

**LOVE HIM LOVE THEM
LAVONIA, GEORGIA**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

**WITH INDEPENDENT ACCOUNTANT'S REVIEW REPORT
OCTOBER 1, 2021**

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DECEMBER 31, 2020

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Members American Institute of CPA's and Georgia Society of CPA's

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To Board of Directors
Love Him Love Them
Lavonia, Georgia

We have reviewed the accompanying financial statements of Love Him Love Them (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—modified cash basis as of December 31, 2020, and the related statement of revenues, expenses, and changes in net assets—modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Supplementary Information

The supplementary information included on page 8 is presented for purposes of additional analysis and is not a required part of the basic 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 financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Ed K. Burton, LLC

Lavonia, Georgia
October 1, 2021

**LOVE HIM LOVE THEM
ATHENS, GEORGIA
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2020**

ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	\$ 73,047.37	
Total Current Assets		\$ 73,047.37

OTHER ASSETS:

Loan - Pastor Maxeau	\$ 23,000.00	
Total Other Assets		<u>23,000.00</u>

TOTAL ASSETS		<u>\$ 96,047.37</u>
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LIABILITIES AND NET ASSETS

NET ASSETS:

Net Assets Without Donor Restrictions	\$ 95,547.37	
Net Assets With Donor Restrictions	<u>500.00</u>	

TOTAL NET ASSETS		<u>96,047.37</u>
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TOTAL LIABILITIES AND NET ASSETS		<u>\$ 96,047.37</u>
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SEE NOTES TO FINANCIAL STATEMENTS

LOVE HIM LOVE THEM
ATHENS, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES:			
Contributed Support:			
Child Sponsorship Donations	112,387.65	-	112,387.65
General Contributions & Love Offerings	65,330.04	-	65,330.04
Haiti Ministry Income	-	85,484.12	85,484.12
Local Ministry Income	-	15,885.47	15,885.47
Fundraising Income	26,043.22	-	26,043.22
Grant Income	3,000.00	-	3,000.00
In-Kind Gifts	230,950.00	-	230,950.00
Other Income	13,567.11	-	13,567.11
TOTAL SUPPORT AND REVENUES	\$ 451,278.02	\$ 101,369.59	\$ 552,647.61
Net Assets Released from Restrictions:			
Satisfaction of Purpose Restrictions	104,269.59	(104,269.59)	-
TOTAL SUPPORT AND RECLASSIFICATIONS	\$ 555,547.61	\$ (2,900.00)	\$ 552,647.61
EXPENSES:			
Program Expenses:			
United States	\$ 36,362.03	\$ -	\$ 36,362.03
Haiti	489,383.34	-	489,383.34
Other International	3,850.00	-	3,850.00
Fundraising Expenses	6,829.74	-	6,829.74
General & Administrative	41,276.89	-	41,276.89
TOTAL EXPENSES	\$ 577,702.00	\$ -	\$ 577,702.00
INCREASE (DECREASE) IN NET ASSETS	\$ (22,154.39)	\$ (2,900.00)	\$ (25,054.39)
NET ASSETS, DECEMBER 31, 2019	117,701.76	3,400.00	121,101.76
NET ASSETS, DECEMBER 31, 2020	\$ 95,547.37	\$ 500.00	\$ 96,047.37

SEE NOTES TO FINANCIAL STATEMENTS

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The mission of Love Him Love Them (“Organization”) is dedicated to helping widows and orphans in distress by meeting their spiritual, economic and physical needs through salvation, housing, occupations, education and sustenance. Love Him Love Them began as a non-profit social services organization in 1998 and now offers after-school programs, a jail ministry, provides services for foster children and special needs adults and offers an annual Thanksgiving meal for the homeless and homebound. As of 2011, Love Him Love Them expanded their services and generosity outside of the US to other countries such as Haiti and the Ukraine.

Basis of Accounting

The financial statements have been prepared on the modified cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred. Modifications to the cash basis include property and equipment.

Net Assets

The Organization has adopted FASB issued ASU 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*. Under ASU 2016-14 the net assets, revenues, expenses, gains and losses are classified based on the existence or absence of 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 without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management’s discretion.

Net Assets – With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that the assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. The Organization has not received any such permanently restricted donations and has no permanently restricted net assets at December 31, 2020.

LOVE HIM LOVE THEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Contributions

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 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.

Contributed Services

The Organization receives a significant amount of donated services from unpaid volunteers who assist in fund raising and program services. No amounts have been recognized in the statement of revenues, expenses and changes in net assets – modified cash basis because the criteria for recognition of such volunteer efforts under non-profit guidelines have not been satisfied.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation, which is computed using the straight-line method over the estimated useful lives of the various assets, primarily ranging from 5 to 10 years. Donated property and equipment are valued at their estimated fair value on the date received. Major expenditures for improvements, which substantially increase useful lives, are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related gains or losses are included in income.

Income Taxes

Love Him Love Them is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, Love Him Love Them has made no provision for federal income taxes in the accompanying financial statements.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of revenues, expenses and changes in net assets – modified cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Contract services have been allocated with 70% to program activities and 30% to general and administrative.

