
GARDEN OF HOPE, INC.

**Financial Statements
for the Year Ended December 31, 2020
and Independent Auditors' Report**

GARDEN OF HOPE, INC.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (WITH COMPARATIVE TOTALS FOR 2020)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Garden of Hope, Inc.

Opinion

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, 2020, and the related statements of activities, functional expenses and cash flows for the year 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 the Garden of Hope, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Garden of Hope, Inc. 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 Garden of Hope, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 Garden of Hope, Inc.'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 Garden of Hope, Inc.'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.

Wei Wei & Co. LLP

Flushing, New York
November 4, 2021

GARDEN OF HOPE, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

(WITH COMPARATIVE TOTALS FOR 2019)

ASSETS	2020	2019
Current assets:		
Cash and cash equivalents <i>(Note 2)</i>	\$ 548,565	\$ 279,130
Grants receivable <i>(Note 2)</i>	298,301	444,946
Prepaid expenses	11,219	1,310
Total current assets	858,085	725,386
Investments <i>(Notes 2 and 4)</i>	34,153	24,530
Property and equipment, net <i>(Notes 2 and 3)</i>	403,169	414,399
Other Assets:		
Security deposit	1,300	1,300
TOTAL ASSETS	\$ 1,296,707	\$ 1,165,615
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 24,597	\$ 20,453
TOTAL LIABILITIES	24,597	20,453
Net assets:		
Without donor restrictions <i>(Note 2)</i>	1,272,110	1,145,162
TOTAL NET ASSETS	1,272,110	1,145,162
TOTAL LIABILITIES AND NET ASSETS	\$ 1,296,707	\$ 1,165,615

See accompanying notes to financial statements.

GARDEN OF HOPE, INC.**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)**

SUPPORT AND REVENUE:	Without Donor Restriction	With Donor Restriction	2020	2019
Contributions and grants	\$ 533,379	\$ -	\$ 533,379	\$ 422,941
Government grants	841,150	-	841,150	822,893
Special event revenue	-	-	-	164,236
PPP Loan	137,500	-	137,500	-
Interest and other income	1,256	-	1,256	5,700
TOTAL PUBLIC SUPPORT AND REVENUE	1,513,285	-	1,513,285	1,415,770
EXPENSES:				
Program services:				
Community education/outreach	51,138	-	51,138	48,959
Adult services	838,548	-	838,548	590,371
Children services	128,881	-	128,881	113,635
Safe house services	149,915	-	149,915	246,245
Total program expenses	1,168,482	-	1,168,482	999,211
Supporting services:				
Management and general	205,137	-	205,137	142,153
Fund-raising	22,159	-	22,159	88,358
Total supporting expenses	227,296	-	227,296	230,511
TOTAL EXPENSES	1,395,778	-	1,395,778	1,229,722
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	117,507	-	117,507	186,048
Investment gain (loss)	9,441	-	9,441	7,291
CHANGE IN NET ASSETS	126,948	-	126,948	193,339
NET ASSETS - BEGINNING OF YEAR	1,145,162	-	1,145,162	951,823
NET ASSETS - END OF YEAR	\$ 1,272,110	\$ -	\$ 1,272,110	\$ 1,145,162

See accompanying notes to financial statements.

GARDEN OF HOPE, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020 (WITH COMPARATIVE TOTALS FOR 2019)**

	PROGRAM SERVICES				SUPPORTING SERVICES			2020	2019
	COMMUNITY EDUCATION/ OUTREACH	ADULT SERVICES	CHILDREN SERVICES	SAFE HOUSE	TOTAL PROGRAMS	MANAGEMENT AND GENERAL	FUND- RAISING		
PERSONNEL EXPENSES:									
Salary expense	\$ 27,898	\$ 351,518	\$ 61,376	\$ 50,217	\$ 491,009	\$ 55,796	\$ 11,159	\$ 557,964	\$ 480,584
Payroll taxes	9,969	125,608	21,932	17,944	175,453	19,938	3,988	199,379	172,573
Employee benefits	7,221	90,988	15,887	12,998	127,094	14,443	2,889	144,426	119,311
TOTAL PERSONNEL EXPENSES:	45,088	568,114	99,195	81,159	793,556	90,177	18,036	901,769	772,468
OPERATING EXPENSES:									
Advertising and promotion	1,712	4,280	856	-	6,848	-	1,712	8,560	11,785
Bank service charges	-	-	-	-	-	423	-	423	589
Dues and subscriptions	-	3,240	1,620	-	4,860	2,025	1,215	8,100	3,383
Designated education training	-	2,014	-	-	2,014	-	-	2,014	1,699
Food and meals	98	9,022	1,083	3,123	13,326	-	-	13,326	82,751
Financial assistance for clients	-	172,099	-	-	172,099	-	-	172,099	50,320
Insurance	-	3,007	678	2,411	6,096	678	-	6,774	5,139
Professional services and contractors	1,231	33,481	3,793	7,401	45,906	25,738	-	71,644	64,787
Materials and supplies	1,441	6,061	3,054	5,282	15,838	16,691	-	32,529	25,241
License and permit	-	-	-	-	-	220	-	220	3,597
Summer camp and outside services	-	-	5,178	-	5,178	-	-	5,178	16,001
Repairs and maintenance	-	-	-	2,086	2,086	2,955	-	5,041	4,160
Occupancy	288	22,113	11,340	30,618	64,360	11,340	-	75,700	87,825
Office expenses	-	-	-	-	-	9,587	-	9,587	1,757
Information technology	-	-	-	-	-	22,479	-	22,479	20,461
Printing	855	1,282	940	-	3,077	-	1,196	4,273	10,466
Telephone	424	10,622	884	2,043	13,973	2,033	-	16,006	9,318
Travel and transportation for clients	-	3,213	260	5,583	9,056	-	-	9,056	18,927
Utilities	-	-	-	10,209	10,209	-	-	10,209	8,268
Miscellaneous expenses	-	-	-	-	-	2,043	-	2,043	12,529
TOTAL OPERATING EXPENSES	6,050	270,434	29,686	68,756	374,926	96,212	4,123	475,261	439,003
TOTAL EXPENSES BEFORE DEPRECIATION	51,138	838,548	128,881	149,915	1,168,482	186,389	22,159	1,377,030	1,211,471
DEPRECIATION	-	-	-	-	-	18,748	-	18,748	18,251
TOTAL EXPENSES	\$ 51,138	\$ 838,548	\$ 128,881	\$ 149,915	\$ 1,168,482	\$ 205,137	\$ 22,159	\$ 1,395,778	\$ 1,229,722

