

GIVING HOPE, INC. AND SUBSIDIARY

Consolidated Financial Statements
and Supplementary Information
With Independent Auditors' Report
Years Ended December 31, 2020 and 2019

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Independent Auditors' Report

To the Board of Directors
Giving Hope, Inc.
New Orleans, Louisiana

We have audited the accompanying consolidated financial statements of Giving Hope, Inc. (a Louisiana not-for-profit corporation) and subsidiary, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, 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 consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but also 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 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Giving Hope, Inc. and subsidiary, as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principals generally accepted in the United States of America.

Dyess and Associates

Dyess and Associates
Mandeville, LA

September 10, 2021

Giving Hope, Inc. and Subsidiary
Consolidated Statements of Financial Position

Assets

	December 31	
	2020	2019
Assets:		
Current assets:		
Cash and cash equivalents	\$ 593,245	\$ 387,031
Accounts receivable	72,644	101,702
Donated inventory	81,897	36,731
Prepaid expenses	33,602	63,686
Total current assets	781,388	589,150
Property, buildings and equipment, net	3,969,557	4,003,829
Other assets:		
Deposits	1,723	1,723
Total assets	\$ 4,752,668	\$ 4,594,702
 Liabilities and net assets:		
Current liabilities:		
Accounts payable	\$ 84,911	\$ 38,265
Accrued liabilities	1,300	3,461
Deferred revenue	24,999	175,000
Total liabilities	111,210	216,726
Net assets:		
Without donor restrictions	182,243	76,443
With donor restrictions	4,459,215	4,301,533
Total net assets	4,641,458	4,377,976
Total liabilities and net assets	\$ 4,752,668	\$ 4,594,702

The accompanying notes are an integral part of these financial statements

Giving Hope, Inc. and Subsidiary
Consolidated Statements of Activities and Changes in Net Assets

	December 31	
	2020	2019
Changes in Net Assets Without Donor Restrictions:		
Revenues and gains		
Contributions of food, grocery and other products	\$ 9,959,120	\$ 5,951,782
Corporate contributions	250,620	342,400
Event revenue	453,452	546,350
Individual donations	179,983	46,904
Contributed goods and services	706,136	310,648
Grants	168,032	36,847
Program revenue	260,318	160,999
Total Revenues and Gains Without Donor Restrictions	11,977,661	7,395,930
Net Assets Released from Restrictions:		
Expiration of time restrictions	107,470	830,883
Total Net Assets Released from Restrictions	107,470	830,883
Total Revenues, Gains, and Other Support Without Donor Restrictions	12,085,131	8,226,813
Expenses and Losses		
Food pantry	10,770,803	6,804,376
Missions and outreach	1,258,792	707,780
Fundraising	185,305	324,275
General and administrative	541,145	377,466
Total Expenses	12,756,045	8,213,897
Increase (Decrease) in Net Assets Without Donor Restrictions	(670,914)	12,916
Changes in Net Assets With Donor Restrictions		
Corporate contributions	373,777	130,285
Contribution of real estate	-	3,920,000
Profit for a purpose donations	307,326	440,619
Event revenue	10,000	6,500
Individual donations	62,985	49,725
Grants	287,778	64,673
Net assets released from restrictions	(107,470)	(830,883)
Net Increase (Decrease) in Net Assets With Donor Restrictions	934,396	3,780,919
Increase (Decrease) in Total Net Assets	263,482	3,793,835
Net Assets, Beginning of Year	4,377,976	584,141
Net Assets, End of Year	\$ 4,641,458	\$ 4,377,976

The accompanying notes are an integral part of these financial statements

Giving Hope, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
Years ended December 31, 2020 and 2019

