

SunServe
Financial Statements
December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
SunServe
2312 Wilton Drive
Wilton Manors, FL 33305

Report on the Financial Statements

We have audited the accompanying financial statements of SunServe (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities 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 SunServe as of December 31, 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.

Liggett & Webb, P.A.

LIGGETT & WEBB P.A.
Certified Public Accountants
Boynton Beach, Florida
August 30, 2021

SunServe
Statement of Financial Position
As of December 31, 2020

ASSETS

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 125,167
Beneficial Interest in Assets held by Our Fund	11,240
Grants and Accounts Receivable	305,971
Prepaid Expenses	28,918
Total Current Assets	<u>471,296</u>

Furniture, Fixtures, & Equipment, Net	32,673
Deposits	11,677

TOTAL ASSETS	\$ <u>515,646</u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$ 72,594
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Total Liabilities	<u>72,594</u>
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Net Assets

Without Donor Restrictions	411,374
With Donor Restrictions	31,678

Total Net Assets	<u>443,052</u>
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TOTAL LIABILITIES AND NET ASSETS	\$ <u>515,646</u>
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The accompanying notes are an integral part of these financial statements.

SunServe
Statement of Activities
For the Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support:			
Support:			
Contributions	\$ 595,015	\$ 24,495	\$ 619,510
Private Grants	32,500	-	32,500
United Way	200,466	-	200,466
Government Grants	1,605,146	-	1,605,146
Total Support	<u>2,443,111</u>	<u>24,495</u>	<u>2,457,622</u>
Counseling Fees	44,246	-	44,246
Investments Income (Loss)	(963)	-	(963)
Net assets released from restriction			
Satisfaction on purpose restrictions	2,167	(2,167)	-
Total revenues, gains, and other support	<u>2,478,577</u>	<u>22,328</u>	<u>2,500,905</u>
Expenses			
Program Services	2,026,221	-	2,026,221
Fundraising	-	-	-
Management and General	453,468	-	453,468
Total expenses	<u>2,479,689</u>	<u>-</u>	<u>2,479,689</u>
Change in Net Assets	<u>(1,112)</u>	<u>22,328</u>	<u>21,216</u>
Net Assets, Beginning of year	412,486	9,350	421,836
Net Assets, End of year	<u>\$ 411,374</u>	<u>\$ 31,678</u>	<u>\$ 443,052</u>

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

SunServe
 Schedule of Functional Expense
 For the Year Ended December 31, 2020

	Case Management		Mental Health Services		Noble McArtor Adult Day Care		Substance Use Disorder		Transgender/ Women's Services		Youth and Family Services		Management & General		Fundraising	Total
Payroll	\$	252,794	\$	184,428	\$	174,343	\$	32,621	\$	101,708	\$	555,053	\$	305,762	\$	1,606,709
Payroll Taxes		16,467		11,995		10,530		2,152		6,787		38,337		14,699		100,967
Workers Comp		3,291		2,339		2,126		371		1,322		6,541		2,864		18,854
Employers benefits		32,053		23,821		22,377		502		10,355		67,046		6,615		162,769
Cost of Payroll		974		630		1,118		41		620		1,756		665		5,804
Total Payroll Expense		305,579		223,213		210,494		35,687		120,792		668,733		330,605		1,895,103
Advertising & Promotion		118		106		173		-		39		462		1,823		2,721
Assistance Fund		30,226		-		61,382		-		-		1,405		75		93,088
EPIC		-		-		-		-		-		-		-		1,900
Accounting		1,575		1,425		975		-		525		2,550		2,705		9,755
Background Checks		-		69		14		-		-		146		238		467
Computer Consulting		6,829		5,677		3,885		-		2,092		10,160		(590)		28,053
Credit Card Fees		-		-		-		-		-		-		3,181		3,181
Med Consulting		-		595		-		-		-		100		-		695
Psychiatric Services		-		30,500		-		-		-		-		-		30,500
Online Storage		-		-		-		-		-		-		-		768
HR Records		151		137		94		-		50		245		58		735
Insurance		2,541		2,485		1,678		-		944		4,647		9,163		21,458
Legal and Professional		-		-		-		-		-		-		12,355		12,355
Licenses		-		-		285		-		-		-		745		1,030
Occupancy		39,958		41,217		24,071		1,259		31,729		41,730		31,647		211,611
Bank Charges		-		-		-		-		-		-		296		296
Office Expense		1,019		266		182		243		40		1,287		7,605		10,642
Dues & Subscriptions		632		1,733		744		-		122		1,097		808		5,136
Equipment Lease		2,161		1,410		1,024		-		641		2,377		4,827		12,440
Food & Food Supplies		224		161		1,757		-		23		2,174		3,552		7,891
Entertainment		-		-		2,838		-		-		-		-		2,838
Printing		899		75		237		-		13		366		345		1,935
Supplies & Materials		5,289		2,389		8,982		-		576		8,302		10,569		36,107
Telephone		9,535		7,177		2,077		288		2,647		13,101		2,589		37,414
Other Misc Service Costs		2,805		1,177		10,115		-		-		389		634		15,120
Thou Art Women		-		-		-		-		5,000		-		18,550		23,550
Training		30		-		-		-		-		-		-		30
Travel		843		-		86		341		90		2,490		735		4,585
Depreciation		-		-		-		-		-		-		8,285		8,285
Total	\$	410,414	\$	319,812	\$	331,093	\$	37,818	\$	165,323	\$	761,761	\$	453,468	\$	2,479,689

