Benefits of Special Events	Total
Salaries	\$ 1,966,681	\$ 461,308	\$ 404,970	\$ -	\$ 2,832,959
Fringe benefits	457,432	107,285	94,134	-	658,851
Professional services and contract service payments	227,184	43,195	80,652	-	351,031
Supplies	62,650	2,889	47,961	-	113,500
Telephone	22,272	3,460	4,947	-	30,679
Postage and shipping	10,836	216	12,197	-	23,249
Occupancy	634,305	66,049	102,875	-	803,229
Insurance	28,474	4,139	3,620	-	36,233
Printing and publications	45,692	985	35,826	-	82,503
Staff development	5,795	-	450	-	6,245
Conferences	176,176	-	-	338,578	514,754
Travel	34,168	968	20,157	-	55,293
Research grants and allocations	225,276	-	-	-	225,276
Client services	150,116	-	-	-	150,116
Depreciation and amortization	176,001	15,491	25,813	-	217,305
Miscellaneous	27,233	7,485	73,669	-	108,387
In-kind expenses	-	1,950	-	-	1,950
Total Expenses	4,250,291	715,420	907,271	338,578	6,211,560
Cost of direct benefits of special events	-	-	-	(338,578)	(338,578)
TOTAL EXPENSES REPORTED BY FUNCTION ON THE STATEMENT OF ACTIVITIES	<u>\$ 4,250,291</u>	<u>\$ 715,420</u>	<u>\$ 907,271</u>	<u>\$ -</u>	<u>\$ 5,872,982</u>

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

ALZHEIMER'S DISEASE AND RELATED DISORDERS, NEW YORK CITY, INC.
(D/B/A CARINGKIND)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (330,072)	\$ 3,849,608
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Actuarial loss on annuity obligations	1,961	680
Realized gain on investments	(186,182)	(117,626)
Unrealized gain on investments	(117,329)	(163,532)
Donated stock	(610,056)	(2,261,752)
Noncash lease expense	476,336	454,226
Bad debt	20,000	-
Depreciation and amortization	201,326	217,305
Amortization expense - finance lease	11,994	11,993
Changes in assets:		
Contributions receivable, net	1,998,008	(1,907,886)
Accounts receivable	155,478	121,799
Other assets	10,347	(31,269)
Changes in liabilities:		
Accounts payable and accrued expenses	27,318	(147,718)
Operating lease liabilities	(728,085)	(665,492)
Deferred revenue	(161)	(68,781)
Net Cash Provided by (Used In) Operating Activities	<u>930,883</u>	<u>(708,445)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	9,172,844	6,808,001
Purchase of investments	(9,266,133)	(7,137,752)
(Increase) decrease in certificates of deposit	(5,854)	229,790
Property and equipment acquisitions	<u>(66,009)</u>	<u>(17,400)</u>
Net Cash Used In Investing Activities	<u>(165,152)</u>	<u>(117,361)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on finance lease liabilities	(16,779)	(16,207)
Annuity obligation payments	<u>(2,332)</u>	<u>(2,332)</u>
Net Cash Used In Financing Activities	<u>(19,111)</u>	<u>(18,539)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	746,620	(844,345)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>342,735</u>	<u>1,187,080</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,089,355</u>	<u>\$ 342,735</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ 1,485</u>	<u>\$ 2,058</u>

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

ALZHEIMER'S DISEASE AND RELATED DISORDERS, NEW YORK CITY, INC.
(D/B/A CARINGKIND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 1 - Nature and Purpose of Organization

Alzheimer's Disease and Related Disorders, New York City, Inc. (d/b/a CaringKind) ("CaringKind"), f/k/a Alzheimer's Association, New York City Chapter, was incorporated under the Not-for-Profit Corporation Law of the State of New York on May 7, 1985. CaringKind separated from the Alzheimer's Association ("National") on December 1, 2015. While retaining its original legal name, as of March 1, 2016, CaringKind started operating under the assumed name, CaringKind. The separation of CaringKind resulted in no change in the value of the net assets at the time of separation. CaringKind's primary sources of revenue are contributions and special event revenue.

The mission of CaringKind is to create, deliver, and promote comprehensive and compassionate care and support services for individuals and families affected by Alzheimer's disease and related dementias, and to eliminate Alzheimer's disease through the advancement of research. CaringKind achieves its mission by providing programs and services for individuals with dementia, their families and professional caregivers; increasing public awareness; collaborating with research centers; and informing public policy through advocacy.

