Audited Financial Statements

The Alliance for Eating Disorders Awareness, Inc.

December 31, 2020 and 2019

CALER, DONTEN, LEVINE, COHEN, PORTER & VEIL, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

THE ALLIANCE FOR EATING DISORDERS AWARENESS, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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COHEN, PORTER & VEIL, P.A.

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Independent Auditor's Report

To the Board of Directors
The Alliance for Eating Disorders Awareness, Inc.
West Palm Beach, Florida

We have audited the accompanying financial statements of The Alliance for Eating Disorders Awareness, Inc. (the "Alliance", a not-for-profit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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 audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 The Alliance for Eating Disorders Awareness, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Caler, Donten, Levine,
Cohen, Porter & Veil, P.A.

West Palm Beach, Florida
June 18, 2021

THE ALLIANCE FOR EATING DISORDERS AWARENESS, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash	$ 1,513,051	$ 1,414,306
Cash restricted for acquisition of property and equipment	268,470	-
Lease incentive receivable	116,530	-
Grant receivable	10,000	-
Investments	130,941	112,333
Prepaid expenses	31,799	19,733
TOTAL CURRENT ASSETS	2,070,791	1,546,372
PROPERTY AND EQUIPMENT, net	257,507	55,417
OTHER ASSET		
Security deposit	11,636	1,800
TOTAL ASSETS	$ 2,339,934	$ 1,603,589
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 21,506	$ 21,074
Accrued payroll and related liability	-	28,672
Refundable grant advance	-	31,917
Payroll Protection Program loan payable	85,900	-
Deferred revenue	125,236	124,520
TOTAL CURRENT LIABILITIES	232,642	206,183
NONCURRENT LIABILITY		
Lease incentive liability	116,530	-
TOTAL LIABILITIES	349,172	
NET ASSETS		
Without donor restrictions	1,461,430	1,251,466
With donor restrictions	529,332	145,940
TOTAL NET ASSETS	1,990,762	1,397,406
TOTAL LIABILITIES AND NET ASSETS	$ 2,339,934	$ 1,603,589

See notes to financial statements.

THE ALLIANCE FOR EATING DISORDERS AWARENESS, INC.

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2020 and 2019

	2020	2019
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES, GAINS, AND OTHER SUPPORT		
Revenues and gains		
Contributions	$ 411,338	$ 340,608
Special events	498,386	653,751
Costs of direct benefits to donors	(55,941)	(94,436)
Grants	111,501	109,083
Partnerships	170,998	120,000
Conferences	7,553	11,236
Psychological services fees	11,767	13,070
Investment return, net	10,662	24,020
Other	1,407	3,846
	1,167,671	1,181,178
Net assets released from restrictions	96,653	42,772
Total revenues, gains and other support	1,264,324	1,223,950
EXPENSES		
Program services		
Outreach, education, prevention, and treatment	756,992	738,252
Supporting services		
Management and general	176,284	190,131
Fundraising	121,084	130,192
Total supporting services	297,368	320,323
Total expenses	1,054,360	1,058,575
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	209,964	165,375
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Special events	38,045	66,383
Contributions	442,000	50,000
Net assets released from restrictions	(96,653)	(42,772)
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	383,392	73,611
INCREASE IN NET ASSETS	593,356	238,986
Net assets at beginning of year	1,397,406	1,158,420
NET ASSETS AT END OF YEAR	$ 1,990,762	$ 1,397,406

See notes to financial statements.

THE ALLIANCE FOR EATING DISORDERS AWARENESS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2020 and 2019

	2020				
	Program Services	Supporting Services			
	Outreach, Education, Prevention, and Treatment	Management and General	Fundraising	Costs of Direct Benefits to Donors	Total
Salaries	$ 279,028	$ 97,433	$ 31,630	$ -	$ 408,091
Payroll taxes and benefits	59,947	22,192	8,875	-	91,014
Auto expense	6,083	2,028	-	-	8,111
Board expense	-	1,339	-	-	1,339
Computer expense	52,930	2,399	1,200	-	56,529
Conferences	11,497	-	-	-	11,497
Depreciation	23,227	6,195	1,548	-	30,970
Event expenses	-	-	60,485	55,941	116,426
Independent contractors	171,046	-	-	-	171,046
Insurance	5,029	536	-	-	5,565
Meals	1,250	219	-	-	1,469
Membership	6,879	-	-	-	6,879
Office expense	21,515	4,465	5,672	-	31,652
Postage and printing	18,971	-	7,398	-	26,369
Professional fees	-	30,487	-	-	30,487
Rent	36,152	3,880	970	-	41,002
Social media	48,690	2,705	2,705	-	54,100
Travel	2,038	-	-	-	2,038
Utilities	12,710	2,406	601	-	15,717
TOTAL EXPENSES	756,992	176,284	121,084	55,941	1,110,301
Less expenses included with revenues on the statement of activities	-	-	-	(55,941)	(55,941)
Total expenses included in the expense section of the statement of activities	$ 756,992	$ 176,284	$ 121,084	$ -	$ 1,054,360