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

SunServe
Statement of Cash Flows
For the Year Ended December 31, 2020

Operating Activities:	
Change in Net Assets	\$ 21,216
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	8,285
Forgiveness of PPP loan	(300,000)
Changes in Operating Assets and Liabilities:	
Grants and Accounts Receivable	(143,170)
Prepaid Expenses	(20,816)
Unrealized Loss, net	1,548
Accounts Payable	<u>(2,323)</u>
Net Cash Used in Operating Activities	<u>(435,260)</u>
Investing Activities:	
Purchases of Furniture, Fixture & Equipment	(5,107)
Beneficial Assets Held at Our Fund	<u>149,774</u>
Net Cash Provided by Investing Activities	<u>144,667</u>
Financing Activities:	
Proceeds from PPP loan	<u>300,000</u>
Net Cash Provided by Financing Activities	<u>300,000</u>
Net Increase in Cash and Cash Equivalents	9,407
Cash and Cash Equivalents, Beginning of Year	115,760
Cash and Cash Equivalents, End of Year	\$ <u><u>125,167</u></u>
Supplemental Disclosure of Cash Flow Information:	
Cash paid for interest	\$ <u><u>-</u></u>
Cash paid for income taxes	\$ <u><u>-</u></u>

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

SunServe
Notes to the Financial Statements
For the Year Ended December 31, 2020

1. DESCRIPTION OF ORGANIZATION

Sunshine Social Services, Inc. dba SunServe, Inc. (the "Organization") is a Florida nonprofit entity, which was incorporated in 2002. As the first agency to provide social service needs of the LGBTQ community of South Florida, the Organization has been an advocate, ally and champion for economically disadvantaged and marginalized youth, families, adults and seniors. Located in the heart of Wilton Manors, the second-highest per capita LGBTQ population in the United States, the Organization was created by a team of dedicated community volunteers who wanted to provide vital quality care to high-risk and vulnerable members of the LGBTQ community.

Mission Statement: Recognizing that the entire LGBTQ community has the right to quality care, our mission is to provide critical life assistance and professional mental health services with emphasis on economically disadvantaged, marginalized youth, adults and seniors in the greater South Florida metropolitan area.

Mental Health Services

Our first program, started in 2002 has become one of our largest. SunServe provides a full range of out-patient mental health services including, couples, family and group treatment at the SunServe offices. There is a combination of licensed clinicians, registered interns and master's level students providing services. Services are provided on a sliding payment scale, with no one turned away due to lack of funds.

Noble A. McArtor Senior Center/Senior Services

The Noble A. McArtor Adult Day Care Center was the first of its kind in the United States. A senior daycare designated for LGBTQ seniors. The Center was founded by a team of individuals whose vision created a safe, open and home-like atmosphere for all seniors and their caregivers to enjoy, regardless, and supportive of any sexual orientation, race, age, gender, religion, economic level or ability to pay.

Youth & Family Services

Youth and Family Services is SunServe's largest department. Therapy is provided for LGBTQ youth of all ages, as well as their family members. Life coaching is provided; understanding as education, whether vocational or college, is essential to living a full life. Staff works with Broward County Schools and their GSAs. Counseling is provided both in home and in office. Six different youth support groups are offered around the county.

SunServe
Notes to the Financial Statements
For the Year Ended December 31, 2020

1. DESCRIPTION OF ORGANIZATION (CONT'D)

Case Management

SunServe provides housing case management for those living with HIV. Our program is based on housing being an integral part of good health; and we do everything to keep people employed, housed and earning an income. We provide case management to those with substance abuse issues and mental health issues as well.

Transgender Services

SunServe offers support to clients who are anywhere in the transitioning process. Whether at beginning and looking for counseling services, to name and passport changes, to quality medical services and job placement – Our case management will help folks to reach their full potential. Several support groups are offered.

Women's Services

Lesbian and trans-women receive guidance on medical care, housing assistance, understanding and sympathetic physicians and support from their own. Cancer care and awareness are goals of the program. SunServe also provides comprehensive LGBTQ Competency training to municipalities, companies, non-profits and to the general public.