See accompanying notes to financial statements.

GARDEN OF HOPE, INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020 (WITH COMPARATIVE TOTALS FOR 2019)

CASH FLOWS FROM OPERATING ACTIVITIES:	2020	2019
Change in net assets	\$ 126,948	\$ 193,339
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	18,748	18,251
PPP loan forgiven	(137,500)	-
Unrealized (gain) and loss on investments	(9,623)	(7,291)
Changes in operating assets and liabilities:		
Decrease (increase) in grants receivable	146,645	(413,046)
(Increase) Decrease in prepaid expenses	(9,909)	5,949
Increase (Decrease) in accounts payable	4,144	(54,712)
Net cash provided by (used in) operating activities	139,453	(257,510)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(7,518)	(4,620)
Net cash (used in) investing activities	(7,518)	(4,620)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from PPP loan	137,500	-
Repayments of loan payable	-	(55,000)
Net cash (used in) financing activities	137,500	(55,000)
NET CHANGE IN CASH	269,435	(317,130)
CASH - BEGINNING OF YEAR	279,130	596,260
CASH - END OF YEAR	\$ 548,565	\$ 279,130

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, 2020

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.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-20) a global pandemic and recommended containment and mitigation measures worldwide. Furthermore, on March 21, 2020, New York Governor Andrew Cuomo issued an Executive Order entitled “New York State on PAUSE” (Policy that Assures Uniform Safety for Everyone) (the “Order”), pursuant to which, all non-essential employees (as defined by the State) must stay at home starting March 22, 2020. Beginning on March 15, 2020, prior to this order, the Organization announced the temporary closure of this facilities to protect its employees and the families and communities it serves. The Organization has experienced a loss in revenue but is taking steps to get back on track.

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:

GARDEN OF HOPE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation (continued)

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.

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, 2020 to be fully collectible and, accordingly, no allowance for doubtful accounts has been recorded.

GARDEN OF HOPE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

In May 2014, the FASB issued Accounting Standards Updated (“ASU”) No. 2014-09, “Revenue from Contract with Customers (Topic 606).” This Standard, along with its related amendments, requires the Organization to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of this standards in 2021 did not have a material effect on the Organization’s financial statements and required no adjustment.

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, 2020, the Organization had \$8,560 of advertising expenses.

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.

GARDEN OF HOPE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2020, 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 2017, 2018, and 2019 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.

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.

GARDEN OF HOPE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

As of December 31, 2020, 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, 2020.

GARDEN OF HOPE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2020, 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 20, 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.

3. INVESTMENTS

Financial assets have been valued using the fair value hierarchy as of December 31, 2020. All assets have been value using a market approach. There have been no changes in valuation techniques and related inputs.

GARDEN OF HOPE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

3. INVESTMENTS (continued)

Investments, measured fair value, at December 31, 2020 consist of the following:

	Level 1	Level 2	Level 3	Total
Equities	\$ 34,153	\$ -	\$ -	\$ 34,153

Investment transactions for the year ended December 31, 2020 are summarized as follows:

Beginning balance	\$ 24,530
Unrealized gain	9,623
Ending balance	\$ 34,153

4. 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, 2020 consists of the following:

Land	\$ 92,760
Building	310,545
Furniture and fixtures	16,285
Office equipment	27,557
Building improvements	47,258
	494,405
Less, accumulated depreciation	(91,236)
Property and equipment, net	\$ 403,169

Depreciation expense for the year ended December 31, 2020 was \$18,748.

GARDEN OF HOPE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

5. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2020:

Cash and cash equivalents	\$	548,565
Grants receivables		298,301
Investments		34,153

Financial assets available to meet general expenditures over the next twelve months	\$	881,019
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The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses.

6. LEASE COMMITMENT

The Organization has entered into a one-year noncancelable lease for its office which has been renewed through December 31, 2019 and will expire at December 31, 2020. The lease provides for monthly payments of \$3,000. For the year ended December 31, 2020, occupancy expense amounted to \$36,000.

The Organization entered into an operating lease agreement with Lily Chen Lee at a monthly rent of \$3,000, which will expire in 12/31/2024. For the year ended December 31, 2020, occupancy expense amounted to \$36,000.

7. 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, 2020 was approximately \$229,000.

GARDEN OF HOPE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

8. 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.

9. LOAN

On April 15, 2020, the Organization received loan proceeds in the amount of \$137,500 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying business. The PPP loan and its accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent and utilities and maintains its payroll levels. The unforgiven portion of the loan, if any, is payable over five years at an interest rate of 1%. The Company believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan.

The Small Business Administration (“SBA”) has authorized full forgiveness of PPP loan for the amount of \$137,500 as of November 4, 2020, which has been recognized as other income.

10. SUBSEQUENT EVENTS

The Organization’s management has performed subsequent events procedures through November 4, 2021, which is the date the financial statements were available to be issued. There were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein.