**Financial Statements** 

December 31, 2018 and 2017



# Long Island Council on Alcoholism and Drug Dependence, Inc. Table of Contents December 31, 2018 and 2017

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#### **Independent Auditors' Report**

To the Board of Directors of Long Island Council on Alcoholism and Drug Dependence, Inc.

We have audited the accompanying financial statements of Long Island Council on Alcoholism and Drug Dependence, Inc. ("LICADD"), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

#### Management's Responsibility for the Financial Statements

Baker Tilly Virchaw & rause, LLP

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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' 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 LICADD as of December 31, 2018 and 2017, 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.

Melville, New York June 17, 2019

## Long Island Council on Alcoholism and Drug Dependence, Inc. Statements of Financial Position

December 31, 2018 and 2017

	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	\$ 373,381	\$ 204,321
Investments	742,488	759,099
Contributions receivable, net of allowance of \$5,000 and \$8,300 in 2018 and 2017, respectively	122,798	51,800
Contracts receivable	92,694	98,007
Prepaid expenses	14,272	8,064
Total current assets	1,345,633	1,121,291
Investments, Perpetual Endowments	400,000	400,000
Property and Equipment, Net	21,554	25,894
Other Assets		
Security deposits	13,561	13,561
Total assets	\$ 1,780,748	\$ 1,560,746
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 71,624	\$ 84,369
Deferred revenue	55,942	45,775
Total current liabilities	127,566	 130,144
Net Assets		
Net assets without donor restrictions	594,096	549,488
Net assets with donor restrictions	 1,059,086	 881,114
Total net assets	 1,653,182	 1,430,602
Total liabilities and net assets	\$ 1,780,748	\$ 1,560,746

Statements of Activities

Years Ended December 31, 2018 and 2017

			2018		2017					
	Without Donor	V	Vith Donor	_		hout Donor	W	ith Donor		_
	Restrictions	R	estrictions	 Total	Re	strictions	Re	strictions		Total
Revenues										
Contributions and grants	\$ 125,772	\$	188,765	\$ 314,537	\$	207,718	\$	-	\$	207,718
Special events	721,951		-	721,951		734,315		-		734,315
Less direct expenses of special events	(175,987)		-	(175,987)		(199,449)		-		(199,449)
Program service revenues	683,825		-	683,825		613,959		-		613,959
Interest and dividend income, net	1,359		8,602	9,961		612		1,738		2,350
Realized gain on investments	2,013		11,500	13,513		732		575		1,307
Unrealized (loss) gain on investments	(15,355)		(30,895)	(46,250)		4,767		38,258		43,025
Net assets released from restriction				 		150,000		(150,000)		-
Total revenues	1,343,578		177,972	 1,521,550		1,512,654		(109,429)		1,403,225
Expenses										
Program services										
Alcoholism and substance abuse services	839,032		-	839,032		796,735		-		796,735
Supporting services:										
Management and general	217,478		-	217,478		297,366		-		297,366
Fundraising	242,460			 242,460		221,872		<u>-</u>		221,872
Total expenses	1,298,970			 1,298,970		1,315,973				1,315,973
Change in net assets	44,608		177,972	222,580		196,681		(109,429)		87,252
Net Assets, Beginning	549,488		881,114	1,430,602		352,807		990,543		1,343,350
Net Assets, Ending	\$ 594,096	\$	1,059,086	\$ 1,653,182	\$	549,488	\$	881,114	\$	1,430,602

## Long Island Council on Alcoholism and Drug Dependence, Inc. Statement of Functional Expenses

Year Ended December 31, 2018

		rogram ervices	Supporting Services					
	and	coholism Substance Abuse ervices	Management and General		Fundraising			Total
Payroll and related expenses	\$	720,189	\$	80,634	\$	151,581	\$	952,404
Utilities		7,898		2,762		2,340		13,000
Telephone		8,482		773		900		10,155
Credit card fees		-		8,620		237		8,857
Computer expense		3,073		707		10,490		14,270
Depreciation		-		4,340		-		4,340
Dues and subscriptions		-		-		135		135
Education and training		1,999		785		980		3,764
Equipment rental		8,265		2,762		2,162		13,189
Management fee		-		59,478		-		59,478
Fees and expenses		453		419		759		1,631
Contributions		500		3,050		350		3,900
Postage and delivery		331		239		8,145		8,715
Printing and reproduction		5,483		550		24,605		30,638
Professional fees		11,642		31,475		-		43,117
Rent		51,188		16,695		14,111		81,994
Travel		9,967		1,281		4,453		15,701
Office expenses		7,812		2,525		1,916		12,253
Miscellaneous		-		367		921		1,288
Bad debt		1,750		-		18,375		20,125
Repairs and maintenance				16				16
Total expenses	\$	839,032	\$	217,478	\$	242,460	\$	1,298,970