CaringKind is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements are prepared on the accrual basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with initial maturities when acquired of three months or less.

Certificates of Deposit

Certificates of deposit include investments with initial maturities greater than three months. Certificates of deposit are considered investments for purposes of cash flow reporting.

ALZHEIMER'S DISEASE AND RELATED DISORDERS, NEW YORK CITY, INC.
(D/B/A CARINGKIND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Investments

Investments are stated at the readily determinable fair market value in accordance with the Not-for-Profit Entities topic of the Accounting Standards Codification ("ASC"). All interest, dividends and realized and unrealized gains and losses are recorded as additions to net assets without donor restrictions if they are not restricted by the donor for a particular purpose. If they are restricted by the donor, the specific portion is recorded as purpose restricted net assets or endowment funds net assets with donor restrictions.

Charitable Gift Annuities

CaringKind's investments include funds subject to charitable gift annuities. Contribution revenues for charitable gift annuities are recognized at the date the agreement is established, net of the liability recorded for the present value of the future payments to be made to the respective donors and/or other beneficiaries. The present value of payments to beneficiaries of charitable gift annuities is calculated using a 6% discount rate. Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the respective net asset class in the statements of activities. The present value of the annuities is classified as net assets without donor restrictions. The fair market value of the investments and cash equivalents was \$8,421 and \$10,411 at June 30, 2025 and 2024, respectively.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a framework for measuring fair value is used which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy under Financial Accounting Standards Board, ("FASB") ASC Topic 820, *Fair Value Measurement*, are described as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting CaringKind's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

ALZHEIMER'S DISEASE AND RELATED DISORDERS, NEW YORK CITY, INC.
(D/B/A CARINGKIND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Fair Value Measurement (cont'd.)

Refer to Note 4 for assets measured at fair value at June 30, 2025 and 2024 in accordance with FASB ASC Topic 820.

Contract Assets

Amounts related to services provided to customers which have not been billed and that do not meet the conditions of an unconditional right to payment at the end of the reporting period are classified as contract assets. Contract asset balances consist primarily of services provided to customers who are still receiving services at the end of the year. There were no contract assets at June 30, 2025, June 30, 2024 and July 1, 2023.

Contributions Receivable

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-free interest rates applicable to the years in which the promises are received.

Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Revenues and Accounts Receivable

Revenues and accounts receivable from program service fees are recognized when earned. In-person special events revenue is recognized as revenue on the date of the event, which is the date that CaringKind expects to be entitled to consideration in exchange for attending the event.

Government grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors. To the extent amounts received exceed amounts spent, CaringKind establishes advances from government funders. Support funded by grants is recognized as CaringKind meets the conditions prescribed by the grant agreement, performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. As the conditions are met, CaringKind simultaneously releases the government grants and they are reflected as without donor restrictions. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

CaringKind determines whether an allowance should be provided for accounts and contributions receivable. Such estimates are based on management's assessment of the aged basis of its contributions and other sources, current economic conditions and historical information. Accounts and contributions receivable are written off against the allowance when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. There was no allowance at June 30, 2025 and 2024.

ALZHEIMER'S DISEASE AND RELATED DISORDERS, NEW YORK CITY, INC.
(D/B/A CARINGKIND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the remaining lease term utilizing the straight-line method. CaringKind capitalizes property and equipment acquisitions over \$500, as well as expenditures that increase the lives of existing assets. Equipment is depreciated between three and seven years.

Leases

CaringKind applies a two-model approach to all leases in which it is a lessee and classifies leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by CaringKind. Lease classification is evaluated at the inception of the lease agreement. Regardless of classification, CaringKind records a right-of-use asset and a lease liability for all leases with a term greater than 12 months. In order to calculate the lease liability, certain assumptions related to lease terms and discount rates are made. Renewal options are evaluated in the determination of lease terms. When available, CaringKind uses the rate implicit in the lease or a borrowing rate based on similar debt to discount lease payments. However, when a lease does not provide a readily determinable implicit rate, and CaringKind's existing debt does not have similar terms, CaringKind uses the U.S. Treasury rate constant maturity at each lease commencement date to discount lease payments. At June 30, 2025 and 2024, CaringKind applied a discount rate of 4.69% for finance leases and 3.14% for operating leases.

