



NEED HIM NATIONAL MEDIA OUTREACH, INC.

Financial Statements
With Independent Auditors' Report

June 30, 2021 and 2020

**NEED HIM NATIONAL
MEDIA OUTREACH, INC.**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Need Him National Media Outreach, Inc.
Dallas, Texas

We have audited the accompanying financial statements of Need Him National Media Outreach, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Need Him National Media Outreach, Inc.
Dallas, Texas

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Need Him National Media Outreach, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Irving, Texas
November 15, 2021

**NEED HIM NATIONAL
MEDIA OUTREACH, INC.**

Statements of Financial Position

	June 30,	
	2021	2020
ASSETS:		
Cash and cash equivalents	\$ 357,960	\$ 439,425
Prepaid expenses and other assets	48,630	89,605
Property and equipment–net	355,585	251,342
Total Assets	\$ 762,175	\$ 780,372
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 2,546	\$ 3,987
Accrued expenses	65,244	20,128
Total liabilities	67,790	24,115
Net assets:		
Without donor restrictions	594,385	567,923
With donor restrictions	100,000	188,334
Total net assets	694,385	756,257
Total Liabilities and Net Assets	\$ 762,175	\$ 780,372

See notes to financial statements

**NEED HIM NATIONAL
MEDIA OUTREACH, INC.**

Statements of Activities

	Year Ended June 30,	
	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
SUPPORT AND REVENUE:		
Contributions	\$ 947,568	\$ 1,110,579
Federal grant income	-	68,022
Donated media and services	17,617,842	18,854,443
Donated printing	1,051,481	1,697,327
Other income	1,667	56,366
	19,618,558	21,786,737
Reclassifications—net assets released from restrictions:		
Satisfaction of purpose restrictions	158,334	100,000
	19,776,892	21,886,737
EXPENSES:		
Program services:		
Program development and ministry to constituency	832,377	856,469
Donated media and services	17,617,842	18,854,443
Donated printing	1,051,481	1,697,327
	19,501,700	21,408,239
Supporting activities:		
Management and general	89,728	85,652
Fundraising	164,002	125,328
	19,755,430	21,619,219
Change in Net Assets Without Donor Restrictions	21,462	267,518
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions	75,000	188,334
Reclassifications—net assets released from restrictions:		
Satisfaction of purpose restrictions	(158,334)	(100,000)
Change in Net Assets With Donor Restrictions	(83,334)	88,334
Total Change in Net Assets	(61,872)	355,852
Net Assets, Beginning of Year	756,257	400,405
Net Assets, End of Year	\$ 694,385	\$ 756,257

See notes to financial statements

**NEED HIM NATIONAL
MEDIA OUTREACH, INC.**

Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services	Supporting Activities			Total
		Management and General	Fundraising	Total Supporting Activities	
Donated media and services	\$ 17,617,842	\$ -	\$ -	\$ -	\$ 17,617,842
Donated printing	1,051,481	-	-	-	1,051,481
Salaries and benefits	294,260	64,959	70,685	135,644	429,904
Professional fees	216,767	5,976	5,976	11,952	228,719
Information technology	125,863	4,246	16,928	21,174	147,037
Depreciation	107,483	1,502	1,502	3,004	110,487
Occupancy	47,499	10,641	11,528	22,169	69,668
Other	6,553	2,189	56,953	59,142	65,695
Advertising and marketing	32,448	-	-	-	32,448
Travel and entertainment	1,504	215	430	645	2,149
	<u>\$ 19,501,700</u>	<u>\$ 89,728</u>	<u>\$ 164,002</u>	<u>\$ 253,730</u>	<u>\$ 19,755,430</u>

See notes to financial statements

**NEED HIM NATIONAL
MEDIA OUTREACH, INC.**

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services	Supporting Activities			Total
		Management and General	Fundraising	Total Supporting Activities	
Donated media and services	\$ 18,854,443	\$ -	\$ -	\$ -	\$ 18,854,443
Donated printing	1,697,327	-	-	-	1,697,327
Salaries and benefits	295,411	62,463	71,782	134,245	429,656
Professional fees	234,680	-	-	-	234,680
Information technology	134,805	3,765	12,814	16,579	151,384
Depreciation	87,694	1,304	1,304	2,608	90,302
Occupancy	39,170	8,403	9,617	18,020	57,190
Other	9,415	9,581	29,539	39,120	48,535
Advertising and marketing	54,343	-	-	-	54,343
Travel and entertainment	951	136	272	408	1,359
	<u>\$ 21,408,239</u>	<u>\$ 85,652</u>	<u>\$ 125,328</u>	<u>\$ 210,980</u>	<u>\$ 21,619,219</u>