LOVE HIM LOVE THEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE B – LEASES

The Organization leases office and storage space on a month-to-month lease. The owner of the office property contributes the office space with a fair market value of \$700.00 per month. The storage units that are contributed are valued around \$458 per month. Rental expense was approximately \$13,900.00 for the year ended December 31, 2020. There are no future minimum rental payments required under this lease.

NOTE C – CONCENTRATED CREDIT RISKS

Cash deposits are maintained at a local financial institution. The balances are insured by FDIC up to \$250,000.00. There were no uninsured cash balances at December 31, 2020.

NOTE D – FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Cash Equivalents

Carrying amounts for cash and cash equivalents approximate fair values. (See Note A)

Pledges Receivable

Carrying amounts for unconditional pledges are valued at the amount pledged less an allowance for estimated uncollectible amounts based on prior years' experience. All pledges are receivable during the annual fund drive period of one year. There were no pledges as of December 31, 2020.

NOTE E – PROPERTY AND EQUIPMENT

Land, buildings, improvements, as well as furniture and vehicles are carried at cost and written off over their estimated useful lives. There was no depreciation for property and equipment at December 31, 2020. No non-cash gifts were included in Property and Equipment for 2020.

NOTE F – COMPENSATED ABSENCES

Love Him Love Them does not have any regular full-time and regular part-time employees, so therefore there is no Paid Time Off (PTO) for the current year since all assistance is paid as contract laborers.

NOTE G – CONTRIBUTIONS

Love Him Love Them did receive in-kind gifts from individuals during 2020. There were gifts given during the year as rent-free office and storage space and that were booked as contributions and expenses at their fair rental rates totaling 13,900.00 for 2020. There were also gifts totaling \$218,550.00 given from various individuals and businesses in 2020 for the hospital in Haiti. Love Him Love Them did not receive any conditional contributions as defined by ASU 2018-08 during 2020.

LOVE HIM LOVE THEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE H – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions as of December 31, 2020 were \$95,547.37

NOTE I – NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with donor restrictions received during 2020 were as follows:

Haiti Ministry Income	\$ 48,616.44
Haiti Mission Trip Income	100.00
Haiti - My Father's Guest House Income	36,747.68
Local Ministry Income	<u>15,905.47</u>
	<u>\$ 101,369.59</u>

Of the above contributions and previous net assets, \$104,269.59 was released from donor restrictions by December 31, 2020 as expenses were incurred or other time or events specified by donors were satisfied. Therefore, net assets with donor restrictions at December 31, 2020 were \$500.00

NOTE J – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and Cash Equivalents	\$ <u>73,047.37</u>
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NOTE K – SUBSEQUENT EVENTS

During March 2020, Love Him Love Them modified operations as a result of the COVID-19 pandemic and in compliance with state and federal recommendations. The pandemic affected all of 2020 and is still affecting operations for 2021. As of the date of these financial statements, the extent of the impact of COVID-19 on the Organization's operational and financial performance depends on certain developments, including the duration and spread of the outbreak all of which are still uncertain. Accordingly, the extent to which COVID-19 may still impact the financial condition or results of operations cannot be determined.

Subsequent Events were evaluated through October 1, 2021 which is the date that the financials were available to be issued. Management does not believe that there were any subsequent events that need to be disclosed in the financial statements other than the COVID-19 pandemic mentioned in the above paragraph.

**LOVE HIM LOVE THEM
ATHENS, GEORGIA
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Fundraising</u>	<u>Total</u>
Advertising/Marketing	\$ 1,752.87	\$ -	\$ -	\$ 1,752.87
Banking & Processing	-	5,089.49	-	5,089.49
Contract Labor	17,290.00	7,410.00	504.00	25,204.00
Insurance	-	927.00	-	927.00
Office Expense	-	7,139.47	-	7,139.47
Professional Fees	-	3,480.00	-	3,480.00
Rent	-	13,900.00	-	13,900.00
Supplies	-	-	6,325.74	6,325.74
Utilities	-	2,251.43	-	2,251.43
Choir Tour - Advertising, Supplies & Travel	1,439.19	-	-	1,439.19
Travel & Transportation	1,425.77	-	-	1,425.77
United States - Ministry Expenses	15,598.08	-	-	15,598.08
Haiti - Ministry & Orphanage Expenses	345,445.55	-	-	345,445.55
Haiti - School Expenses at Galette Chambon	79,347.91	-	-	79,347.91
Haiti - My Father's Guesthouse Expense	60,559.70	-	-	60,559.70
Haiti - Mission Trip Expenses	2,886.30	-	-	2,886.30
Ukraine - Ministry Expenses	3,850.00	-	-	3,850.00
Other Expenses	<u>-</u>	<u>1,079.50</u>	<u>-</u>	<u>1,079.50</u>
	<u>\$ 529,595.37</u>	<u>\$ 41,276.89</u>	<u>\$ 6,829.74</u>	<u>\$ 577,702.00</u>

SEE NOTES TO FINANCIAL STATEMENTS