## Long Island Council on Alcoholism and Drug Dependence, Inc. Statement of Functional Expenses

Year Ended December 31, 2017

	S	Program Services	Supporting Services				
	Alcoholism and Substance Abuse Services		Management and General Fundraising		Fundraising		 Total
Payroll and related expenses	\$	636,204	\$	70,472	\$	134,198	\$ 840,874
Utilities		3,294		1,152		976	5,422
Telephone		8,150		743		865	9,758
Contract services		68		182		-	250
Advertising and promotion		-		-		312	312
Credit card fees		-		8,259		227	8,486
Computer expense		3,207		738		10,945	14,890
Depreciation		-		5,802		-	5,802
Dues and subscriptions		-		-		2,654	2,654
Education and training		1,088		427		533	2,048
Equipment rental		6,994		2,337		1,829	11,160
Management fee		-		55,208		-	55,208
Payroll service fee		2,530		393		490	3,413
Fees and expenses		772		714		1,292	2,778
Contributions		781		4,763		547	6,091
Postage and delivery		329		237		8,103	8,669
Printing and reproduction		5,336		535		23,945	29,816
Professional fees		44,022		119,018		-	163,040
Rent		63,405		20,679		17,479	101,563
Travel		9,107		1,171		4,069	14,347
Office expenses		9,984		2,645		1,153	13,782
Miscellaneous		473		1,799		4,684	6,956
Bad debt		991		-		7,571	8,562
Repairs and maintenance				92			92
Total expenses	\$	796,735	\$	297,366	\$	221,872	\$ 1,315,973

Statements of Cash Flows

Years Ended December 31, 2018 and 2017

	 2018	2017
Cash Flows from Operating Activities		
Change in net assets	\$ 222,580	\$ 87,252
Adjustments to reconcile change in net assets to		
net cash flows from operating activities:		
Depreciation	4,340	5,802
Bad debt expense	20,125	8,562
Realized gain on investments	(13,513)	(1,307)
Unrealized loss (gain) on investments	46,250	(43,025)
(Increase) decrease in assets:		
Contributions receivable	(91,123)	(43,700)
Contracts receivable	5,313	(35,925)
Prepaid expenses	(6,208)	(2,340)
Security deposits	-	2,600
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(12,745)	3,628
Deferred revenue	 10,167	 39
Net cash flows from operating activities	 185,186	 (18,414)
Cash Flows from Investing Activities		
Proceeds from sale of investments	422,431	1,458,414
Purchase of investments	(438,557)	(1,471,167)
Purchase of property and equipment	 	(23,983)
Net cash flows from investing activities	 (16,126)	(36,736)
Net increase (decrease) in cash and cash equivalents	169,060	(55,150)
Cash and Cash Equivalents, Beginning	 204,321	259,471
Cash and Cash Equivalents, Ending	\$ 373,381	\$ 204,321

Notes to Financial Statements December 31, 2018 and 2017

#### 1. Description of Organization

Established in 1956, Long Island Council on Alcoholism and Drug Dependence, Inc. ("LICADD") is a nonprofit organization dedicated to the prevention of drug and alcohol abuse and the promotion of recovery from addiction. For 60 years, LICADD has successfully delivered a wide range of evidencebased programs designed to prevent and treat substance abuse and addiction and has built a stellar reputation as a community leader and partner to treatment providers, faith-based organizations and government agencies across the region. LICADD is the leading expert in chemical dependency evaluation and treatment placements on Long Island. With offices in Westbury, Hauppauge and Riverhead, New York, LICADD is positioned to provide easy access to a continuum of supportive services to the community. LICADD offers crisis intervention, screening, brief intervention and referrals to treatment ("SBIRT") and family-based interventions to local residents struggling with addiction. LICADD's prevention programs include the Too Good for Drugs program, parent workshops, alcohol education classes and professional training. LICADD continues to lead the fight to erase the stigma of the disease of addiction and has successfully rallied young people in recovery to increase public attention to addiction. The agency's "Open Arms Employee Assistance Program" ("EAP"), serves thousands of employees and their families annually providing confidence assistance, supervisory training and critical incident stress debriefing ("CISD"). LICADD's primary sources of revenue are contributions, grants and special events.