	2020				
	Program Services		Supporting Services		Total
	Food Pantry	Other Outreach	Fundraising Expenses	General Expenses	
Advertising	\$ -	\$ -	\$ 15,716	\$ 30,581	\$ 46,297
Bank charges	-	-	1,517	11,108	12,625
Banquet expenses	-	-	135,474	-	135,474
Cell phone	-	-	-	2,010	2,010
Charitable contribution pledged	-	226,556	-	-	226,556
Charitable contribution PFP grants	13,000	-	-	-	13,000
Depreciation	-	108,527	-	20,503	129,030
Dues and subscriptions	8,683	-	-	-	8,683
Freight and delivery	350	-	-	-	350
Gas	-	23,245	-	-	23,245
Hot meals	-	68,610	-	-	68,610
In-kind food	9,913,953	-	-	-	9,913,953
In-kind volunteer labor	706,136	-	-	-	706,136
In-kind rental space	-	-	-	-	-
Insurance	-	23,855	-	93,847	117,702
Meals and entertainment	15,648	88	-	-	15,736
Miscellaneous	10,969	-	-	11,577	22,546
Office expense	7,095	-	-	10,923	18,018
Outside services/contract labor	-	-	-	58,735	58,735
Payroll expense: wages	-	557,005	-	750	557,755
Payroll expense: taxes	-	39,689	-	-	39,689
Payroll expense: other	5,196	39,358	-	-	44,554
Professional fees	-	-	-	281,940	281,940
Professional development	-	-	-	6,290	6,290
Program supplies	-	92,540	32,598	-	125,138
Repairs and maintenance	89,773	9,462	-	6,143	105,378
Taxes	-	-	-	331	331
Travel	-	882	-	6,407	7,289
Utilities	-	68,975	-	-	68,975
Total functional expenses	\$ 10,770,803	\$ 1,258,792	\$ 185,305	\$ 541,145	\$ 12,756,045

The accompanying notes are an integral part of these financial statements

Giving Hope, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
Years ended December 31, 2020 and 2019

	2019				
	Program Services		Supporting Services		Total
	Food Pantry	Other Outreach	Fundraising Expenses	General Expenses	
Advertising	\$ 222	\$ 8,430	\$ 12,940	\$ 47,836	\$ 69,428
Bank charges	100	-	307	10,782	11,189
Banquet expenses	-	-	299,516	-	299,516
Cell phone	825	-	-	650	1,475
Charitable contribution pledged	-	399,911	-	-	399,911
Charitable contribution PFP grants	67,267	-	-	-	67,267
Depreciation	20,736	48,117	-	-	68,853
Dues and subscriptions	1,111	408	4,462	3,503	9,484
Freight and delivery	1,350	-	-	-	1,350
Gas	23,341	-	-	-	23,341
Hot meals	114,189	-	-	-	114,189
In-kind food	5,922,574	-	-	-	5,922,574
In-kind volunteer labor	108,207	-	-	-	108,207
In-kind rental space	55,318	10,692	-	-	66,010
Insurance	-	37,663	-	46,241	83,904
Meals and entertainment	429	149	-	10,829	11,407
Miscellaneous	-	-	-	14,995	14,995
Office expense	2,319	6,477	7,050	19,273	35,119
Outside services/contract labor	9,111	6,762	-	4,800	20,673
Payroll expense: wages	348,669	-	-	123,759	472,428
Payroll expense: taxes	26,673	-	-	8,224	34,897
Payroll expense: other	1,878	12,000	-	41,742	55,620
Professional development	-	-	-	-	-
Professional fees	-	29,152	-	30,496	59,648
Program supplies	62,629	22,355	-	-	84,984
Repairs and maintenance	22,742	22,254	-	9,338	54,334
Taxes	323	-	-	212	535
Travel	2,363	43,517	-	4,786	50,666
Utilities	12,000	59,893	-	-	71,893
Total functional expenses	<u>\$ 6,804,376</u>	<u>\$ 707,780</u>	<u>\$ 324,275</u>	<u>\$ 377,466</u>	<u>\$ 8,213,897</u>

