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***GARDEN OF HOPE, INC.***

**Financial Statements  
for the Year Ended December 31, 2018  
and Independent Auditors' Report**

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# **GARDEN OF HOPE, INC.**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (WITH COMPARATIVE TOTALS FOR 2017)**

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• **MAIN OFFICE**  
133-10 39<sup>TH</sup> AVENUE  
FLUSHING, NY 11354  
TEL. (718) 445-6308  
FAX. (718) 445-6760

• **CALIFORNIA OFFICE**  
36 W BAY STATE STREET  
ALHAMBRA, CA 91801  
TEL. (626) 282-1630  
FAX. (626) 282-9726

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Garden of Hope, Inc.

We have audited the accompanying financial statements of the Garden of Hope, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses 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.

### ***Auditors' 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 the Garden of Hope, Inc. as of December 31, 2018, 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.

***Report on Summarized Comparative Information***

We have previously audited Garden of Hope, Inc.'s 2017 financial statements, and our report dated November 14, 2018, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Wei Wei & Co. LLP*

Flushing, New York  
November 11, 2019

## GARDEN OF HOPE, INC.

### STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2018 (WITH COMPARATIVE TOTALS FOR 2017)

<b>ASSETS</b>	<b>2018</b>	<b>2017</b>
<b>Current assets:</b>		
Cash and cash equivalents ( <i>Note 2</i> )	\$ 596,260	\$ 430,633
Grants receivable ( <i>Note 2</i> )	31,900	133,315
Prepaid expenses	7,259	5,902
Total current assets	635,419	569,850
Investments ( <i>Notes 2 and 4</i> )	17,239	8,940
Property and equipment, net ( <i>Notes 2 and 3</i> )	428,030	445,404
<b>Other Assets:</b>		
Security deposit	1,300	1,300
<b>TOTAL ASSETS</b>	<b>\$ 1,081,988</b>	<b>\$ 1,025,494</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 75,165	\$ 44,824
<b>Long-term Liabilities:</b>		
Loan payable ( <i>Note 6</i> )	55,000	118,500
<b>TOTAL LIABILITIES</b>	<b>130,165</b>	<b>163,324</b>
<b>Net assets:</b>		
Without donor restrictions ( <i>Note 2</i> )	951,823	862,170
<b>TOTAL NET ASSETS</b>	<b>951,823</b>	<b>862,170</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,081,988</b>	<b>\$ 1,025,494</b>

See accompanying notes to financial statements.

**GARDEN OF HOPE, INC.****STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(WITH COMPARATIVE TOTALS FOR 2017)**

<b>SUPPORT AND REVENUE:</b>	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>2018</b>	<b>2017</b>
Contributions and grants	\$ 284,199	\$ -	\$ 284,199	\$ 244,315
Government grants	506,803	-	506,803	268,962
Special event revenue	276,037	-	276,037	228,671
Interest and other income	1,309	-	1,309	3,472
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>1,068,348</b>	<b>-</b>	<b>1,068,348</b>	<b>745,420</b>
<b>EXPENSES:</b>				
Program services:				
Community education/outreach	41,528	-	41,528	31,504
Adult services	468,305	-	468,305	378,540
Children services	88,751	-	88,751	73,334
Safe house services	238,528	-	238,528	175,820
<b>Total program expenses</b>	<b>837,112</b>	<b>-</b>	<b>837,112</b>	<b>659,198</b>
Supporting services:				
Management and general	91,487	-	91,487	89,219
Fund-raising	48,477	-	48,477	24,999
<b>Total supporting expenses</b>	<b>139,964</b>	<b>-</b>	<b>139,964</b>	<b>114,218</b>
<b>TOTAL EXPENSES</b>	<b>977,076</b>	<b>-</b>	<b>977,076</b>	<b>773,416</b>
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	91,272	-	91,272	(27,996)
Investment loss	(1,619)	-	(1,619)	-
CHANGE IN NET ASSETS	89,653	-	89,653	(27,996)
NET ASSETS - BEGINNING OF YEAR	862,170	-	862,170	890,166
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 951,823</b>		<b>\$ 951,823</b>	<b>\$ 862,170</b>

See accompanying notes to financial statements.