As of July 31, 2015, LICADD entered into a Member Substitution agreement with Family and Children's Association ("FCA") in which FCA became the sole member of LICADD. For the years ended December 31, 2018 and 2017, respectively, LICADD paid FCA a management fee of approximately \$59,000 and \$55,000 for payroll, bookkeeping and general supporting services. As of December 31, 2018 and 2017, approximately \$20,000 and \$22,000, respectively, is included in accounts payable and accrued expenses on the statements of financial position.

#### 2. Summary of Significant Accounting Policies

#### **Basis of Presentation**

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

#### **Contributions**

LICADD reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 as net assets released from restriction. Net assets with donor restrictions that originate in a given year and are released from restriction in the same year by meeting the donors' restricted purposes are reflected in net assets without donor restrictions.

Notes to Financial Statements December 31, 2018 and 2017

#### **Program Service Revenues and Contracts Receivable**

Revenues and contracts receivable from program service fees are recognized when earned. Government grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors.

Deferred revenue represents amounts received for EAP services that have not yet been earned. These amounts will be earned during the following fiscal year as services are performed.

#### **Net Assets**

The net assets of LICADD are classified as follows:

Net assets without donor restrictions include amounts associated with the principal operating activities of LICADD and are not subject to donor-imposed stipulations.

Net assets with donor restrictions are subject to donor-imposed stipulations that may or will be met either by actions of LICADD and/or the passage of time or must be maintained in perpetuity by LICADD.

#### **Fair Value**

In accordance with Accounting Standards Codification ("ASC") 820, LICADD must determine whether its assets and liabilities recorded at fair value are valued based on Level 1 (valued based on quoted prices in an active market for identical assets), Level 2 (valued based on significant other observable inputs) or Level 3 (valued based on significant unobservable inputs) measurements.

#### Cash and Cash Equivalents

LICADD considers all highly liquid debt instruments purchased with an original maturity of three months or less on the date of purchase to be cash equivalents, except for amounts held by investment managers, which are included in investments.

#### Investments

Investments are stated at fair value, based on quoted market prices of identical securities in an active market. Gains and losses on the sale of investments and investment income are recorded as increases and decreases in net assets without donor restrictions unless their use is restricted by donor stipulations.

#### **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-adjusted 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.

#### **Allowance for Doubtful Accounts**

Management must make estimates of uncollectability of receivables. Management specifically analyzes contributions and contracts receivable, historical bad debts, current funding trends and changes in payment trends when evaluating the adequacy of the allowance for doubtful accounts.

Notes to Financial Statements December 31, 2018 and 2017

#### **Property and Equipment**

Property and equipment is stated at cost. The costs of additions and betterments are capitalized when they exceed \$1,000 and have a useful life of over one year, and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income. Gifts-in-kind are recorded at fair value at the date of donation.

Depreciation of property and equipment is provided utilizing the straight-line method over the estimated useful lives as follows:

Computer and office equipment

5-7 years

#### Allocation of Expenses on a Functional Basis

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of LICADD. Some of the expenses are directly identified to their related program or supporting functions and are recorded accordingly. Payroll and related expenses have been allocated based on estimates of time and effort. Certain of the repairs and maintenance and depreciation are allocated based on square footage.

#### **Tax Status**

LICADD's income is exempt from federal income taxes under Section 501(c)(3) of the IRC and a similar provision of the New York State income tax laws. No income taxes were incurred for the years ended December 31, 2018 and 2017.

#### **Uncertain Tax Positions**

Management evaluated LICADD's tax positions and concluded that LICADD had taken no uncertain tax provisions that require adjustments to the financial statements to comply with the provisions of Financial Accounting Standards Board ("FASB") ASC No. 740, *Accounting for Uncertainty in Income Taxes*.

