

SunServe

Financial Statements

December 31, 2021

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Sunshine Social Services, Inc. dba SunServe  
2312 Wilton Drive  
Wilton Manors, FL 33305

### **Opinion**

We have audited the accompanying financial statements of Sunshine Social Services, Inc. dba SunServe (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities 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 SunServe as of December 31, 2021, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SunServe and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 SunServe's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SunServe'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 SunServe '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.

*Liggett & Webb, P.A.*

LIGGETT & WEBB P.A.  
*Certified Public Accountants*  
Boynton Beach, Florida  
July 20, 2022

SunServe  
Statement of Financial Position  
As of December 31, 2021

**ASSETS**

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$ 107,839
Grants Receivable	329,193
Prepaid Expenses	<u>18,375</u>
<b>Total Current Assets</b>	<b>455,407</b>

Furniture, Fixtures, & Equipment, Net	26,935
Deposits	11,677

**TOTAL ASSETS** \$ 494,019

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	\$ 15,389
Accrued Expenses	81,322
Line of Credit	<u>63,650</u>
<b>Total Liabilities</b>	<b>160,361</b>

**Net Assets**

Without Donor Restrictions	305,398
With Donor Restrictions	<u>28,260</u>
<b>Total Net Assets</b>	<b>333,658</b>

**TOTAL LIABILITIES AND NET ASSETS** \$ 494,019

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

SunServe  
Statement of Activities  
For the Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues, gains, and other support:</b>			
Support:			
Contributions, net	\$ 437,065	\$ 13,100	\$ 450,165
Private Grants	42,597	-	42,597
United Way	225,550	-	225,550
Government Grants	1,623,895	-	1,623,895
Total Support	2,329,107	13,100	2,342,207
Counseling Fees	14,322	-	14,322
Investments Income (Loss)	693	-	693
Net assets released from restriction			
Satisfaction on purpose restrictions	16,518	(16,518)	-
Total revenues, gains, and other support	2,360,640	(3,418)	2,357,222
<b>Expenses</b>			
Program Services	1,881,615	-	1,881,615
Fundraising	72,506	-	72,506
Management and General	512,495	-	512,495
Total expenses	2,466,616	-	2,466,616
<b>Change in Net Assets</b>	(105,976)	(3,418)	(109,394)
Net Assets, Beginning of year	411,374	31,678	443,052
Net Assets, End of year	\$ 305,398	\$ 28,260	\$ 333,658

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

SunServe  
 Schedule of Functional Expense  
 For the Year Ended December 31, 2021

	Case Management	Mental Health Services	Noble Adult Day Care	McArator Use Disorder	Substance Abuse	Women's Services	Youth and Family Services	Total Program	Management & General	Fundraising	Total
Payroll	\$ 267,480	\$ 163,414	\$ 147,622	\$ 67,000	\$ 70,416	\$ 470,144	\$ 1,186,076	\$ 333,432	\$ 50,875	\$ 1,570,383	
Payroll Taxes	21,797	8,954	10,116	5,657	5,642	37,068	89,234	21,493	3,750	114,477	
Workers Comp	2,843	1,456	1,641	758	812	5,344	12,854	2,700	590	16,144	
Employess benefits	14,184	5,430	23,128	8,877	7,958	68,545	128,122	25,712	6,383	160,217	
Cost of Payroll	986	561	753	312	411	2,387	5,410	964	105	6,479	
Total Payroll Expense	307,290	179,815	183,260	82,604	85,239	583,488	1,421,696	384,301	61,703	1,867,700	
Advertising & Promotion	-	-	479	-	-	738	1,217	8,321	2,606	12,144	
Assistance Fund	24,820	1,085	63,442	10,345	-	2,255	101,947	2,344	-	104,291	
Background Checks	98	-	45	195	97	-	435	741	-	1,176	
Computer Consulting	4,680	3,735	3,074	856	1,649	9,299	23,293	3,041	458	26,792	
Credit Card Fees	-	-	-	-	-	-	-	3,720	-	3,720	
Med Consulting	-	2,811	-	-	-	-	2,811	-	-	2,811	
Psychiatric Services	-	34,800	576	-	-	-	35,376	-	-	35,376	
Insurance	2,581	2,582	1,820	437	980	4,760	13,160	(882)	186	12,464	
Fundraising	1,784	1,747	8,297	500	596	1,962	14,886	4,182	500	19,568	
Legal and Professional	22,619	37,896	16,621	15,082	37,895	31,379	161,492	37,646	-	199,138	
Occupancy	-	-	-	-	-	-	-	561	43	604	
Bank Charges	71	43	1,240	34	43	(139)	1,292	137	-	1,429	
Office Expense	500	365	628	25	42	832	2,392	4,306	400	7,098	
Dues & Subscriptions	315	302	219	41	127	567	1,571	10,026	18	11,615	
Equipment Lease	364	-	624	46	54	599	1,687	3,986	-	5,673	
Food & Food Supplies	-	-	900	-	218	-	1,118	-	-	1,118	
Entertainment	14,723	1,748	4,214	169	1,201	7,407	29,462	34,238	145	63,845	
Supplies & Materials	8,476	3,534	3,482	1,884	1,955	9,610	28,941	7,041	1,616	37,598	
Telephone	173	-	864	-	-	175	1,212	-	-	1,212	
Program Services	-	-	-	-	30,601	-	30,601	-	-	30,601	
Thou Art Women	1,133	1,215	-	-	-	105	2,453	624	-	3,077	
Training	6	-	-	2,047	293	2,227	4,573	1,225	-	5,798	
Travel	-	-	-	-	-	-	-	6,937	-	6,937	
Depreciation	-	-	-	-	-	-	-	-	-	-	
Total	\$ 389,633	\$ 271,678	\$ 289,785	\$ 114,265	\$ 160,990	\$ 655,264	\$ 1,881,615	\$ 512,495	\$ 72,506	\$ 2,466,616	