Contract Liabilities

Contract liabilities represent revenue that has been deferred for program events received related to services that have not yet been provided to customers. There were no contract liabilities as of June 30, 2025, June 30, 2024 and July 1, 2023.

Net Assets

Net assets without donor restrictions include funds having no restrictions as to use or purpose imposed by donors. Net assets with donor restrictions are those whose use has been restricted by donors to a specific time period or purpose. Also included in net assets with donor restrictions are endowment funds whose principal may not be expended. The donors may or may not restrict the use of investment income for a particular purpose or certain time period.

ALZHEIMER'S DISEASE AND RELATED DISORDERS, NEW YORK CITY, INC.
(D/B/A CARINGKIND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions

Contributions are provided to CaringKind either with or without donor restrictions. Revenues and net assets are separately reported to reflect the nature of those gifts - with or without donor restrictions. The value recorded for each contribution is recognized as follows:

<u>Nature of the Gift</u>	<u>Value Recognized</u>
<i>Conditional gifts and grants, with or without restrictions</i>	
Gifts and grants that depend on CaringKind overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met
<i>Unconditional gifts and grants, with or without restrictions</i>	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level yield method.

When a donor-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 as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

ALZHEIMER'S DISEASE AND RELATED DISORDERS, NEW YORK CITY, INC.
(D/B/A CARINGKIND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 2 - Summary of Significant Accounting Policies (cont'd.)

In-kind

Many individuals volunteer their time and services to perform a variety of tasks that assist CaringKind with specific assistance programs, campaign solicitations, various committee assignments, and legal services. During the years ended June 30, 2025 and 2024, CaringKind recognized donated legal services of \$40,225 and \$1,950, respectively.

Nonfinancial Asset	2025	2024	Usage in Programs/Activities	Donor Restriction	Fair Value Techniques
Legal Services	\$ 40,225	\$ 1,950	Management and General	None	Market price based on what the cost would be to CaringKind
	<u>\$ 40,225</u>	<u>\$ 1,950</u>			

Functional Reporting

The costs of providing CaringKind's services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses such as salaries, fringe benefits, and conferences are allocated on a time and effort basis. Expenses such as research grants and allocations and client services are directly charged to program expenses. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage and time and effort.

Accounting for Uncertainty in Income Taxes

CaringKind has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. CaringKind is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. CaringKind believes it is no longer subject to income tax examinations for years prior to 2022.

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Note 3 - Concentration of Credit Risk

CaringKind maintains cash balances in several financial institutions. Such balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per institution. At June 30, 2025 and 2024, and from time to time during the years then ended, the balance in CaringKind's cash accounts exceeded federally insured limits.

At June 30, 2024 and for the year ended, approximately 69% of CaringKind's contribution receivable and approximately 46% of CaringKind's contributions revenue, respectively, was from one donor. At June 30, 2025 there were no concentrations to disclose.

Note 4 - Fair Value Measurement

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2025 and 2024.

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by CaringKind are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by CaringKind are deemed to be actively traded.

U.S. Treasury bills are valued based upon quoted market prices.

Certificates of deposit are valued at original cost plus interest, which approximates fair value.

Exchange-traded funds are valued at the closing price reported on the active market on which the individual securities are traded.

The following table presents CaringKind's assets that are measured at fair value on a recurring basis at June 30, 2025:

	Total	Level 1	Level 2	Level 3
Marketable securities:				
Mutual funds	\$ 5,256	\$ 5,256	\$ -	\$ -
U.S. Treasury bills	3,733,115	3,733,115	-	-
Certificates of deposit	137,598	-	137,598	-
Exchange-traded funds	1,404,350	1,404,350	-	-
Total	<u>\$ 5,280,319</u>	<u>\$ 5,142,721</u>	<u>\$ 137,598</u>	<u>\$ -</u>

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Note 4 - Fair Value Measurement (cont'd.)