#### **Use of Estimates**

The preparation of financial statements in conformity with 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.

#### Reclassifications

Certain 2017 amounts were reclassified to conform to the 2018 presentation.

#### **Evaluation of Subsequent Events**

Management has evaluated subsequent events through June 17, 2019, the date the financial statements are available for issuance, for inclusion or disclosure in the financial statements.

Notes to Financial Statements December 31, 2018 and 2017

#### **Recent Accounting Pronouncements**

In August 2016, the FASB issued Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* LICADD was required to adopt ASU 2016-14 in 2018, and has applied the changes retrospectively to all periods presented. The following summarizes the applicable financial reporting items reflected in the LICADD financial statements as required by ASU 2016-14:

- (a) The unrestricted net asset class has been renamed Net Assets without Donor Restrictions;
- (b) The temporarily restricted and permanently restricted net asset classes have been combined into a single class called Net Assets with Donor Restrictions;
- (c) The financial statements include a disclosure about liquidity and availability of resources (Note 7);
- (d) Expenses are reported by both nature and function and the disclosure of specific methodologies used to allocate costs among program and supporting functions is included.
- (e) Additional disclosures related to underwater endowments are included in Note 6.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of ASU 2014-09 requires recognition of revenue to depict the transfer of goods or services to customers at an amount that reflects the consideration for what an organization expects it will receive in association with this exchange. ASU 2014-09 is effective for LICADD for fiscal years beginning after December 15, 2018. Management has concluded that the adoption of ASU 2014-09 will not impact LICADD's financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 is effective for LICADD for fiscal years beginning after December 15, 2019, with early adoption permitted. Management is currently evaluating the impact of ASU 2016-02 on LICADD's financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash.* The amendments in this update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period amounts shown on the statements of cash flows. ASU 2016-18 is effective for LICADD for fiscal years beginning after December 15, 2018. ASU 2016-18 is to be applied retroactively with transition provisions. Management is currently evaluating the impact of ASU 2016-18 on LICADD's financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. ASU 2018-08 is effective for LICADD for fiscal years beginning after December 15, 2018. Management is currently evaluating the impact of ASU 2018-08 on LICADD's financial statements.

Notes to Financial Statements December 31, 2018 and 2017

#### 3. Investments

Investments consist of cash and cash equivalents held by investment managers and the following funds valued using Level 1 inputs:

		2018		2017
Cash and cash equivalents Fixed income funds Equity funds	\$	3,774 903,029 235,685	\$	291,678 598,671 268,750
	_ \$_	1,142,488	\$	1,159,099

Interest and dividend income was approximately \$21,000 and \$16,000 for 2018 and 2017, respectively, and is presented net of related investment fees of approximately \$11,000 and \$14,000, respectively, on the statements of activities.

As of December 31, 2018 and 2017, \$400,000 of the investment portfolio was held as net assets with donor restrictions - perpetual endowment fund (Note 6).

#### 4. Property and Equipment

Property and equipment, net, as of December 31, consists of the following:

	 2018	 2017
Computer and office equipment Less accumulated depreciation	\$ 64,479 42,925	\$ 64,479 38,585
	\$ 21,554	\$ 25,894

Depreciation expense for the years ended December 31, 2018 and 2017 was approximately \$4,000 and \$6,000, respectively.

#### 5. Net Assets with Donor Restrictions

Net assets with donor restrictions are comprised of the following as of December 31:

	 2018	 2017
Substance abuse program - purpose restricted Criminal justice and diversion programming - purpose	\$ 13,765	\$ -
restricted	75,000	_
Criminal justice and diversion programming - time and	,	
purpose restricted	100,000	-
Perpetual endowment fund	400,000	400,000
Unappropriated endowment earnings	 470,321	 481,114
	 	 _
	\$ 1,059,086	\$ 881,114

Notes to Financial Statements December 31, 2018 and 2017

#### 6. Endowment Funds

#### General

LICADD's endowment consists of one individual donor restricted endowment fund established to support the labor associated with and management of alcoholism programs. 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

On September 17, 2010, the State of New York enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). LICADD has evaluated the effect of NYPMIFA on the investments, appropriation and management of institutional funds and has established procedures to comply with its provisions.