The accompanying notes are an integral part of these financial statements

Giving Hope, Inc. and Subsidiary
Consolidated Statements of Cash Flows

	Years Ended December 31,	
	2020	2019
Change in cash and cash equivalents:		
Cash flows from operating activities:		
Changes in net assets	\$ 263,482	\$ 3,793,835
Adjustments to reconcile changes in net assets to net cash		
Depreciation	129,030	68,853
Restricted contributions and net assets released from restriction	(3,688,035)	(155,584)
Donated real estate included in contributions	-	(3,920,000)
(Increase) decrease in operating assets:		
Accounts receivable	29,058	(101,421)
Inventory	(45,167)	(29,208)
Prepaid expenses	30,083	(30,501)
Increase (decrease) in operating liabilities:		
Accounts payable	46,648	9,045
Accrued expenses	(2,161)	(2,641)
Contributions restricted for long term purposes:		
Grant revenue	<u>(150,001)</u>	<u>125,000</u>
Net cash (used in) provided by operating activities	<u>(3,387,063)</u>	<u>(242,622)</u>
Cash flows from investing activities:		
Purchases of other assets	-	(1,723)
Purchases of property and equipment	<u>(94,758)</u>	<u>(47,555)</u>
Net cash (used in) provided by investing activities	<u>(94,758)</u>	<u>(49,278)</u>
Cash flows from financing activities:		
Restricted contributions and net assets released from restriction	<u>3,688,035</u>	<u>155,584</u>
Net cash (used in) provided by financing activities	<u>3,688,035</u>	<u>155,584</u>
Net (decrease) increase in cash and cash equivalents	206,214	(136,316)
Cash and cash equivalents, beginning of year	<u>387,031</u>	<u>523,347</u>
Cash and cash equivalents, end of year	\$ <u>593,245</u>	\$ <u>387,031</u>
Noncash Activity:		
Donated real estate	<u>\$ -</u>	<u>\$ 3,920,000</u>

The accompanying notes are an integral part of these financial statements

Giving Hope, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2020
(See Independent Auditors' Report)

NOTE 1 - SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The consolidated financial statements include the accounts of Giving Hope, Inc. which is incorporated under the laws of the State of Louisiana as a not-for-profit religious corporation and Giving Hope Realty, LLC., a wholly owned subsidiary of Giving Hope, Inc. which manages the leases on its real estate. Giving Hope Inc and Giving Hope Realty, LLC are collectively referred to as the "Organization". The primary activities of the Organization include providing food pantries in New Orleans and Kansas City, building orphanages in foreign countries and supporting missions and outreach programs in and around New Orleans. The Organization's primary sources of revenue and other support are derived from free-will and in-kind contributions.

Basis of Accounting and Use of Estimates

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and checks on hand, and deposits in banks.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contribution is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Major Suppliers and Contributors

The Organization purchases all of its non-donated food for distribution and a large portion of the food used in the hot meals from a local supplier at the same rate as Feeding America and Second Harvesters Food Bank. The Organization's daily operations of serving hot meals and providing food could be impacted by the supplier's inability or unwillingness to supply Giving Hope's orders at the same rate as Feeding America. The Organization is also a recipient of several grants to help serve the hot meals to senior citizens and the deserving community, provide more food boxes to a greater number of recipients and provide services through a community center. The loss of these grants could greatly impact the Organization's daily operations.

Property and Depreciation

Property and equipment is generally stated at cost, if purchased, or fair value, if donated. Depreciation is computed on a straight-line basis over estimated useful lives as follows:

Furniture, fixtures and equipment	5-20 years
Leasehold improvements	10 years
Buildings	40 years

Asset additions are capitalized, as are betterments and renewals. Maintenance and repairs are charged to operations as incurred.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 58845 volunteer hours per year.

Giving Hope, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2020
(See Independent Auditors' Report)

NOTE 1 - SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions and Deferred Revenue

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations limiting the use of donated assets. A donor restriction expires when a stipulated time restriction ends or a purpose restriction is accomplished. At that time, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Income is recorded as deferred revenue when received in advance and recognized when earned.

Income Taxes

The Organization, a local not-for-profit in New Orleans, Louisiana, is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) as well as state income taxes. Therefore, no provision for income taxes is made. Annually, the Organization is required to file Form 990, Return of Organization Exempt From Income Tax with the Internal Revenue Service (IRS). Based on its review, the Organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements, including any position that would jeopardize the Organization's tax exempt status. Tax returns remain open for examination by the IRS for three years after filing. Tax returns for 2019 and the previous three years remain open for examination by taxing authorities.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation and amortization which are allocated on asset use.