The following table presents CaringKind's assets that are measured at fair value on a recurring basis at June 30, 2024:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Marketable securities:				
Mutual funds	\$ 568,456	\$ 568,456	\$ -	\$ -
U.S. Treasury bills	3,309,842	3,309,842	-	-
Certificates of deposit	131,744	-	131,744	-
Exchange-traded funds	<u>257,567</u>	<u>257,567</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,267,609</u>	<u>\$ 4,135,865</u>	<u>\$ 131,744</u>	<u>\$ -</u>

Investment income, net consisted of the following for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividend income, net	\$ 75,614	\$ 28,028
Realized gain	186,182	117,626
Unrealized gain	<u>117,329</u>	<u>163,532</u>
	<u>\$ 379,125</u>	<u>\$ 309,186</u>

Note 5 - Contributions Receivable

Contributions receivable, net consisted of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Amounts due within one year	\$ 856,716	\$ 2,891,191
Amounts due in one to five years	<u>19,048</u>	<u>-</u>
	875,764	2,891,191
Less: Discount to present value	981	-
Less: Allowance for doubtful accounts	<u>9,056</u>	<u>7,456</u>
	<u>\$ 865,727</u>	<u>\$ 2,883,735</u>

A discount rate of 5.00% was used to calculate the discount in 2025. There was no discount in 2024.

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Note 6 - Property and Equipment

Property and equipment, net consisted of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Leasehold improvements	\$ 2,695,842	\$ 2,695,842
Equipment	<u>757,026</u>	<u>700,917</u>
	3,452,868	3,396,759
Less: Accumulated depreciation and amortization	<u>2,914,156</u>	<u>2,722,730</u>
	<u>\$ 538,712</u>	<u>\$ 674,029</u>

During the years ended June 30, 2025 and 2024, CaringKind wrote off \$9,900 and \$2,188, respectively, of fully depreciated equipment. Depreciation expense for the years ended June 30, 2025 and 2024 was \$201,326 and \$217,305, respectively.

Note 7 - Net Assets with Donor Purpose Restrictions and Net Assets Released From Restriction

Net assets with donor purpose restrictions were available for the following purposes at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Family support and education	\$ 500,831	\$ 418,064
Early-stage engagement services	615,356	899,065
Other programs	25,870	136,397
Community building and special populations	17,495	42,438
Workforce development and consulting	103,743	-
Research	184,516	51,800
Capital grants	<u>10,000</u>	<u>10,000</u>
	<u>\$ 1,457,811</u>	<u>\$ 1,557,764</u>

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Note 7 - Net Assets with Donor Purpose Restrictions and Net Assets Released From Restriction
(cont'd.)

Net assets with donor purpose restrictions were released from restriction by incurring expenses and capital expenditures satisfying the following during the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Family support and education	\$ 407,688	\$ 541,035
Early-stage engagement services	518,904	716,557
Other programs	110,700	5,429
Community building and special populations	105,345	119,906
Appropriation of endowments	-	11,939
Workforce development and consulting	21,257	170
Research	31,860	-
Capital grants	10,000	7,175
	<u>\$ 1,205,754</u>	<u>\$ 1,402,211</u>

Note 8 - Endowment Funds

General

CaringKind's endowment as of June 30, 2025 and 2024 consists of two individual donor-restricted endowment funds established to create and promote comprehensive and humane care and treatment for persons with Alzheimer's disease and related disorders, and to provide support for their families and professional caregivers. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The State of New York enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), a modified version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). CaringKind has evaluated the effects of NYPMIFA on the investments, appropriation and management of institutional funds and established procedures to comply with its provisions.

CaringKind interprets state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, CaringKind classifies as endowment fund net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. Currently, there are no provisions in donor gift instruments that provide for any other accumulations to the permanent endowments.

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Note 8 - Endowment Funds (cont'd.)

In accordance with FASB ASC Subtopic 958-205, *Not-for-Profit Entities*, upon the passage of NYPMIFA, CaringKind is required to determine if there are any non-appropriated endowed investment earnings, and if so, CaringKind would need to reclassify them as net assets with donor restrictions.

It is CaringKind's policy that any remaining portion of the donor-restricted endowment funds that is not classified in endowment funds is classified as purpose restricted net assets until those amounts are appropriated for expenditure by CaringKind in a manner consistent with the standard of prudence prescribed by NYPMIFA. The amounts appropriated for expenditure represent amounts that were spent within the year in satisfying the purpose restriction.

CaringKind has considered the following factors in making a determination to appropriate or calculate donor-restricted endowment funds:

1. Duration of the fund
2. General purposes of CaringKind and the donor-restricted endowment funds
3. General economic conditions
4. Possible effect of inflation or deflation
5. Expected total return from income and appreciation of investments
6. Other resources of CaringKind
7. Investment policy of CaringKind

Return Objectives, Strategies Employed and Spending Policy

The objective of CaringKind is to maintain the principal endowment funds at the original amount designated by the donor. The investment policy to achieve this objective is to invest in low risk investments. Investment income earned in relation to the endowment funds is recorded as purpose restricted income. CaringKind has adopted a spending policy in which the total appropriation for expenditure for any given year is equal to or less than 7% of the average fair market values of the investments for the prior twenty fiscal quarters based on board approval.