Substance Use Disorder

The program provides clients with substance abuse treatment, attain/maintain stable housing, reduce corrective involvement in the legal system and employment assistant through linkage to our case management, mental health services and housing programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies: The Organization prepares its financial statements in accordance with generally accepted accounting principles (GAAP) promulgated in the United States of America for NFP's. The significant accounting and reporting policies used by the Organization are described below to enhance the usefulness and understandability of the financial statements.

Basis of Presentation: The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

SunServe
Notes to the Financial Statements
For the Year Ended December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Net Assets: Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Without Donor Restrictions – Without Donor Restrictions net assets are resources available to support operations. The only limits on the use of without donor restrictions net assets are the broad limits resulting for the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

With Donor Restrictions – With donor restrictions net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Organization's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from with the donor restrictions to without donor restrictions net assets. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

As of December 31, 2020, net assets with donor restrictions were available for the following:

Subject to expenditure for specified purpose	
Epic	\$ 7,183
AIDS Walk	24,495
Total	\$ 31,678

Net assets with donor restrictions released for the year ended December 31, 2020 are as follows:

Releases from restrictions:	
Subject to expenditure for specified purpose	
Epic	\$ 1,990
Bus Passes	267
Total	\$ 2,167

SunServe
Notes to the Financial Statements
For the Year Ended December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Tax Status: The Organization is incorporated exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, though it would be subject to tax on income related to its exempt purposes (unless that income is otherwise excluded by the Code). Contributions to the Organization are tax deductible to donors under section 170 of the Code. The Organization is not classified as a private foundation at report date, the Organization federal income tax returns for 2018, 2019, and 2020 remain open to examination by the Internal Revenue Service.

Functional Expense Recognition and Allocation: The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited. General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgments contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Cash and Cash Equivalents: Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of 90 days or less, unless the investments are held for meeting restrictions of a capital or endowment nature

Grants Receivable: Grants receivable are primarily unsecured amounts due from grantors on cost reimbursement or performance grants. Management believes that all outstanding accounts receivable are collectible in full, therefore no allowance for uncollectible receivables has been provided.

Promises to Give: The Organization records unconditional promises as pledges receivable at the date when the promise is received. These pledges receivable are reduced by an allowance for uncollectible pledges, if deemed necessary, and are discounted to the present value of their expected future cash flows if due in more than one year. As of December 31, 2020, the Organization had no promises to give.

SunServe
Notes to the Financial Statements
For the Year Ended December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Furniture, Fixtures, and Equipment: Furniture, fixtures, and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. Equipment is capitalized if it has a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Furniture, Fixtures & Equipment	3 & 5 years
Leasehold Improvements	15 years

Furniture, fixtures, and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Use of Estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization's management believes that the estimates and assumptions are reasonable in the circumstance; however, the actual results could differ from those estimates.

Grant Revenue: Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget Circular A-133 and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

Contributions: Contributions are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. Time-restricted and purpose-restricted contributions are required to be reported as donor restricted support. When a restriction expires (that is, 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. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

SunServe
Notes to the Financial Statements
For the Year Ended December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Restricted Collection: The Organization acts as a pass through agent for organizations that do not have 501 (c) (3) designation. The Organization receives funds for these organizations and pays the expenses for the funded amount. Contributions are recorded as with donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, 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.

Contributed Services: Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

The Organization follows Topic ASC 606 which requires the Organization to distinguish between contributions that increase net asset without donor restrictions or with donor restrictions. It also requires recognition of contributed services meeting certain criteria at fair values. As of December 31, 2020, the Organization had no contributed services.

Advertising: The Organization uses advertising to promote its programs to the community it serves. The production costs of advertising are expensed as incurred. Advertising costs totaled \$2,721 for the year ended December 31, 2020.

Fair Value of Financial Instruments: Cash equivalents, beneficial interests, grant receivable, prepaid expenses, deposits and accounts payable are reflected in the financial statements at cost, which approximate fair value because of their short-term nature.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" ("ASU 2016-02"), which affects any entity that enters into a lease (as that term is defined in ASU 2016-02), with some specified scope exceptions. The main difference between the guidance in ASU 2016-02 and current GAAP is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under current GAAP. Recognition of these assets and liabilities will have a material impact to our consolidated balance sheets upon adoption. Under ASU 2016-02, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients. The ASU will be effective for not-for-profits for annual reporting periods being after December 15, 2020. The Organization does not believe the adoption of this guidance will have a material effect on the financial statements.

SunServe
Notes to the Financial Statements
For the Year Ended December 31, 2020

3. CONCENTRATION OF RISKS

Amounts held in financial institutions occasionally are in excess of the Federal Deposit Insurance Corporation. The Organization deposits its cash with high quality financial institutions, and management believes the Organization is not exposed to significant credit risk on those amounts. As of December 31, 2020, the Organization had no cash balances in excess of FDIC insurance at its financial institutions.