Compensated Absences

The employees of the Organization are entitled to paid vacation and sick dates, depending on job classification, length of service and other factors. No liability has been recorded in the accompanying financial statements due to immateriality. The Organization's policy is to recognize the costs of compensated absences when paid.

Inventory Pricing

Inventory consists of donated and purchased products for distribution. Donated products are valued per pound at an average of national wholesale prices as determined by Feeding America. Purchased products are valued at the purchase cost of those products as determined by the first-in, first-out method.

In-Kind Contributions

In-kind contributions are reflected as contributions at fair value on the date of donation and are reported as unrestricted support unless specific donor stipulations specify how donated assets must be used. The Organization receives in-kind contributions of food and other products from various donors. In-kind donations of products, the related inventory, and the cost of donated food distributed are valued at an average of the national wholesale prices as determined by Feeding America. The Organization received 5,723,632 and 3,790,944 pounds, in 2020 and 2019, valued at \$9,959,120 and \$5,951,782 during the years ended December 31, 2020 and 2019, respectively. The average price per pound used for food products was \$1.74 and \$1.57 at December 31, 2020 and 2019, respectively.

Giving Hope, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2020
(See Independent Auditors' Report)

NOTE 1 - SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

All donated services recognized created a non-financial asset or required specialized skills that would have been purchased if not donated. The Organization received an in-kind donation for services; the value of donated services totaled \$706,136 and \$310,648 for the years ended December 31, 2020 and 2019, respectively. The fair market value of contributed professional services is reported as support and expense in the period in which the services are performed. There are numerous other individuals who volunteer their time and perform a variety of tasks to assist the Organization with the food donation program, fundraising, and administrative support. No amounts have been reflected in the financial statements for these donated services as they do not meet the criteria for recognition as contributions.

Advertising costs

The Organization charges advertising cost to operations in the year the expense is incurred. During the years ended December 31, 2020 and 2019, advertising expenses incurred were \$46,297 and \$69,428, respectively.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	December 31	
	2020	2019
Employee receivables	\$ -	\$ 150
Miscellaneous receivables	72,644	101,552
	72,644	101,702
Less: Allowance for doubtful accounts	-	-
	\$ 72,644	\$ 101,702

NOTE 3 - INVENTORIES

Inventory consists of the following:

	December 31	
	2020	2019
Food pantry	\$ 81,897	\$ 36,731
	\$ 81,897	\$ 36,731

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment, stated at cost, consists of the following:

	December 31	
	2020	2019
Machinery & shop equipment	\$ 138,091	\$ 119,458
Furniture & fixtures	107,539	36,912
Company vehicles	55,137	49,640
Building	3,719,604	3,719,604
Land	200,396	200,396
Leasehold improvements	16,412	16,412
	4,237,179	4,142,422
Less accumulated depreciation	(267,622)	(138,593)
	\$ 3,969,557	\$ 4,003,829

Depreciation and amortization expense on the above totaled \$129,030 and \$68,853 for the years ended December 31, 2020 and 2019, respectively.

Giving Hope, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2020
(See Independent Auditors' Report)

NOTE 5 - OTHER PAYABLES AND ACCRUED LIABILITIES

Other payables and accrued liabilities consist of the following:

	December 31	
	2020	2019
Taxes payable	\$ 1,300	\$ 3,086
Other payables	-	375
	\$ 1,300	\$ 3,461

NOTE 6- CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. Periodically, cash may exceed the federally insured amount. The Organization has not experienced any losses on such accounts.

NOTE 7 -NET ASSETS

The Organization's net assets are divided into net assets without donor restrictions and net assets with donor restrictions. The net assets without donor restrictions consists of all free-will donations with no donor restrictions, net assets with donor restrictions released from restrictions, and the accumulated operational income and expense. Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

Net assets with donor restrictions are available for the following purposes:

	2020		2019	
Profit for a Purpose	\$ 678,700	\$ 428,028		
Giving Hope Community Center	3,780,515	3,873,505		
Total temporarily restricted net assets	\$ 4,459,215	\$ 4,301,533		
 <u>Net assets released from restriction</u>				
Hope the Food Pantry	\$ -	\$ 419,683		
Profit for a Purpose	107,470	411,200		
Total net assets released from restrictions	\$ 107,470	\$ 830,883		

NOTE 8 - RELATED PARTIES

During the years ended December 31, 2020 and 2019, the Organization received \$517,588 and \$532,240 respectively, in donations from multiple entities owned by a board member.