Funds with Deficiencies

CaringKind does not have any funds with deficiencies.

Endowment Net Asset Composition by Type of Fund at June 30, 2025

	With Donor Restrictions		Total
	Accumulated Unspent Earnings	Original Donor Gift	
Cappiello-Finocchiaro	\$ 2,665	\$ 51,949	\$ 54,614
The Baschkopf Family	5,411	105,449	110,860
	<u>\$ 8,076</u>	<u>\$ 157,398</u>	<u>\$ 165,474</u>

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Note 8 - Endowment Funds (cont'd.)

Endowment Net Asset Composition by Type of Fund at June 30, 2024

	With Donor Restrictions		
	Accumulated	Original	
	Unspent Earnings	Donor Gift	Total
Cappiello-Finocchiaro	\$ 226	\$ 51,950	\$ 52,176
The Baschkopf Family	459	105,448	105,907
	<u>\$ 685</u>	<u>\$ 157,398</u>	<u>\$ 158,083</u>

Changes in Endowment Net Assets for the Year Ended June 30, 2025

	With Donor Restrictions		
	Accumulated	Original	
	Unspent Earnings	Donor Gift	Total
Endowment net assets, beginning of year	\$ 685	\$ 157,398	\$ 158,083
Interest and dividends, net	7,391	-	7,391
Endowment net assets, end of year	<u>\$ 8,076</u>	<u>\$ 157,398</u>	<u>\$ 165,474</u>

Changes in Endowment Net Assets for the Year Ended June 30, 2024

	With Donor Restrictions		
	Accumulated	Original	
	Unspent Earnings	Donor Gift	Total
Endowment net assets, beginning of year	\$ 4,433	\$ 157,398	\$ 161,831
Interest and dividends, net	8,191	-	8,191
Appropriations for expenditure	(11,939)	-	(11,939)
Endowment net assets, end of year	<u>\$ 685</u>	<u>\$ 157,398</u>	<u>\$ 158,083</u>

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Note 9 - Functional Expenses

Functional expenses consisted of the following for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Program expenses:		
Family support and education	\$ 1,695,988	\$ 1,548,010
Early-stage engagement services	1,055,640	1,457,724
Community building and special populations	435,766	314,499
Workforce development and consulting	382,940	181,964
Research	253,891	139,089
Public awareness	<u>680,921</u>	<u>609,005</u>
Total program expenses	4,505,146	4,250,291
Management and general	747,261	715,420
Fundraising	<u>1,037,837</u>	<u>907,271</u>
Total expenses	<u>\$ 6,290,244</u>	<u>\$ 5,872,982</u>

Note 10 - Retirement Plan

CaringKind has a defined contribution retirement plan for all eligible employees. CaringKind's contributions are equal to 5% of each employee's annual compensation. Retirement expense for the years ended June 30, 2025 and 2024 was \$128,406 and \$104,919, respectively.

Note 11 - Lease Agreements

CaringKind leases office space under a lease which expires in January 2028. In addition, CaringKind leases office equipment with lease payments through September 2026.

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Note 11 - Lease Agreements (cont'd.)

Lease activity for the years ended June 30, 2025 and 2024 was as follows:

	<u>2025</u>	<u>2024</u>
Lease cost:		
Finance lease cost:		
Amortization of right-of-use assets	\$ 11,994	\$ 11,993
Interest on lease liabilities	1,485	2,058
Operating lease cost	<u>551,267</u>	<u>551,267</u>
 Total lease cost	 <u>\$ 564,746</u>	 <u>\$ 565,318</u>
 Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Financing cash flows from finance leases	<u>\$ 16,779</u>	<u>\$ 16,207</u>
Operating cash flows from operating leases	<u>\$ 728,085</u>	<u>\$ 665,492</u>
Weighted average remaining lease term:		
Finance leases	<u>2.35 years</u>	<u>3.25 years</u>
Operating leases	<u>2.67 years</u>	<u>3.67 years</u>
Weighted average discount rate:		
Finance leases	<u>4.69%</u>	<u>4.69%</u>
Operating leases	<u>3.14%</u>	<u>3.14%</u>