The majority of the Organization's contributions and grants are received from corporations, foundations, and individuals located in the greater Fort Lauderdale metropolitan area and from agencies of the State of Florida. As such, the Organization's ability to generate resources via contributions and grants is dependent upon the economic health of that area and of the State of Florida. An economic downturn could cause a decrease in contributions and grants that coincides with an increase in demand for the Organization's services.

As of December 31, 2020, the Organization had the following revenue concentrations.

	<u>Revenues</u>	<u>Grants Receivable</u>
ADRC	**	27%
AIDS Health Care Foundation	21%	-
Broward County	10%	**
Children's Service Council	14%	18%
City of Fort Lauderdale	13%	29%

** Less than 10%

4. LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$ 125,167
Beneficial interest held	11,240
Grants and Accounts receivable	305,971
Prepaid expenses	28,918
Financial assets at year end	<u>\$ 471,296</u>
Less those unavailable for general expenditure within one year due to:	
Restricted by donor with time or purpose restrictions	<u>(31,678)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 439,618</u>

SunServe
Notes to the Financial Statements
For the Year Ended December 31, 2020

4. LIQUIDITY AND AVAILABILITY (CONT'D)

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 balance sheet date and amounts set aside for long-term investing in endowments.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

5. DONOR ADVISED FUNDS

Investment decisions are managed solely by Our Fund. As Donor Advisor, Sunshine Social Services, Inc. dba SunServe within the guidelines of Our Fund, may advise as to distribution of the funds and or earning. During the year ended December 31, 2020, the Organization received \$151,322 from the fund and the fund balance as of December 31, 2020 was \$11,240.

6. FURNITURE, FIXTURES, AND EQUIPMENT

As of December 31, 2020, furniture, fixtures, and equipment consisted of:

Furniture, Fixtures, & Equipment	69,590
Leasehold Improvements	24,629
Total Furniture, Fixtures, & Equipment	94,219
Less: Accumulated Depreciation	(61,546)
Net Book Value	\$ 32,673

Depreciation expense was \$8,285 for the year ended December 31, 2020.

7. NOTE PAYABLE

On April 30, 2020, SunServe ("Borrower") received loan proceeds in the amount of \$300,000 from Bank United (the "Lender") under the Paycheck Protection Program ("PPP") established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The loan matures on April 29, 2022 and bears an interest rate of 1.00% fixed per annum, payable monthly commencing on November 29, 2020. The loan may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the PPP loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. SunServe used the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the PPP Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

SunServe had chosen to account for the PPP loan as a conditional contribution in accordance with FASB ASC 958-605, Not-for-Profit Entities: Revenue Recognition. SNMA had adopted the approach to recognize contribution income as the qualifying expense are incurred. On April 28, 2021, \$300,000 of the principal balance and related interest was forgiven.

SunServe
Notes to the Financial Statements
For the Year Ended December 31, 2020

8. COMMITMENTS AND CONTINGENCY

The Organization entered into an amendment to the original lease agreement on May 16, 2016 for the 2nd floor, Suite Numbers 3, 4, 5, 7, 8 & 13 of 2312 Wilton Drive, Wilton Manors, Florida for an average monthly fee of \$12,636. The lease extension extends the lease to June 30, 2020. During the year, the lease was verbally extended to September 30, 2020. The organization entered into a three-year lease on September 21, 2020 effective November 1, 2020 through October 31, 2023. The monthly fee beginning November 1, 2020 is \$11,182, then increases to \$11,629 on November 1, 2021, and increases to \$12,094 on November 1, 2022. The Organization rents space at a local church on a verbal month-to-month basis for \$4,000 a month for their senior and youth & family services.

For the Year Ending December 31,	
2021	135,078
2022	140,478
2023	120,940
Total	<u>\$ 396,496</u>

Rent expense was \$211,611 for the year ended December 31, 2020.

The organization has been and continues to be affected by the Covid-19 pandemic. Measures taken to contain the virus have affected our operations and could continue to affect our operations in the future, which include government ordered shut downs and limitations on social gatherings. The future impact to our operations cannot be predicted.

9. PENSION PLAN

In March of 2014, the Organization created a 403 (b) pension plans for employees. Amounts were deducted during the year from employees pay and were transferred to a 403 (b) pension plan provider. The Organization does not match employee contribution to the 403 (b).

10. SUBSEQUENT EVENTS

Date of Management's Review: In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 30, 2021, the date that the financial statements were issued.

During March 2021, the organization received \$317,547 of monies under round two of the Payroll Protection Program. The amounts are required to be spent on payroll and certain overhead costs within six months of funding. As of August 30, 2021, the organization has spent the monies on the qualifying expenses and expect those amounts to be fully forgiven.

On April 28, 2021, \$300,000 of the principal balance and related interest was forgiven related to the April 29, 2020 PPP loan.