LICADD has interpreted NYPMIFA 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, LICADD classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment and (b) the original value of subsequent gifts to the perpetual endowment. Currently, there are no provisions in donor gift instruments that provide for any other accumulations to the perpetual endowments.

Earnings on the donor restricted endowment fund are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the organization 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.

LICADD has considered the following factors in making a determination to appropriate donor restricted endowment funds:

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

Notes to Financial Statements December 31, 2018 and 2017

#### Return Objectives, Strategies Employed and Spending Policy

The objective of LICADD 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 net assets with donor restrictions based on the terms of the endowment agreement.

From time to time, certain donor-restricted endowment funds may have a fair value less than the amount required to be maintained by donors or by law. Management has interpreted NYPMIFA to permit prudent spending from underwater endowments.

The following presents the composition of endowment net assets by type of fund as of December 31:

	2018 With Donor Restrictions						
		Original Gift	Acc	cumulated Gains		Total	
Donor-restricted endowment funds	\$	400,000	\$	470,321	\$	870,321	
Total	\$	400,000	\$	470,321	\$	870,321	
				2017			
Donor-restricted endowment funds	\$	400,000	\$	481,114	\$	881,114	
Total	\$	400,000	\$	481,114	\$	881,114	

The changes in endowment net assets were as follows for the years ended December 31:

	 2018	2017
Net assets, beginning of year Appropriated Interest and dividends Realized gain Unrealized (loss) gain	\$ 881,114 - 8,602 11,500 (30,895)	\$ 990,543 (150,000) 1,738 575 38,258
Net assets, end of year	\$ 870,321	\$ 881,114

In November 2017, the board of directors authorized a transfer of funds from investments to LICADD's operating account in order to utilize gains for operational costs. For the year ended December 31, 2017, \$150,000 was appropriated.

Notes to Financial Statements December 31, 2018 and 2017

#### 7. Liquidity and Availability of Resources

LICADD's financial assets available within one year of the balance sheet date for general expenditures such as operating expenses and fixed asset purchases are as follows as of December 31:

Cash and cash equivalents Investments Contributions receivable Contracts receivable		2018	 2017		
		373,381 1,142,488 122,798 92,694	\$ 204,321 1,159,099 51,800 98,007		
Less amounts unavailable for general expenditures within one year, due to:		1,731,361	1,513,227		
Time and purpose restricted Unappropriated endowment earnings Perpetual endowment fund		188,765 470,321 400,000	 481,114 400,000		
Total	\$	672,275	\$ 632,113		

As part of LICADD's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. LICADD's main source of liquidity is contributions and grants and special events revenue. Although a portion of investments is available for expenditure, it is not LICADD's intention to use investments for operating purposes.

#### 8. Pension Plans

#### 401(a) Plan

LICADD employees participate in a defined contribution pension plan sponsored by FCA. Annual contributions to the Plan are based on a percentage of each eligible employee's compensation, as determined by FCA's board of trustees (5 percent for the year ended December 31 2018). During the year ended December 31, 2018, the LICADD plan was merged into the FCA 401(a) Plan. Pension expense for the years ended December 31, 2018 and 2017 was approximately \$27,000 and \$18,000, respectively.

#### 403(b) Plan

LICADD employees participate in a Tax-Deferred Annuity ("TDA") Plan sponsored by FCA, which provides for employee deferrals only. During the year ended December 31, 2017, the LICADD plan was merged into the FCA 403(b) Plan.

Notes to Financial Statements December 31, 2018 and 2017

#### 9. Commitments

#### Office Space Leases

LICADD leases office space at its headquarters in Nassau County, which expires at the end of June 2022. LICADD also leases office space for two locations in Suffolk County. One of the leases is under a month-to-month agreement, and the other lease was under a noncancellable agreement that expired in August 2017.

As of December 31, 2018, future minimum rental payments are as follows:

Years ending December 31:		
2019	\$	91,501
2020		93,924
2021		52,947
2022		10,740

Rent expense for the years ended December 31, 2018 and 2017 totaled approximately \$82,000 and \$102,000, respectively.

249,112

#### 10. Concentration of Credit Risk

LICADD maintains cash balances in several financial institutions, which are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per institution. From time to time, LICADD's balances may exceed these limits.