2019				
Program Services	Supporting Services			
Outreach, Education, Prevention, and Treatment	Management and General	Fundraising	Costs of Direct Benefits to Donors	Total
$ 285,834	$ 112,676	$ 34,383	$ -	$ 432,893
46,816	17,062	6,825	-	70,703
7,366	2,454	-	-	9,820
-	3,647	-	-	3,647
25,052	2,249	1,497	-	28,798
32,057	-	-	-	32,057
15,391	4,104	1,026	-	20,521
-	-	66,989	94,436	161,425
156,483	1,087	-	-	157,570
7,427	794	-	-	8,221
3,082	585	-	-	3,667
7,832	-	-	-	7,832
32,947	7,980	7,043	-	47,970
39,338	-	9,162	-	48,500
-	29,000	-	-	29,000
33,606	3,857	964	-	38,427
13,500	750	750	-	15,000
16,356	774	775	-	17,905
15,165	3,112	778	-	19,055
738,252	190,131	130,192	94,436	1,153,011
-	-	-	(94,436)	(94,436)
$ 738,252	$ 190,131	$ 130,192	$ -	$ 1,058,575

See notes to financial statements.

THE ALLIANCE FOR EATING DISORDERS AWARENESS, INC.

STATEMENTS OF CASH FLOWS

December 31, 2020 and 2019

	2020	2019
OPERATING ACTIVITIES		
Increase in net assets	$ 593,356	$ 238,986
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	30,970	20,521
Contribution restricted for long-term purposes	(385,000)	-
Net realized and unrealized gain on investments	(8,513)	(15,126)
Contributed securities	(10,095)	(10,064)
Changes in operating assets and liabilities		
Lease incentive receivable	(116,530)	-
Grant receivable	(10,000)	-
Prepaid expenses	(12,066)	(7,942)
Security deposit	(9,836)	-
Accounts payable	432	4,286
Accrued payroll and related liability	(28,672)	7,992
Refundable grant advance	(31,917)	2,417
Deferred rent	-	(4,259)
Deferred revenue	716	(82,330)
Lease incentive liability	116,530	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	129,375	154,481
INVESTING ACTIVITIES		
Sales of investments	-	1,012,000
Purchases of investments	-	(661,584)
Purchases of property and equipment	(233,060)	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(233,060)	350,416
FINANCING ACTIVITIES		
Contributions restricted for property and equipment	385,000	-
Proceeds of loan	85,900	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	470,900	-
INCREASE IN CASH	367,215	504,897
Cash at beginning of year	1,414,306	909,409
CASH AT END OF YEAR	$ 1,781,521	$ 1,414,306
Cash	1,513,051	1,414,306
Cash restricted for acquisition of property and equipment	268,470	-
TOTAL CASH	$ 1,781,521	$ 1,414,306
NON-CASH INVESTING ACTIVITY		
Contributed securities	$ 10,095	$ 10,064

See notes to financial statements.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Organization: The Alliance for Eating Disorders Awareness, Inc. (the "Alliance") is a not-for-profit organization incorporated under the laws of the State of Florida on October 2, 2000. The Alliance was formed to create a source of community outreach, education, awareness, and prevention of the various eating disorders for the greater Palm Beach County, Florida, area.

Basis of Presentation: The accompanying financial statements are presented on the accrual basis of accounting and present balances and transactions of the Alliance according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions as follows:

> *Net Assets Without Donor Restrictions* are resources generated from operations, unrestricted donations and lapse of temporary restrictions and are not subject to donor-imposed stipulations.
>
> *Net Assets With Donor Restrictions* are those whose use by the Alliance has been limited by donors and grantors to a specific time period, purpose or in perpetuity.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of net assets without donor restrictions.

