

**MEALS OF HOPE, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Meals of Hope, Inc.  
Naples, Florida

We have audited the accompanying financial statements of Meals of Hope, Inc. (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 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 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 auditors' 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.

Board of Directors  
Meals of Hope, Inc.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meals of Hope, Inc. as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Naples, Florida  
August 25, 2021

**MEALS OF HOPE, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 736,301	\$ 300,966
Accounts Receivable, Net	185,402	314,452
Prepaid Expenses	114,959	48,407
Inventory	214,206	187,839
Property and Equipment, Net	1,916,449	909,836
Total Assets	\$ 3,167,317	\$ 1,761,500
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 84,356	\$ 138,664
Accrued Expenses and Other Liabilities	21,528	42,363
Deferred Revenue	17,540	9,550
Line of Credit	-	192,733
Capital Lease Obligation	-	7,785
PPP Loan Payable	128,100	-
Notes Payable	1,539,882	412,076
Total Liabilities	1,791,406	803,171
<b>NET ASSETS</b>		
Without Donor Restrictions	1,375,911	958,329
Total Net Assets	1,375,911	958,329
Total Liabilities and Net Assets	\$ 3,167,317	\$ 1,761,500

See accompanying Notes to Financial Statements.

**MEALS OF HOPE, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Revenues, Gains, and Public Support:		
Contributions	\$ 3,602,011	\$ 2,786,180
In-Kind Contributions	6,989,169	2,884,283
Program Income	747,996	574,345
Rental Income	17,400	29,600
Total Revenues, Gains, and Public Support	11,356,576	6,274,408
Total Unrestricted Revenues, Gains and Other Support	11,356,576	6,274,408
Expenses:		
Program Services	10,386,167	5,510,652
Management and General	317,048	383,571
Fundraising	235,779	312,360
Total Expenses	10,938,994	6,206,583
<b>INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	417,582	67,825
<b>CHANGE IN NET ASSETS</b>	417,582	67,825
Net Assets - Beginning of Year	958,329	890,504
<b>NET ASSETS - END OF YEAR</b>	\$ 1,375,911	\$ 958,329

See accompanying Notes to Financial Statements.

**MEALS OF HOPE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**

	Program Services	Management and General	Fundraising	Total Functional Expenses
Advertising	\$ 443	\$ 443	\$ 22,608	\$ 23,494
Bad Debt Expense	33,669	2,864	3,083	39,616
Bank Fees and Interest	20,130	17,566	21,119	58,815
Continuing Education	746	-	-	746
Depreciation and Amortization	-	98,068	-	98,068
Insurance	79,620	17,860	17,284	114,764
Miscellaneous	-	417	-	417
Occupancy	50,962	8,494	8,494	67,950
Payroll Taxes and Fringe Benefits	53,555	8,503	8,503	70,561
Perishables	7,805,747	-	-	7,805,747
Postage, Shipping, and Delivery	569	569	569	1,707
Professional Fees and Contract Services	15,906	73,983	58,309	148,198
Repairs and Maintenance	19,848	1,098	1,098	22,044
Salaries	562,769	73,425	73,425	709,619
Supplies and Event Expenses	1,739,017	10,311	18,101	1,767,429
Taxes and Licenses	466	727	466	1,659
Telephone and Website	2,468	2,468	2,468	7,404
Travel and Meetings	252	252	252	756
	<u>\$ 10,386,167</u>	<u>\$ 317,048</u>	<u>\$ 235,779</u>	<u>\$ 10,938,994</u>
Total				

See accompanying Notes to Financial Statements.