**GARDEN OF HOPE, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018 (WITH COMPARATIVE TOTALS FOR 2017)**

	PROGRAM SERVICES				SUPPORTING SERVICES			2018	2017
	COMMUNITY EDUCATION/ OUTREACH	ADULT SERVICES	CHILDREN SERVICES	SAFE HOUSE	TOTAL PROGRAMS	MANAGEMENT AND GENERAL	FUND- RAISING		
PERSONNEL EXPENSES:									
Salary expense	\$ 28,965	\$ 294,387	\$ 46,123	\$ 105,621	\$ 475,096	\$ 26,053	\$ 8,684	\$ 509,833	\$ 403,609
Payroll taxes	2,302	20,065	3,666	8,395	34,428	2,071	691	37,190	31,842
Employee benefits	4,130	35,991	6,576	15,060	61,757	3,715	1,238	66,710	49,687
<b>TOTAL PERSONNEL EXPENSES:</b>	<b>35,397</b>	<b>350,443</b>	<b>56,365</b>	<b>129,076</b>	<b>571,281</b>	<b>31,839</b>	<b>10,613</b>	<b>613,733</b>	<b>485,138</b>
OPERATING EXPENSES:									
Advertising and promotion	627	6,973	2,472	2,472	12,544	-	2,552	15,096	10,149
Bank service charges	-	-	-	-	-	927	-	927	1,165
Dues and subscriptions	-	2,835	-	-	2,835	1,366	-	4,201	879
Designated education training	-	3,375	-	-	3,375	-	-	3,375	7,200
Food and meals	74	6,832	820	5,476	13,202	-	18,886	32,088	14,272
Financial assistance for clients	-	21,168	-	23,520	44,688	-	-	44,688	19,841
Insurance	-	1,690	381	1,354	3,425	381	-	3,806	4,496
Professional services and contractors	773	21,030	2,383	4,649	28,835	16,167	7,345	52,347	30,202
Materials and supplies	1,232	8,179	2,609	9,837	21,857	5,423	401	27,681	36,176
Summer camp and outside services	-	-	7,934	-	7,934	-	-	7,934	7,120
Repairs and maintenance	-	-	-	4,959	4,959	7,028	-	11,987	8,397
Occupancy	3,145	19,350	12,000	27,000	61,495	12,000	-	73,495	80,105
Office expenses	-	-	-	-	-	4,687	2,000	6,687	4,278
Information technology	-	13,132	2,233	-	15,365	3,740	-	19,105	-
Printing	-	960	540	-	1,500	630	6,680	8,810	9,022
Telephone	280	7,015	584	1,349	9,228	1,342	-	10,570	10,866
Travel and transportation for clients	-	5,323	430	9,250	15,003	-	-	15,003	16,001
Utilities	-	-	-	8,169	8,169	-	-	8,169	10,735
<b>TOTAL OPERATING EXPENSES</b>	<b>6,131</b>	<b>117,862</b>	<b>32,386</b>	<b>98,035</b>	<b>254,414</b>	<b>53,691</b>	<b>37,864</b>	<b>345,969</b>	<b>270,904</b>
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>41,528</b>	<b>468,305</b>	<b>88,751</b>	<b>227,111</b>	<b>825,695</b>	<b>85,530</b>	<b>48,477</b>	<b>959,702</b>	<b>756,042</b>
<b>DEPRECIATION</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,417</b>	<b>11,417</b>	<b>5,957</b>	<b>-</b>	<b>17,374</b>	<b>17,374</b>
<b>TOTAL EXPENSES</b>	<b>\$ 41,528</b>	<b>\$ 468,305</b>	<b>\$ 88,751</b>	<b>\$ 238,528</b>	<b>\$ 837,112</b>	<b>\$ 91,487</b>	<b>\$ 48,477</b>	<b>\$ 977,076</b>	<b>\$ 773,416</b>

See accompanying notes to financial statements.

## GARDEN OF HOPE, INC.

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2018 (WITH COMPARATIVE TOTALS FOR 2017)

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	<b>2018</b>	<b>2017</b>
Change in net assets	\$ 89,653	\$ (27,996)
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	17,374	17,374
Unrealized loss on investments	1,619	-
Donated investments	(9,918)	(8,940)
Changes in operating assets and liabilities:		
Decrease (increase) in grants receivable	101,415	(92,920)
(Increase) in prepaid expenses	(1,357)	(1,202)
Increase in accounts payable	30,341	22,334
Net cash provided by (used in) operating activities	<b>229,127</b>	<b>(91,350)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of property and equipment	-	(7,333)
Net cash (used in) investing activities	-	(7,333)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayments of loan payable	(63,500)	(68,000)
Net cash (used in) financing activities	(63,500)	(68,000)
NET CHANGE IN CASH	<b>165,627</b>	<b>(166,683)</b>
CASH - BEGINNING OF YEAR	<b>430,633</b>	<b>597,316</b>
<b>CASH - END OF YEAR</b>	<b>\$ 596,260</b>	<b>\$ 430,633</b>

### SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

See accompanying notes to financial statements.