See notes to financial statements

**NEED HIM NATIONAL
MEDIA OUTREACH, INC.**

Statements of Cash Flows

	Year Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (61,872)	\$ 355,852
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	110,487	90,302
Noncash forgiveness of Paycheck Protection Program loan	-	(68,022)
Change in:		
Contribution receivable	-	54,954
Prepaid expenses and other assets	40,975	13,170
Accounts payable	(51,441)	1,037
Accrued expenses	45,116	5,278
Net Cash Provided by Operating Activities	83,265	452,571
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(164,730)	(155,057)
Net Cash Used by Investing Activities	(164,730)	(155,057)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Paycheck Protection Program loan	-	68,022
Net Cash Provided by Financing Activities	-	68,022
Net Change in Cash and Cash Equivalents	(81,465)	365,536
Cash and Cash Equivalents, Beginning of Year	439,425	73,889
Cash and Cash Equivalents, End of Year	\$ 357,960	\$ 439,425
SUPPLEMENTAL DISCLOSURES:		
Property and equipment purchased but not yet paid for	\$ 50,000	\$ -
Noncash forgiveness of the Paycheck Protection Program loan	\$ -	\$ 68,022

See notes to financial statements

NEED HIM NATIONAL MEDIA OUTREACH, INC.

Notes to Financial Statements

June 30, 2021 and 2020

1. NATURE OF ORGANIZATION:

Need Him National Media Outreach, Inc.'s (Need Him) mission is to meet the hurting and broken with the Gospel of Jesus Christ.

The vision of Need Him is a world engaged in gospel conversations. The ministry connects with over 400,000 people annually via online chats, phone calls, text messages, email, and reading plans. This is made possible by donor contributions, donated radio airtime, donated newspaper print, and response volunteers.

Need Him is a Texas nonprofit organization exempt from federal income taxes under Section 501(a) of the Internal Revenue Code of 1986, as amended, as an organization described in Section 501(c)(3) of the Code. Income generated from activities unrelated to Need Him's exempt purpose is subject to tax under Section 511 of the Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Need Him maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. 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, disclosures of any contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting periods. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash held in checking and money market accounts. These accounts may, at times, exceed federally insured limits. Need Him has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. As of June 30, 2021 and 2020, Need Him had approximately \$112,000 and \$197,000, respectively, of cash balances that exceeded federally insured limits.

PROPERTY AND EQUIPMENT—NET

Expenditures for furniture and equipment greater than \$500 are capitalized at cost. Expenditures for development of Need Him's response system greater than \$500 are capitalized at cost as software. Donated items are recorded at fair market value on the date of the gift. Depreciation is computed on the straight line method over the estimated useful lives of the assets, which range from 5 to 7 years.

NEED HIM NATIONAL MEDIA OUTREACH, INC.

Notes to Financial Statements

June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS

The financial statements report amounts by class of net assets:

Net assets without donor restrictions are currently available for operations under the direction of the board.

Net assets with donor restrictions are stipulated by donors for specific operating purposes, including projects and support of staff ministries, or for the acquisition of property and equipment.

SUPPORT, REVENUE, AND EXPENSES

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to Need Him.

Need Him reports gifts of cash and other assets as net assets 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 restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Need Him's policy is to record net assets with donor restrictions which have been fully expended for their intended purposes within the same reporting period received as net assets without donor restrictions.

Need Him reports gifts of land, buildings, and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Need Him reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Expenses are reported when costs are incurred in accordance with the accrual basis of accounting.

Advertising expenses are expensed when incurred. As of June 30, 2021 and 2020, Need Him incurred \$32,448 and \$54,343, respectively, of advertising costs.

NEED HIM NATIONAL MEDIA OUTREACH, INC.

Notes to Financial Statements

June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized in the statements of activities. Accordingly, certain costs, such as depreciation and payroll, have been allocated among program services and supporting activities. Depreciation is allocated based on usage of space, and other categories have been allocated based upon estimates of time and effort.