**MEALS OF HOPE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2019**

	Program Services	Management and General	Fundraising	Total Functional Expenses
Advertising	\$ 1,887	\$ 169,657	\$ 1,986	\$ 173,530
Bad Debt Expense	35,832	3,518	12,195	51,545
Bank Fees and Interest	21,537	10,564	1,921	34,022
Continuing Education	5,071	-	2,780	7,851
Depreciation and Amortization	-	74,861	-	74,861
Insurance	38,674	12,788	13,691	65,153
Miscellaneous	288	-	-	288
Occupancy	32,516	6,924	6,924	46,364
Payroll Taxes and Fringe Benefits	36,060	10,397	15,050	61,507
Perishables	4,093,766	-	-	4,093,766
Postage, Shipping, and Delivery	-	624	5,611	6,235
Professional Fees and Contract Services	40,904	3,781	51,862	96,547
Repairs and Maintenance	14,739	1,489	1,489	17,717
Salaries	387,926	72,422	165,883	626,231
Supplies and Event Expenses	799,085	6,807	29,803	835,695
Taxes and Licenses	78	2,281	-	2,359
Telephone and Website	2,289	2,289	2,339	6,917
Travel and Meetings	-	5,169	826	5,995
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>\$ 5,510,652</u>	<u>\$ 383,571</u>	<u>\$ 312,360</u>	<u>\$ 6,206,583</u>

See accompanying Notes to Financial Statements.



**MEALS OF HOPE, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 417,582	\$ 67,825
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	98,068	74,861
(Increase) Decrease in Assets:		
Accounts Receivable	129,050	79,582
Prepaid Expenses	(66,552)	10,153
Inventory	(26,367)	29,465
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(54,308)	10,151
Accrued Expenses and Other Liabilities	(20,835)	33,098
Deferred Revenue	7,990	9,550
Net Cash Provided by Operating Activities	484,628	314,685
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(1,104,681)	(68,278)
Net Cash Used by Investing Activities	(1,104,681)	(68,278)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Note Payable	1,193,900	-
Repayments of Note Payable	(66,094)	(38,483)
Proceed from PPP Loan	128,100	-
Proceeds from Line of Credit	566,154	175,900
Repayments of Line of Credit	(758,887)	(92,909)
Payments on Long-Term Debt/Capital Lease Obligation	(7,785)	(11,688)
Net Cash Provided by Financing Activities	1,055,388	32,820
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	435,335	279,227
Cash and Cash Equivalents - Beginning of Year	300,966	21,739
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 736,301	\$ 300,966
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Equipment Obtained Through Incurrence of Note Payable	\$ 74,000	\$ 17,000

See accompanying Notes to Financial Statements.

**MEALS OF HOPE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Meals of Hope, Inc. (the Organization) is a humanitarian food-aid organization. The Organization visions a community coming together to end hunger. The Organization partners with numerous local agencies and nonprofit organizations to package and distribute fortified meals to those in need.

The Organization was incorporated as a nonprofit corporation under the laws of the state of Florida in 2009. The Organization is designated as a 501(c)(3) nonprofit entity under the Internal Revenue Code (IRC) and is not subject to income tax.

**Basis of Accounting**

The financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

**Financial Statement Presentation**

Net assets and revenues, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

*Net Assets With Donor Restrictions* – Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Liquidity**

Assets are presented in the accompanying statements of financial position according to the nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

**Revenue Recognition**

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**MEALS OF HOPE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Donated Services**

Contributed services are reported as contributions, at their fair value, if such services create or enhance nonfinancial assets, require specialized skills, are provided by individuals possessing such specialized skills, or the services would have been purchased, if not donated. Many individuals volunteer their time and perform a variety of tasks that assist the Organization. No amounts have been reflected in the statement of activities because the criteria for recognition have not been satisfied.

**Cash and Cash Equivalents**

The Organization classifies all cash deposits subject to immediate withdrawal as a cash equivalent. The Organization maintains cash balances with a financial institution. Accounts at this institution are insured by the Federal Deposit Insurance Corporation up to prescribed amount. The Organization may have cash balances exceeding the insured amount at various times in the year.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

**Accounts Receivable, Net**

Accounts receivable are stated at the amount management expects to collect on outstanding balances. Management has elected to allow for receivables for program fees in the year in which an account is determined to be uncollectible. Provision for uncollectible accounts expense was \$34,981 during the years ended December 31, 2020 and 2019. At December 31, 2020, \$134,916 (82%) of accounts receivables were due from two donors.

**Inventory**

Donated food inventory is valued at an average of the national wholesale prices, as determined by Feeding America. Purchased food inventory is valued at the cost of products purchased, as determined by the first in, first out method. Generally, inventory on hand is tracked and valued based on value per case depending upon the specific food or supply item. The method is applied consistently. The per-case valuation is reassessed annually utilizing the most relevant cost information available.