The board member's company also provided the Organization with rental space. This donated rental space was not assigned a value. In 2020 and 2019, the Organization purchased an insurance policy for \$44,860 and \$65,305, respectively, through an insurance company managed by a board member.

During 2020, the Organization become a partner in Omega Auto Tech LLC. There were no investments, income or expenses to report for 2020.

NOTE 9 -GIVING HOPE REALTY, LLC

In June 2019, Desire Street Ministries donated property to Giving Hope Realty, LLC, a wholly owned subsidiary of Giving Hope, Inc. This tract of land and associated buildings includes a community center/gymnasium, a daycare center, a medical office building, a residential duplex and a barber shop. The gift is conditional with reversionary rights until March 31, 2023. One of the conditions for this donation requires Giving Hope, Inc. to direct \$300,000 of its funds per year to maintain the property in compliance with the terms of the donation, and subsidize charitable programming at the property. In addition, the Organization is to contract with Thrive New Orleans to manage the property and those programs.

Giving Hope, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2020
(See Independent Auditors' Report)

NOTE 9 -GIVING HOPE REALTY, LLC (continued)

As part of the donation, Giving Hope, Inc. accepted the leases which were in place at the time of the donation, and to use reasonable efforts to renew each lease if possible. Program revenue on the Schedule of Activities includes rental income of \$91,670 for the year ended December 31, 2020. Minimum lease income for these properties are as follows:

2021	58,770
2022	52,470
2023	52,470
2024	8,745
Total	<u>\$ 172,455</u>

NOTE 10-LEASE OBLIGATIONS

The Organization has a lease with St. Martin's Manor, Inc. for non-exclusive use of a portion of the building known as St. Martin's Manor. The term of this lease is five years commencing April 1, 2019 ending March 31, 2023. The leased premises shall be used for the preparation of meals for the needy including, but not limited to, residents of St. Martin's Manor, Annunciation Manor and St. Teresa's Villa. As a primary element of the consideration of the lease, lessor expects that meals will be made available to residents of St. Martin's Manor on a regular and consistent basis. The Organization pays the entity \$1,000 per month for use of the kitchen facilities and the utilities. These payments are included in utilities expense. Minimum lease obligations are as follows:

2021	12,000
2022	12,000
2023	3,000
Total	<u>\$ 27,000</u>

NOTE 11 - ADOPTED ACCOUNTING PRONOUNCEMENTS

The Organization has adopted ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made for year 2019. Certain items have been reclassified due to the implementation of these new pronouncements.

NOTE 12 - RECLASSIFICATION

Certain amounts in the prior financial statements have been reclassified for comparative purposes to conform with current year presentation.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 10, 2021, the date when the financial statements were available to be issued.

DYESS & ASSOCIATES

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Independent Auditors' Report on Consolidating Information

To the Board of Directors
Giving Hope, Inc.
New Orleans, Louisiana

We have audited the consolidated financial statements of Giving Hope, Inc and subsidiary as of and for the years ended December 31, 2020 and 2019, and our report thereon dated September 10, 2021, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in the Consolidating Schedule of Financial Position, the Consolidating Schedule of Activities and Changes in Net Assets, and the Consolidating Schedule of Functional Expenses is presented for the purpose of additional analysis of the consolidated financial statements, rather than to present financial position, results of operations and cash flows of the individual companies and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information in the Consolidating Schedule of Financial Position, the Consolidating Schedule of Activities and Changes in Net Assets, and the Consolidating Schedule of Functional Expenses is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Dyess and Associates
Mandeville, LA

September 10, 2021

Giving Hope, Inc. and Subsidiary
 Consolidating Schedule of Financial Position
 As of December 31, 2020