# GARDEN OF HOPE, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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### 1. NATURE OF ORGANIZATION

The Garden of Hope, Inc. (the "Organization") was organized under section 402 of the Not-for-Profit Corporation Law of the State of New York on October 20, 2003.

The primary purpose of the Organization is to serve, care, and rebuild the lives of victims of domestic violence, sexual assault, and human trafficking. In addition to public education and outreach, the Organization provides services to women, youth, and children, through a toll-free hotline, culturally relevant crisis intervention, shelter, counseling, support groups, advocacy, case management, vocational training, summer camp for children, and parenting courses.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of accounting**

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

#### **Basis of presentation**

The financial statements of Band of Parents, Inc. have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require Band of Parents, Inc. to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

# GARDEN OF HOPE, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Cash and cash equivalents

For the purposes of the statement of cash flows, the Organization considers all demand deposits and money market funds with original maturities of three months or less to be cash equivalents.

#### Grants

Revenue from grants and contracts is recognized as revenue when expenditures are incurred for such grant purposes. Cash received in excess of expenditures incurred is recorded as refundable contractual advances and are recognized as revenue in the period the expenditure is incurred. Any unspent amounts might be returned to the granting agency or the granting agency can approve that those amounts be applied to a future grant period.

#### Grants receivable

On a periodic basis, the Organization evaluates receivable balances and establishes an allowance for doubtful accounts, when necessary, based on the history of past write-offs, the age of the receivable, collections and current economic conditions. Grants receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. The Organization considers grants receivable at December 31, 2018 to be fully collectible and, accordingly, no allowance for doubtful accounts has been recorded.

#### Revenue recognition

Public donations are reported at estimated net realizable amounts from public and corporate donors and program services.

The Organization follows U.S. GAAP guidance on accounting for contributions received and contributions made. Accordingly, contributed assets are recorded at fair value at date of donation. Services are recognized as revenue and assets or expenses at fair value if those services: (i) create or enhance nonfinancial assets; (ii) would typically need to be purchased by the Organization if they had not been provided by contribution; (iii) require specialized skills and are provided by individuals with those skills.

#### Advertising costs

Advertising costs are expensed as incurred and are included in advertising expense in the accompany statement of functional expenses. For the year ended December 31, 2018, the Organization had \$12,544 of advertising expenses.

# GARDEN OF HOPE, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property and equipment

Property and equipment are stated at cost. Donated assets are stated at the estimated fair value at the date of receipt. Expenditures that substantially increase estimated useful lives are capitalized. Maintenance and repairs are expensed as incurred. The Organization capitalizes additions and improvements in excess of \$1,000. Depreciation is computed using the straight-line method over estimated useful lives of five years to seven years for equipment, furniture and fixtures, and 27.5 years for buildings. When assets are retired or otherwise disposed of, their cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is included in operations.

#### Income tax status

The Organization is exempt from income tax under Internal Revenue Code section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code section. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The entity has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

The Organization follows the provisions of FASB ASC 740-10-25. The provisions prescribe a recognition threshold and measurement attribute for the recognition and measurement of tax positions taken or expected to be taken in income tax returns and require that uncertain tax positions are evaluated in a two-step process. As of December 31, 2018, the Organization does not have a liability for any unrecognized tax benefits. It is not anticipated that unrecognized tax benefits would significantly increase or decrease within 12 months of the reporting date.

The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Organization has filed Internal Revenue Service Form 990, Return of Organization Exempt from Income Tax, as required. Currently, the 2015, 2016, and 2017 tax years are open and subject to examination by the taxing authorities. However, the Organization is not currently under audit nor has the Organization been contacted by any of the taxing authorities.

# GARDEN OF HOPE, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Functional allocation of expenses

Expenses have been charged to program and supporting services, either directly when identifiable to a specific program, or indirectly based on management's estimate of the functional area benefited.

#### Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Fair value measurements

FASB 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

FASB ASC 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy:

- Level 1 Inputs - Unadjusted quoted market prices for identical assets and liabilities in an active market that the Organization has the ability to access.
- Level 2 Inputs - Inputs other than the quoted prices in level 1 that are observable either directly or indirectly.
- Level 3 Inputs - Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

FASB ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level 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.