**Property and Equipment**

Property and equipment are stated at cost. Depreciation is computed using straight-line methods over the estimated useful lives of the assets from three to seven years. The policy of the organization is to capitalize tangible assets purchased or donated with a value of \$500 or more with an estimated useful life of at least one year.

**MEALS OF HOPE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Revenue**

The Organization defers recognition of revenue for event deposits and fees received in advance. The balances at December 31, 2020 and 2019 totaled \$17,540 and \$9,550, respectively.

**Functional Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Building related expenses are allocated based on square footage, salary related expenses are allocated based on estimated time spent in each area, and expenses directly related to their respective departments were allocated as such.

**Income Taxes**

The Internal Revenue Service has determined that the organization is exempt from federal income tax under Section 501(c)(3) of the IRC. The organization is a nonprofit Florida corporation and is not subject to state income taxes.

The Organization follows the income tax standard for uncertain tax positions. As a result of the application, the Organization was not required to recognize a liability for unrecognized tax benefits.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

**Subsequent Events**

In preparing the financial statements, the organization has evaluated events and transactions for potential recognition or disclosure through August 25, 2021, the date the financial statements were available to be issued.

**New Accounting Pronouncements – ASU 2014-09**

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, *Revenue from Contracts with Customers*. The guidance requires the Organization to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract.

**MEALS OF HOPE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New Accounting Pronouncements – ASU 2014-09 (Continued)**

ASU 2014-09 requires organizations to exercise more judgment and recognize revenue using a five-step process. The Organization adopted ASU 2014-09 using the modified retrospective method for all contracts effective January 1, 2019, and is using a portfolio approach to group contracts with similar characteristics and analyze historical cash collections trends. Modified retrospective adoption requires entities to apply the standard retrospectively to the most current period presented in the financial statements, requiring the cumulative effect of the retrospective application as an adjustment to the opening balance of net assets at the date of initial application. Prior periods have not been adjusted. No cumulative-effect adjustment in net assets was recorded as the adoption of ASU 2014-09 did not significantly impact the Organization's reported historical revenue. In addition, retrospective application of ASU 2014-09 would not have resulted in a change in revenue as previously presented.

The adoption of ASU 2014-09 has no impact on the Organization's accounts receivable as it was historically recorded net of allowance for doubtful accounts. The adoption of ASU 2014-09 did not have a significant impact on the Organizations statement of activities for the years ended December 31, 2020 and 2019.

**NOTE 2 LIQUIDITY**

The Organization routinely monitors liquidity to meet its operating needs and other contractual commitments. The Organization considers all expenditures related to its ongoing activities. In addition to financial assets available to meet general expenditures, the Organization operates with a balanced operating budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

Meals of Hope, Inc.'s financial assets that are available within one year of the balance sheet date for general expenditures are as follows:

	2020	2019
Cash and Cash Equivalents	\$ 736,301	\$ 300,966
Accounts Receivable	185,402	314,452
Total	\$ 921,703	\$ 615,418

**MEALS OF HOPE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 3 ACCOUNTS RECEIVABLE, NET**

Accounts receivable consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Accounts Receivable	\$ 220,383	\$ 349,433
Less: Allowance for Uncollectible Amounts	<u>(34,981)</u>	<u>(34,981)</u>
Accounts Receivable, Net	<u>\$ 185,402</u>	<u>\$ 314,452</u>

Bad debt expense totaled \$39,616 and \$51,545 for the years ended December 31, 2020 and 2019, respectively.

**NOTE 4 PROPERTY AND EQUIPMENT, NET**

Property and equipment consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Building and Improvements	\$ 1,368,554	\$ 770,118
Land	387,500	-
Leasehold Improvements	12,066	12,066
Furniture and Equipment	521,252	403,007
Work in Process	<u>500</u>	<u>-</u>
Total	2,289,872	1,185,191
Less: Accumulated Depreciation	<u>(373,423)</u>	<u>(275,355)</u>
Total	<u>\$ 1,916,449</u>	<u>\$ 909,836</u>

The Organization recorded depreciation expense of \$98,068 and \$74,861 for the years ended December 31, 2020 and 2019, respectively.