	<u>Giving Hope, Inc.</u>	<u>Giving Hope Realty, LLC</u>	<u>Consolidated Total</u>	<u>Eliminations</u>	<u>Balance</u>
<u>Assets</u>					
Current assets:					
Cash	\$ 593,245	\$ -	\$ 593,245	\$ -	\$ 593,245
Accounts receivable	72,644	-	72,644	-	72,644
Donated inventory	81,897	-	81,897	-	81,897
Prepaid expenses	<u>33,602</u>	<u>-</u>	<u>33,602</u>	<u>-</u>	<u>33,602</u>
Total current assets	<u>781,388</u>	<u>-</u>	<u>781,388</u>	<u>-</u>	<u>781,388</u>
Property and equipment, net	87,309	3,882,248	3,969,557	-	3,969,557
Other assets:					
Deposits	<u>-</u>	<u>1,723</u>	<u>1,723</u>	<u>-</u>	<u>1,723</u>
Total assets	<u>\$ 868,697</u>	<u>\$ 3,883,971</u>	<u>\$ 4,752,668</u>	<u>\$ -</u>	<u>\$ 4,752,668</u>
<u>Liabilities and net assets</u>					
Current liabilities:					
Accounts payable	\$ 84,911	\$ -	\$ 84,911	\$ -	\$ 84,911
Accrued liabilities	1,300	-	1,300	-	1,300
Deferred revenue	<u>24,999</u>	<u>-</u>	<u>24,999</u>	<u>-</u>	<u>24,999</u>
Total liabilities	<u>111,210</u>	<u>-</u>	<u>111,210</u>	<u>-</u>	<u>111,210</u>
Net assets:					
Without donor restrictions	78,787	103,456	182,243	-	182,243
With donor restrictions	<u>678,700</u>	<u>3,780,515</u>	<u>4,459,215</u>	<u>-</u>	<u>4,459,215</u>
Total net assets	<u>757,487</u>	<u>3,883,971</u>	<u>4,641,458</u>	<u>-</u>	<u>4,641,458</u>
Total liabilities & net assets	<u>\$ 868,697</u>	<u>\$ 3,883,971</u>	<u>\$ 4,752,668</u>	<u>\$ -</u>	<u>\$ 4,752,668</u>

The accompanying notes are an integral part of these financial statements

Giving Hope, Inc. and Subsidiary
 Consolidating Schedule of Activities and Changes in Net Assets
 For the year ended December 31, 2020