Cash: Cash includes amounts on deposit in checking accounts and in a brokerage account. The Alliance had deposits that exceeded federal deposit insurance by approximately $789,000 and $670,000 at December 31, 2020 and 2019, respectively.

Investments: Investments consist of equity securities and exchange traded funds, both of which are recorded at fair value. The Alliance's investments are held by a brokerage firm and are not collateralized or insured. Interest income is recorded on the accrual basis and dividend income is recorded on the ex-dividend date.

Property and Equipment: Property and equipment is stated at cost or if donated, fair value at the date of the gift. All property and equipment with a cost in excess of $1,000 is capitalized. Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the related assets as follows:

Leasehold improvements	6 years
Equipment	5 years

Donated assets are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long donated assets must be maintained, the Alliance reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Alliance reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Refundable Grant Advance: During 2019 and 2018, the Alliance received conditional grant funds from a not-for-profit foundation which had to be used in support of a specific aspect of the Alliance's psychological services program within a specified time period. These funds were recognized as revenue when the Alliance incurred the specific expenses outlined in the grant agreement.

Deferred Revenue: Deferred revenue consists of amounts received for special events to be held in the subsequent year and partnerships applicable to the subsequent year. The deferred revenue balances at December 31, 2018, 2019 and 2020 were $206,850, $124,520 and $125,236, respectively, and represent contract liabilities that are generally recognized as revenue in the subsequent year.

Contributions: The Alliance recognizes contributions, including unconditional promises to give, as revenue in the period received and earned. Contributions are reported as with or without donor restrictions depending on the absence or existence of donor stipulations that limit the use of the support. Contributions received with donor restrictions that are met in the same reporting period are reported as revenue without donor restrictions and an increase in net assets without donor restrictions. Contributions from Board Members (cash and contributed services) totaled approximately $560,000 or 34% of total revenues, gains and other support for 2020 and $223,000 or 17% for 2019. Conditional promises to give, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Contributed Services: Contributed services (i.e. in-kind contributions) are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed professional services with a value of $32,000 and $54,000 were received and recorded as contribution revenue and corresponding expenses during the years ended December 31, 2020 and 2019, respectively. Additionally, a substantial number of unpaid volunteers have made significant contributions of their time to the Alliance. The value of such volunteered time is not reflected in these financial statements, since it does not meet the accounting recognition requirements.

Revenue Recognition: The Alliance has five main sources of revenue: contributions, special events income, grants, partnerships, and conferences and service fees. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Alliance records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Sponsorship revenue and ticket sales received in advance of the event are recorded as deferred revenue until the event takes place. Grant revenue is often conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. In these instances, amounts received are recognized as revenue when the Alliance has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as a refundable grant advance in the statement of financial position. At December 31, 2020 and 2019, the Alliance had received $0 and $31,917, respectively, of grants that have not been recognized because qualifying expenditures have not yet been incurred. These amounts are reported in the statements of financial position as a refundable grant advance. Unconditional grants are recorded as revenue when received.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Partnership revenues are nonrefundable exchange transactions in which other organizations pay a fee to become partners with the Alliance and receive benefits during the calendar year. These transactions include multiple performance obligations which are satisfied during the calendar year. Partnership payments received prior to the year the performance obligations will be satisfied are included in deferred revenue in the statement of financial position. At both December 31, 2020 and 2019, partnership payments received in advance totaled $35,000. Conference and psychological services fees are recognized as revenue when the conference takes place or the psychological counseling services are provided. Conference fees paid in advance are refundable until such time as the conference begins. There was no liability for conference registration fees paid in advance at December 31, 2020 and 2019. Psychological services fees are generally paid when the services are rendered.

<u>Functional Allocation of Expenses</u>: The costs of providing various programs and supporting services activities of the Alliance have been summarized on a functional basis in the accompanying statements of activities and functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses, which can be specifically identified with a functional category, are charged accordingly. Expenses which are not directly identifiable with a specific functional category require allocation on a reasonable basis that is consistently applied. Such expenses are allocated on the basis of estimates of time and effort.

<u>Income Taxes</u>: The Alliance is a not-for-profit organization exempt from income taxes under Internal Revenue Code Section 501(c)(3). The Alliance is classified as a publicly supported organization other than a private foundation. Therefore, no provision for income taxes has been made in these financial statements.

The Alliance evaluates its uncertain tax positions in accordance with FASB ASC 740, *Income Taxes*, which states that management's determination of the taxable status of an entity, including its status as a tax-exempt entity, is a tax position subject to the standards required for accounting for uncertainty in income taxes. Management does not believe that the Alliance has any significant uncertain tax positions that would be material to the financial statements. The Alliance's tax returns for tax years prior to 2017 are no longer subject to examination by taxing authorities.

<u>Recent Accounting Pronouncements</u>: The following updates to accounting standards have been issued by the FASB and may affect the Organization in future years. Management has not completed its analysis of the effects, if any, of the following standard:

> ASU 2016-02, *Leases*, requires lessees to record right-of-use assets and lease liabilities arising from most operating leases on the statement of financial position. This standard will be effective for the Organization for the year ending December 31, 2022 and must be adopted using a modified retrospective method.

> ASU 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, requires contributions of nonfinancial assets to be shown as a separate line item in the statement of activities, as well as certain required disclosures. This standard will be effective for the year ending December 31, 2022.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates and Assumptions: Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

Subsequent Events: The Alliance has evaluated subsequent events through June 18, 2021, which is the date the financial statements were available to be issued.

NOTE B - AVAILABILITY AND LIQUIDITY

The Alliance manages its liquidity to operate within a prudent range of financial soundness and stability, and maintain adequate liquid assets to fund operating needs. The Alliance aims to keep a minimum of nine months of budgeted operating expenditures in cash and also invests in marketable securities which include equity securities and exchange traded funds. In addition to financial assets available to meet general expenditures over the next 12 months, the Alliance operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The following table reflects the Alliance's financial assets as of December 31, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date. The Alliance considers contributions with donor restrictions for use in current programs which are ongoing, major, and central to its operations and expected to be used within one year to be available to meet cash needs for general expenditures within one year. General expenditures include administrative and general expenses, fundraising expenses and all expenditures related to its ongoing program related activities.

	2020	2019
Financial assets at December 31		
Cash	$ 1,781,521	$ 1,414,306
Receivables	126,530	-
Investments	130,941	112,333
Total financial assets at December 31	2,038,992	1,526,639
Less amounts not available to meet general expenditures within one year:		
Cash restricted for acquisition of property and equipment	(268,470)	-
Lease incentive receivable	(116,530)	-
Donor restricted net assets not expected to be used for general expenditures within one year	(61,517)	(12,279)
Total financial assets available at December 31	$ 1,592,475	$ 1,514,360

NOTE C - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The cost and fair value of investments at December 31, 2020 and 2019 were as follows:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Marketable equity securities	$ 66,372	$ 66,875	$ 56,277	$ 54,998
Exchange traded funds	54,465	64,066	54,465	57,335
Total Investments	$ 120,837	$ 130,941	$ 110,742	$ 112,333

The Alliance's investments are exposed to various risks, such as interest rate, market and credit risks. In addition, certain investments may be subject to additional risks including, foreign currency risk, derivatives risk, foreign and emerging markets risk, leveraging risk, liquidity risk, real estate risk and small company risk. Due to the various risks associated with investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the Alliance's account balances and the amounts reported in the statements of financial position.

FASB ASC 820, *Fair Value Measurements and Disclosures,* establishes a framework for measuring fair value through a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Alliance has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Inputs are unobservable for the assets or liabilities.

The fair value measurement of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Items Measured at Fair Value on a Recurring Basis: The following methods and assumptions were used by the Alliance in estimating the fair value of financial instruments that are measured at fair value on a recurring basis under FASB ASC 820:

Marketable equity securities and exchange traded funds: Actively traded securities are valued at the closing price reported in the market on which the individual securities are traded.

NOTE C - INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Alliance believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the methodologies used at December 31, 2020 and 2019.

The categorization of an investment or asset within the fair value hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Company's perceived risk of that investment.

Fair Value of Assets: The following table sets forth by level within the fair value hierarchy, the fair value of the Alliance's financial assets measured at fair value on a recurring basis at December 31, 2020 and 2019:

	Fair Value at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets				
Marketable equity securities	$ 66,875	$ -	$ -	$ 66,875
Exchange traded funds	64,066	-	-	64,066
Total Investments	$ 130,941	$ -	$ -	$ 130,941

	Fair Value at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets				
Marketable equity securities	$ 54,998	$ -	$ -	$ 54,998
Exchange traded funds	57,335	-	-	57,335
Total Investments	$ 112,333	$ -	$ -	$ 112,333

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2020 and 2019:

	2020	2019
Leasehold improvements	$ 118,986	$ 118,986
Equipment	30,239	30,239
Construction in Progress	233,060	-
	382,285	149,225
Less accumulated depreciation	(124,778)	(93,808)
	$ 257,507	$ 55,417

Depreciation expense was $30,970 and $20,521 for 2020 and 2019, respectively.