DONATED MEDIA AND SERVICES

Need Him recognizes contributions of services received if such services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not contributed.

For the years ended June 30, 2021 and 2020, Need Him received donated airtime with an estimated value of \$17,615,327 and \$18,808,974, respectively, in the form of radio spots. These spots represent air-time or advertising provided at no cost to Need Him in the form of 30 and 60-second commercials that air many times each day on approximately 350 radio stations. The commercials are produced by Need Him and provided to leading Christian broadcasters. The commercials contain 30 or 60-second presentations of the Gospel of Jesus Christ that give people an opportunity to respond to www.chataboutjesus.com or 888-NEEDHIM. The recorded value, which represents the estimated fair value of similar air-time in these U.S. radio markets, is approximately \$25 for each 60-second spot and approximately \$18 for each 30-second spot. Additionally, Need Him received \$0 and \$8,382 in donated social media services as of June 30, 2021 and 2020, respectively, and \$0 and \$18,993, respectively, in donated television advertisements.

Need Him received \$1,051,481 and \$1,697,327 for the years ended June 30, 2021 and 2020, respectively, in contributed printing which consisted of newspaper advertisement pages in national media with Gospel related messages. The value recorded represents the actual price paid by the donor.

All of the contributed services are recorded as program services in the statements of activities.

NEED HIM NATIONAL MEDIA OUTREACH, INC.

Notes to Financial Statements

June 30, 2021 and 2020

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects Need Him's financial assets as of the statement of financial position sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position sheet date:

	June 30,	
	2021	2020
Financial assets as of year-end:		
Cash and cash equivalents	\$ 357,960	\$ 439,425
Less those not available within one year:		
Donor restricted funds—restricted for capital projects	(100,000)	(188,334)
Financial assets available for general expenditure within one year	\$ 257,960	\$ 251,091

As part of Need Him's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

4. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consist of:

	June 30,	
	2021	2020
Software	\$ 1,549,910	\$ 1,341,576
Furniture and equipment	36,997	32,714
Leasehold improvements	4,867	4,867
	1,591,774	1,379,157
Less accumulated depreciation	(1,236,189)	(1,127,815)
	\$ 355,585	\$ 251,342

5. NET ASSETS WITH DONOR RESTRICTIONS:

As of June 30, 2021 and 2020, net assets with donor restrictions consist of \$100,000 and \$188,334, respectively, restricted for the development of the Echo system.

NEED HIM NATIONAL MEDIA OUTREACH, INC.

Notes to Financial Statements

June 30, 2021 and 2020

6. COMMITMENTS AND CONTINGENCIES:

Need Him has a lease for office space with a term from January 2020 to June 2024. Total lease expense for the years ended June 30, 2021 and 2020, was \$57,627 and \$38,083, respectively. Future minimum lease payments under noncancelable operating leases are:

<u>Year Ending June 30,</u>	
2022	\$ 64,008
2023	65,191
2024	<u>61,838</u>
	<u>\$ 191,037</u>

7. FEDERAL GRANTS:

In April 2020, Need Him applied for and received a Paycheck Protection Program loan in the amount of \$68,022. The loan will be fully forgiven if Need Him incurs qualifying expenditures for payroll and other operating costs. As of June 30, 2020, Need Him qualified for forgiveness of the loan in the amount of \$68,022, which is included in federal grants without donor restrictions on the statements of activities.

8. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of Need Him for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

9. CONCENTRATION:

Need Him received donations of \$360,769 from two donors during the year ended June 30, 2021, and received \$395,100 from two donors during the year ended June 30, 2020. These gifts accounted for approximately 35% and 28% of total cash contributions during the years ended June 30, 2021 and 2020, respectively.

NEED HIM NATIONAL MEDIA OUTREACH, INC.

Notes to Financial Statements

June 30, 2021 and 2020

10. RELATED PARTY TRANSACTIONS:

During the years ended June 30, 2021 and 2020, Need Him received \$50,000 and \$235,100, respectively, in contributions from the president of the organization.

Additionally, during the years ended June 30, 2021 and 2020, Need Him received approximately \$275,000 and \$190,000, respectively, in contributions from members of the board of directors and related family members.

11. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through November 15, 2021, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.