	<u>Giving Hope, Inc</u>	<u>Giving Hope Realty, LLC</u>	<u>Consolidated Total</u>	<u>Eliminations</u>	<u>Balance</u>
Changes in Net Assets Without Donor Restrictions:					
Revenues and gains					
Contributed food	\$ 9,959,120	\$ -	\$ 9,959,120	\$ -	\$ 9,959,120
Corporate contributions	250,620	-	250,620	-	250,620
Event revenue	453,452	-	453,452	-	453,452
Individual donations	179,983	-	179,983	-	179,983
Contributed goods services	706,136	-	706,136	-	706,136
Grants	168,032	-	168,032	-	168,032
Program revenue	<u>96,860</u>	<u>163,458</u>	<u>260,318</u>	<u>-</u>	<u>260,318</u>
Total Revenues and Gains Without Donor Restrictions	<u>11,814,203</u>	<u>163,458</u>	<u>11,977,661</u>	<u>-</u>	<u>11,977,661</u>
Net Assets Released from Restrictions:					
Expiration of time restriction	<u>94,970</u>	<u>12,500</u>	<u>107,470</u>	<u>-</u>	<u>107,470</u>
Total Net Assets Released from Restrictions	<u>94,970</u>	<u>12,500</u>	<u>107,470</u>	<u>-</u>	<u>107,470</u>
Total Revenues, Gains, and Other Support Without Donor Restrictions	11,909,173	175,958	12,085,131	-	12,085,131
Expenses and Losses					
Food pantry	10,770,803	-	10,770,803	-	10,770,803
Missions and outreach	1,057,435	201,357	1,258,792	-	1,258,792
Fundraising	185,305	-	185,305	-	185,305
General and administrative	<u>541,145</u>	<u>-</u>	<u>541,145</u>	<u>-</u>	<u>541,145</u>
Total Expenses	<u>12,554,688</u>	<u>201,357</u>	<u>12,756,045</u>	<u>-</u>	<u>12,756,045</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	(645,515)	(25,399)	(670,914)	-	(670,914)
Changes in Net Assets with Donor Restrictions					
Corporate contributions	373,777	-	373,777	-	373,777
Profit for purpose donations	307,326	-	307,326	-	307,326
Event revenue	10,000	-	10,000	-	10,000
Individual donations	62,985	-	62,985	-	62,985
Grants	287,778	-	287,778	-	287,778
Net assets released from restrictions	<u>(94,970)</u>	<u>(12,500)</u>	<u>(107,470)</u>	<u>-</u>	<u>(107,470)</u>
Net Increase (Decrease) in Net Assets With Donor Restrictions	<u>946,896</u>	<u>(12,500)</u>	<u>934,396</u>	<u>-</u>	<u>934,396</u>
Increase (Decrease) in Total Net Assets	301,381	(37,899)	263,482	-	263,482
Net Assets, Beginning of Year	<u>456,106</u>	<u>3,921,870</u>	<u>4,377,976</u>	<u>-</u>	<u>4,377,976</u>
Net Assets, End of Year	<u>\$ 757,487</u>	<u>\$ 3,883,971</u>	<u>\$ 4,641,458</u>	<u>\$ -</u>	<u>\$ 4,641,458</u>

The accompanying notes are an integral part of these financial statements

Giving Hope, Inc. and Subsidiary
Consolidating Schedule of Functional Expenses
Year ended December 31, 2020

	Giving Hope, Inc. Program Services		Giving Hope, Inc. Supporting Services		Giving Hope Realty LLC	Eliminations	Consolidated Total
	Food Pantry	Other Outreach	Fundraising Expenses	General Expenses	Program Services		
Advertising	\$ -	\$ -	\$ 15,716	\$ 30,581	\$ -	\$ -	\$ 46,297
Bank charges	-	-	1,517	11,108	-	-	12,625
Banquet expenses	-	-	135,474	-	-	-	135,474
Cell phone	-	-	-	2,010	-	-	2,010
Contribution pledged	-	226,556	-	-	-	-	226,556
Charitable PFP grants	13,000	-	-	-	-	-	13,000
Depreciation	-	-	-	20,503	108,527	-	129,030
Dues and subscriptions	8,683	-	-	-	-	-	8,683
Freight and delivery	350	-	-	-	-	-	350
Gas	-	23,245	-	-	-	-	23,245
Hot meals	-	68,610	-	-	-	-	68,610
In-kind food	9,913,953	-	-	-	-	-	9,913,953
In-kind volunteer labor	706,136	-	-	-	-	-	706,136
Insurance	-	-	-	93,847	23,855	-	117,702
Meals & entertainment	15,648	88	-	-	-	-	15,736
Miscellaneous	10,969	-	-	11,577	-	-	22,546
Office expense	7,095	-	-	10,923	-	-	18,018
Outside services	-	-	-	58,735	-	-	58,735
Payroll expense: wages	-	557,005	-	750	-	-	557,755
Payroll expense: taxes	-	39,689	-	-	-	-	39,689
Payroll expense: other	5,196	39,358	-	-	-	-	44,554
Professional fees	-	-	-	281,940	-	-	281,940
Professional develop	-	-	-	6,290	-	-	6,290
Program supplies	-	92,540	32,598	-	-	-	125,138
Repairs & maintenance	89,773	9,462	-	6,143	-	-	105,378
Taxes	-	-	-	331	-	-	331
Travel	-	882	-	6,407	-	-	7,289
Utilities	-	-	-	-	68,975	-	68,975
Total functional expenses	\$ 10,770,803	\$ 1,057,435	\$ 185,305	\$ 541,145	\$ 201,357	\$ -	\$ 12,756,045

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