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

SunServe  
Statement of Cash Flows  
For the Year Ended December 31, 2021

<b>Operating Activities:</b>	
Change in Net Assets	\$ (109,394)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	6,937
Forgiveness of PPP loan	(317,547)
Changes in Operating Assets and Liabilities:	
Grants Receivable	(23,222)
Prepaid Expenses	10,543
Realized Gain, net	(338)
Accounts Payable	15,389
Accrued Expenses	<u>8,728</u>
<b>Net Cash Used in Operating Activities</b>	<u>(408,904)</u>
<b>Investing Activities:</b>	
Purchases of Furniture, Fixture & Equipment	(1,199)
Beneficial Assets Held at Our Fund	<u>11,578</u>
<b>Net Cash Provided by Investing Activities</b>	<u>10,379</u>
<b>Financing Activities:</b>	
Proceeds from PPP loan	317,547
Line of Credit	<u>63,650</u>
<b>Net Cash Provided by Financing Activities</b>	<u>381,197</u>
Net Decrease in Cash and Cash Equivalents	(17,328)
Cash and Cash Equivalents, Beginning of Year	<u>125,167</u>
Cash and Cash Equivalents, End of Year	<u>\$ 107,839</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>	
Cash paid for interest	\$ <u>-</u>
Cash paid for income taxes	\$ <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, 2021

**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, 2021

**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").

SunServe  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

**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, 2021, net assets with donor restrictions were available for the following:

<b>Subject to expenditure for specified purpose</b>		
Epic	\$	7,183
Tennis Tournament Sponsorship		13,100
AIDS Walk		<u>7,977</u>
Total	\$	<u>28,260</u>

Net assets with donor restrictions released for the year ended December 31, 2021 are as follows:

<b>Releases from restrictions:</b>		
<b>Subject to expenditure for specified purpose</b>		
AIDS Walk		<u>16,518</u>
Total	\$	<u>16,518</u>

SunServe  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

**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 2019, 2020, and 2021 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, 2021, the Organization had no promises to give.

SunServe  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

**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, 2021

**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, 2021, 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 \$12,144 for the year ended December 31, 2021.

**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, 2021. 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, 2021

**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, 2021, 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, 2021, the Organization had the following revenue concentrations.

	<u>Revenues</u>	<u>Grants Receivable</u>
ADRC	**	21%
AIDS Health Care Foundation	14%	-
Broward County	11%	19%
Children's Service Council	14%	14%
City of Fort Lauderdale	16%	30%
United Way	10%	13%

\*\* 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	\$ 107,839
Grants Receivable	329,193
Prepaid Expenses	<u>18,375</u>
Financial assets at year end	<u>\$ 455,407</u>
Less those unavailable for general expenditure within one year due to:	
Restricted by donor with time or purpose restrictions	<u>(28,260)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 427,147</u>

SunServe  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

**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, 2021, the Organization received \$11,730 from the fund and the fund balance as of December 31, 2021 was \$0.

**6. FURNITURE, FIXTURES, AND EQUIPMENT**

As of December 31, 2021, furniture, fixtures, and equipment consisted of:

Furniture, Fixtures, & Equipment	70,789
Leasehold Improvements	24,629
Total Furniture, Fixtures, & Equipment	95,418
Less: Accumulated Depreciation	(68,483)
Net Book Value	\$ 26,935

Depreciation expense was \$6,937 for the year ended December 31, 2021.

**7. NOTES PAYABLE AND LINE OF CREDIT**

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, 2021

**7. NOTES PAYBALE AND LINE OF CREDIT (CONT'D)**

On February 25, 2021, the Organization entered into a line of credit agreement with Financing Solutions, LLC. with maximum funding of \$67,000. The line of credit is personally guaranteed by a Boar member and future receivables. Per the agreement, the contract fee is \$250 per \$5,000 requested and weekly payments begin seven days from receipt of funds. On December 29, 2021, the Organization received \$63,650 for the line of credit. As of December 31, 2021, the line of credit balance was \$63,650.

On March 15, 2021, SunServe (“Borrower”) received loan proceeds in the amount of \$317,547 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 March 15, 2026 and bears an interest rate of 1.00% fixed per annum, payable monthly commencing on January 15, 2023, if the Borrower has not applied for forgiveness. 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 January 14, 2022, \$317,547 of the principal balance and related interest was forgiven.

**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,	
2022	140,478
2023	120,940
Total	<u><u>\$ 261,418</u></u>

Rent expense was \$199,138 for the year ended December 31, 2020.

SunServe  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

**8. COMMITMENTS AND CONTINGENCY (CONT'D)**

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 where 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 July 20, 2022, the date that the financial statements were issued.

On January 14, 2022, \$317,547 of the principal balance and related interest was forgiven related to the March 15, 2021 PPP loan.