# GARDEN OF HOPE, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Fair value measurements (continued)

As of December 31, 2018, other than investments, none of the assets and liabilities was required to be reported at fair value on a recurring basis. Carrying values of non-derivative financial instruments, including grants receivable, prepaid expenses, accounts payable and accrued expenses, investments, approximated their fair values due to the short-term nature of these financial instruments. There were no changes in methods or assumptions during the year ended December 31, 2018.

#### Investments

Investments in equity securities with readily determinable fair values are reported at their fair value based on quoted market prices in the statements of financial position. The Organization follows FASB ASC 958, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. In accordance with this standard, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in investment returns including investment fees in the statements of activities.

A decline in the market value of an investment security below its cost that is designated to be other than temporary is recognized through an impairment charge. That impairment charge would be included in the statements of activities and a new cost basis would be established. For the year ended December 31, 2018, the Organization did not record any impairment charges in the statements of activities.

The Organization records realized gains and losses on the trade date and changes in unrealized gains and losses recognized in the statements of activities as of the statement of financial position date. Other types of income that the Organization will continue to report in its statement of activities will be investment income such as interest and dividends, which are recognized on an accrual basis.

#### New accounting pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

## GARDEN OF HOPE, INC.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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#### 3. PROPERTY AND EQUIPMENT

In March 2016, the Organization exercised its option to purchase a shelter in the amount of \$400,000 located in Flushing, New York.

Property and equipment at December 31, 2018 consists of the following:

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Land	\$ 92,760
Building	310,545
Furniture and fixtures	13,265
Office equipment	19,539
Building improvements	46,158
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	482,267
Less, accumulated depreciation	(54,237)
	<hr/>
Property and equipment, net	\$ 428,030

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Depreciation expense for the year ended December 31, 2018 was \$17,374.

#### 4. INVESTMENTS

Financial assets have been valued using the fair value hierarchy as of December 31, 2018. All assets have been value using a market approach. There have been no changes in valuation techniques and related inputs.

Investments, measured fair value, at December 31, 2018 consist of the following:

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	Level 1	Level 2	Level 3	Total
Equities	\$ 17,239	\$ -	\$ -	\$ 17,239

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Investment transactions for the year ended December 31, 2018 are summarized as follows:

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Beginning balance	\$ 8,940
Donated stocks	9,918
Unrealized (loss)	(1,619)
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Ending balance	\$ 17,239

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## GARDEN OF HOPE, INC.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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#### 5. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2018:

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Cash and cash equivalents	\$	596,260
Grants receivables		31,900
Investments		17,239

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Financial assets available to meet general expenditures over the next twelve months	\$	645,399
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The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses.

#### 6. LOAN PAYABLE

The Organization entered into a five-year, noninterest-bearing purchase money mortgage loan in the principal amount of \$200,000 in March 2016 in connection with the purchase of the shelter. The purchase money mortgage loan does not require any interest payments, but allows for repayments to be made prior to the maturity date of March 28, 2021. As of December 31, 2018, the Organization has made principal payments of \$145,000.

#### 7. LEASE COMMITMENT

The Organization has entered into a one-year noncancelable lease for its office which has been renewed through December 31, 2018 and will expire at December 31, 2019. The lease provides for monthly payments of \$3,000. For the year ended December 31, 2018, occupancy expense amounted to \$36,000.

The Organization rents a shelter on a month-to-month basis. The lease agreement provides for monthly payments of \$1,200 from January to June 2018 for one unit and increased to \$3,000 from July 2018 for two units. The agreement expires on December 31, 2019. For the year ended December 31, 2018, occupancy expense amounted to \$25,200.

#### 8. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash at Amerasia Bank, Cathay Bank, and Chase Bank. The Federal Deposit Insurance Corporation ("FDIC") covers \$250,000 for substantially all depository accounts at each bank. The amount in excess of FDIC insurance at December 31, 2018 was approximately \$201,000.

## **GARDEN OF HOPE, INC.**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018**

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#### **9. CONTINGENCY**

The Organization participates in a government program. The program requires that the Organization comply with certain requirements of laws, regulations, contracts, and agreements applicable to the program in which it participates. All funds expended in connection with government grants are subject to audit by the government agencies. While the ultimate liability, if any, from such audits by government agencies is presently not determinable, it should not, in the opinion of the management, have a material effect on the financial position or results of operations. Accordingly, no provision for any such liability that may result has been made in the accompanying financial statements.

#### **10. SUBSEQUENT EVENTS**

The Organization's management has performed subsequent events procedures through November 11, 2019, which is the date the financial statements were available to be issued. There were no subsequent events requiring adjustment to or disclosure in the financial statement.