**MEALS OF HOPE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 5 NOTES PAYABLE**

Notes payable consist of the following as of December 31:

<u>Description</u>	<u>2020</u>	<u>2019</u>
Note payable with a financial institution, with interest at 3.65%, monthly installments, maturing July 2030, secured by mortgage on real estate and assignment of all rents.	\$ 749,369	\$ -
Note payable with a financial institution, with interest at 3.65%, monthly installments, maturing November 2031, secured by mortgage on real estate and assignment of all rents. The loan was modified in July 2020 for an additional borrowing of \$200,000.	550,172	373,080
Note payable with the Small Business Administration, with interest at 2.75%, monthly installments beginning June 2021, maturing May 2051, secured by all tangible and intangible personal property.	150,000	-
Note payable with a financial institution, with interest at 4.15%, monthly installments, maturing February 2024, secured by titled collateral.	34,614	-
Note payable with a financial institution, with interest at 4.20%, monthly installments, maturing February 2023, secured by titled collateral.	22,786	-
Note payable with a financial institution, with interest at 3.35%, monthly installments, maturing November 2021, secured by titled collateral and UCC collateral.	11,769	24,201
Note payable with a financial institution, with interest at 6.74% monthly installments, maturing June 2023, secured secured by titled collateral.	11,172	14,795
Economic Injury Disaster Loan from the Small Business Administration. Loan is unsecured.	10,000	-
Total Obligations	<u>\$ 1,539,882</u>	<u>\$ 412,076</u>

**MEALS OF HOPE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 5 NOTES PAYABLE (CONTINUED)**

A summary of aggregate annual future maturities of principal on the notes payable as of December 31, 2020 is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 85,256
2022	69,863
2023	61,385
2024	49,883
2025	50,246
Thereafter	1,223,249
Total	<u><u>\$ 1,539,882</u></u>

**NOTE 6 CAPITAL LEASE OBLIGATIONS**

The Organization entered into a capital lease for a mobile food truck on April 1, 2016. Total capital lease asset costs included in property and equipment were \$50,713 for the years ended December 31, 2020 and 2019, respectively. Total accumulated depreciation for the capital lease assets were \$34,413 and \$27,168 for the years ended December 31, 2020 and 2019, respectively.

**NOTE 7 LINE OF CREDIT**

In 2020, the Organization has a revolving line of credit with a financial institution in the amount of \$200,000 with interest of 5% due on demand. The balance due on the line of credit was \$-0- for the year ended December 31, 2020.

In 2020, the Organization has an equity line of credit with a financial institution in the amount of \$500,000 with interest of 4% due on demand. The balance due on the line of credit was \$-0- for the year ended December 31, 2020.

In 2019, the Organization had a revolving line of credit with a financial institution in the amount of \$250,000 with interest of 5.50% due on demand. The balance due on the line of credit was \$192,733 for the year ended December 31, 2019.



**MEALS OF HOPE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 8 OPERATING LEASE**

The Organization has an operating lease for office space. Rent expense under the lease amounted to \$56,570.

Future minimum lease payments under the operating lease is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 55,847
2022	23,409
Total	<u>\$ 79,256</u>

**NOTE 9 PAYCHECK PROTECTION PROGRAM LOAN**

On April 8, 2020, the Organization received a loan from a financial institution in the amount of \$128,100 to fund payroll, rent, utilities, and mortgage payments through the Paycheck Protection Program Flexibility Act of 2020 (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months, deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration (SBA). Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender, or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of the funds in accordance with the program. The covered period from April 9, 2020 to June 3, 2020 is the time that a business has to spend their PPP Loan funds.

**NOTE 10 COVID-19 PANDEMIC**

During the year ended December 31, 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 will impact various parts of its 2021 operations and financial results including but not limited to reductions in certain revenue streams as well as increases in expenses. As of August 25, 2021, the amount and likelihood of loss relating to these events is not determined and cannot be reasonably estimated as these events are still developing.

**MEALS OF HOPE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 11 SUBSEQUENT EVENTS**

Subsequent to year-end, the SBA has formally forgiven the entire portion of the Organization's obligation under the PPP Loan.

Subsequent to year-end, the Organization's note payable with the SBA was modified for the receipt of additional proceeds totaling \$350,000.