Future minimum lease payments as of June 30, 2025 are as follows:

<u>Years Ending June 30:</u>	<u>Operating Leases</u>	<u>Finance Leases</u>
2026	\$ 733,684	\$ 18,264
2027	803,016	15,035
2028	468,426	-
Total future minimum undiscounted lease payments	<u>2,005,126</u>	<u>33,299</u>
Less: Amount representing interest	<u>84,405</u>	<u>1,173</u>
Present value of future payments	1,920,721	32,126
Less: Current lease liabilities	<u>751,279</u>	<u>17,374</u>
Long-term lease liabilities	<u>\$ 1,169,442</u>	<u>\$ 14,752</u>

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Note 12 - Joint Costs

CaringKind conducted activities that included requests for contributions as well as program components and incurred joint costs. These activities included special events such as the CaringKind Alzheimer's Walk, Forget-Me-Not Gala, and various Athletes to End Alzheimer's and other third-party events. Joint costs were allocated between program services and fundraising as follows for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Program services	\$ 359,811	\$ 273,415
Fundraising	<u>636,513</u>	<u>591,666</u>
	<u>\$ 996,324</u>	<u>\$ 865,081</u>

Note 13 - Estate Administration

In February 2023, CaringKind was appointed as the administrator of an estate, for which it is the beneficiary. In 2024, the estate cleared probate and in June 2025 approval was obtained from the New York State Charity Bureau of the estate's final accounting. As a result, CaringKind recorded bequest income of approximately \$340,000 and \$4,100,000 during the years ended June 30, 2025 and 2024, respectively, upon achieving the respective milestones.

Note 14 - Contingencies

Paycheck Protection Program

The Small Business Administration ("SBA") may undertake a review of a Paycheck Protection Program ("PPP") loan of any size greater than \$150,000 during the six year period following forgiveness or repayment of the loan. If selected, the review would include the loan forgiveness application, as well as whether CaringKind met the eligibility requirements of the PPP and received the proper loan amount. CaringKind received PPP loans in the amount of \$467,400 in April 2020 and again in March 2021, and received full forgiveness in December 2020 and September 2021, respectively. CaringKind is subject to an SBA review until December 2026 and September 2027, respectively. Whether CaringKind will be selected for an SBA review, as well as the timing and outcome, is not yet known.

Employee Retention Credit

The Internal Revenue Service ("IRS") may undertake a review of the Employee Retention Credit ("ERC") for a period of three years from the date the amended return was filed. CaringKind filed for refunds of \$80,365 in October 2021 for the first quarter and one third of the second quarter of 2020.

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Note 14 - Contingencies (cont'd.)

Letter of Credit

Caringkind has a standby letter of credit totaling \$137,598 for the benefit of its landlord. The letter of credit is set to expire on April 29, 2028, and is secured by two certificates of deposit held with its bank. The certificates of deposit are set to mature in January and May 2026.

Note 15 - Available Resources and Liquidity

As of June 30, 2025 and 2024, financial assets and liquidity resources available within one year to meet cash needs for general expenditures, reduced by amounts not available due to contractual or donor-imposed restrictions, were as follows:

	<u>2025</u>	<u>2024</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,089,355	\$ 342,735
Certificates of deposit	137,598	131,744
Investments	5,142,721	4,135,865
Contributions receivable, net	865,727	2,883,735
Accounts receivable	169,080	324,558
Total financial assets	<u>7,404,481</u>	<u>7,818,637</u>
Contractual or donor-imposed restrictions:		
Purpose restricted	(1,457,811)	(1,557,764)
Donor-imposed restrictions to be utilized in subsequent year	1,286,179	1,114,867
Endowments	(165,474)	(158,083)
Certificate of deposit pledged as collateral	<u>(137,598)</u>	<u>(131,744)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,929,777</u>	<u>\$ 7,085,913</u>

CaringKind regularly monitors the liquidity required to meet its operating needs and other contractual commitments. In order to meet liquidity goals, management meets on a monthly basis to review its operating budget, current period cash flows, and cash flow projections to ensure financial assets are available to cover general expenditures, liabilities and other obligations.

Note 16 - Subsequent Events

CaringKind has evaluated all events or transactions that occurred after June 30, 2025 through September 17, 2025, which is the date that the financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.