NOTE E - PAYROLL PROTECTION PROGRAM LOAN PAYABLE

On April 24, 2020, the Organization received a loan in the amount of $85,900 under the Paycheck Protection Program ("PPP") administered by the SBA, pursuant to the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). Interest accrued on the loan at 1.0% per month. Under the terms of the loan agreement, principal payments of $4,722 plus interest were due monthly on the loan commencing in November 2020 through maturity in April 2022. In June 2020, the Paycheck Protection Program Flexibility Act of 2020 was passed, extending the deferral period for payments of principal, interest and fees on all PPP loans. In March 2021, the full amount of the loan was remitted to the lender by the SBA and the loan and all accrued interest was forgiven.

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2020 and 2019:

	2020	2019
Purpose Restrictions		
Support groups and online referral guide	$ 124,332	$ 95,940
Programs in Palm Beach County	20,000	50,000
Construction and other costs related to new office	385,000	-
Total	$ 529,332	$ 145,940

Net assets with donor restrictions are released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by donors. Net assets were released from donor restrictions during the years ended December 31, 2020 and 2019, as follows:

	2020	2019
Purpose Restrictions Satisfied		
Support groups and online referral guide	$ 46,653	$ 42,772
Programs in Palm Beach County	50,000	-
Total	$ 96,653	$ 42,772

NOTE G - OPERATING LEASES

The Alliance conducts its operations from facilities which were leased under a three-year noncancelable operating lease which expired in September 2019, but was extended on a month-to-month basis. The Alliance is also leasing an automobile under a thirty-nine month noncancelable lease, expiring in February 2023 and office equipment under a sixty-three month noncancelable lease, expiring in December 2024. In July 2016, the Alliance entered into a three-year operating lease agreement for a facility to provide counseling services which expired in June 2019, but was extended on a month-to-month basis. Rent expense under these leases for the years ended December 31, 2020 and 2019, was $41,002 and $38,427, respectively.

NOTE G - OPERATING LEASES (Continued)

In 2020, the Alliance entered into a commitment to lease new office space. The new office space will replace the current operating and counseling services facilities. The lease commencement date for the new office space is May 15, 2021, with an initial lease term of seven years and four months plus three optional three year renewal terms. Also in 2020, the Alliance signed a contract with a construction company for the build out of the new office space, with projected total costs between $315,000 and $350,000. As of December 31, 2020, the Alliance had incurred construction costs related to the new office space of $233,060. The lease agreement provides for a tenant improvement allowance, in which the landlord is responsible for the lesser of half of the total value of the build out plus architectural costs and permitting fees or $145,000. The landlord's share of the build out costs is presented in the accompanying statement of financial position as a lease incentive receivable and liability. The lease incentive liability will be amortized over the initial lease term on a straight line basis as a reduction of rent expense, beginning on the lease commencement date.

Future minimum rental payments due under the leases as of December 31, 2020 were as follows:

Year Ending December 31,	Amount
2021	$ 59,830
2022	128,682
2023	126,567
2024	129,384
2025	128,098
Thereafter	231,534
	$ 804,095

NOTE H - ECONOMIC RISKS AND UNCERTAINTY

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of the coronavirus (COVID-19). The pandemic has significantly impacted economic conditions in the U.S. as federal, state and local governments reacted to the public health crisis by ordering the temporary closures of schools, public facilities and non-essential businesses and organizations, imposing travel restrictions and advising or mandating that individuals remain in their homes in order to slow the spread of the disease.

To date, the government mandated closures and other restrictions have resulted in the cancellation of certain Alliance fundraising events and reduction in size of other fundraising events.

As a result, the Alliance could experience adverse financial impacts on its operations for the fiscal year ending December 31, 2021. Due to the uncertainties involved with the pandemic, the ultimate impact on the Alliance cannot be determined at present and no provisions for any implications of the pandemic have been made in the accompanying financial statements.