



NEED HIM NATIONAL MEDIA OUTREACH, INC.

Financial Statements  
With Independent Auditors' Report

June 30, 2022 and 2021

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

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## INDEPENDENT AUDITORS' REPORT

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

### ***Opinion***

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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Need Him National Media Outreach, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Need Him National Media Outreach, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Need Him National Media Outreach, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Need Him National Media Outreach, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Need Him National Media Outreach, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Capin Crouse LLP*

Irving, Texas  
October 17, 2022

# NEED HIM NATIONAL MEDIA OUTREACH, INC.

## Statements of Financial Position

|                                   | June 30,          |                   |
|-----------------------------------|-------------------|-------------------|
|                                   | 2022              | 2021              |
| ASSETS:                           |                   |                   |
| Cash and cash equivalents         | \$ 369,966        | \$ 357,960        |
| Prepaid expenses and other assets | 73,012            | 48,630            |
| Property and equipment–net        | 307,560           | 355,585           |
| Total Assets                      | <u>\$ 750,538</u> | <u>\$ 762,175</u> |
| LIABILITIES AND NET ASSETS:       |                   |                   |
| Liabilities:                      |                   |                   |
| Accounts payable                  | \$ 5,669          | \$ 2,546          |
| Accrued expenses                  | 66,000            | 65,244            |
| Total liabilities                 | <u>71,669</u>     | <u>67,790</u>     |
| Net assets:                       |                   |                   |
| Without donor restrictions        | 628,869           | 594,385           |
| With donor restrictions           | 50,000            | 100,000           |
| Total net assets                  | <u>678,869</u>    | <u>694,385</u>    |
| Total Liabilities and Net Assets  | <u>\$ 750,538</u> | <u>\$ 762,175</u> |

See notes to financial statements

# NEED HIM NATIONAL MEDIA OUTREACH, INC.

## Statements of Activities

|  | Year Ended June 30,      |                          |
|--|--------------------------|--------------------------|
|  | 2022                     | 2021                     |
| CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:        |                          |                          |
| SUPPORT AND REVENUE:                                     |                          |                          |
| Contributions of cash and financial assets               | \$ 1,041,171             | \$ 947,568               |
| Contributions of non-financial assets—media              | 17,616,044               | 17,617,842               |
| Contributions of non-financial assets—printing           | 1,704,093                | 1,051,481                |
| Other income   | (223)                    | 1,667                    |
|  | <u>20,361,085</u>        | <u>19,618,558</u>        |
| Reclassifications—net assets released from restrictions: |                          |                          |
| Satisfaction of purpose restrictions                     | 50,000                   | 158,334                  |
|  | <u>20,411,085</u>        | <u>19,776,892</u>        |
| EXPENSES:  |                          |                          |
| Program services:  |                          |                          |
| Program development and ministry to constituency         | 834,669                  | 832,377                  |
| Donated media  | 17,616,044               | 17,617,842               |
| Donated printing   | 1,704,093                | 1,051,481                |
|  | <u>20,154,806</u>        | <u>19,501,700</u>        |
| Supporting activities:                                   |                          |                          |
| Management and general                                   | 93,513                   | 89,728                   |
| Fundraising  | 128,282                  | 164,002                  |
|  | <u>20,376,601</u>        | <u>19,755,430</u>        |
| Change in Net Assets Without Donor Restrictions          | <u>34,484</u>            | <u>21,462</u>            |
| CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:            |                          |                          |
| Contributions  | -                        | 75,000                   |
| Reclassifications—net assets released from restrictions: |                          |                          |
| Satisfaction of purpose restrictions                     | (50,000)                 | (158,334)                |
| Change in Net Assets With Donor Restrictions             | <u>(50,000)</u>          | <u>(83,334)</u>          |
| Total Change in Net Assets                               | (15,516)                 | (61,872)                 |
| Net Assets, Beginning of Year                            | <u>694,385</u>           | <u>756,257</u>           |
| Net Assets, End of Year                                  | <u><u>\$ 678,869</u></u> | <u><u>\$ 694,385</u></u> |

See notes to financial statements

# NEED HIM NATIONAL MEDIA OUTREACH, INC.

## Statement of Functional Expenses

Year Ended June 30, 2022

|                            | Program<br>Services  | Supporting Activities        |                   |                                   | Total                |
|----------------------------|----------------------|------------------------------|-------------------|-----------------------------------|----------------------|
|                            |                      | Management<br>and<br>General | Fundraising       | Total<br>Supporting<br>Activities |                      |
| Donated media and services | \$ 17,616,044        | \$ -                         | \$ -              | \$ -                              | \$ 17,616,044        |
| Donated printing           | 1,704,093            | -                            | -                 | -                                 | 1,704,093            |
| Salaries and benefits      | 312,696              | 66,633                       | 74,193            | 140,826                           | 453,522              |
| Professional fees          | 209,370              | 6,139                        | 6,139             | 12,278                            | 221,648              |
| Information technology     | 108,288              | 5,222                        | 14,222            | 19,444                            | 127,732              |
| Depreciation               | 97,788               | 1,311                        | 1,311             | 2,622                             | 100,410              |
| Occupancy                  | 52,730               | 11,391                       | 12,631            | 24,022                            | 76,752               |
| Other                      | 6,555                | 2,608                        | 19,368            | 21,976                            | 28,531               |
| Advertising and marketing  | 45,779               | -                            | -                 | -                                 | 45,779               |
| Travel and entertainment   | 1,463                | 209                          | 418               | 627                               | 2,090                |
|                            | <u>\$ 20,154,806</u> | <u>\$ 93,513</u>             | <u>\$ 128,282</u> | <u>\$ 221,795</u>                 | <u>\$ 20,376,601</u> |

See notes to financial statements

# NEED HIM NATIONAL MEDIA OUTREACH, INC.

## Statement of Functional Expenses

Year Ended June 30, 2021

|                            | Program<br>Services  | Supporting Activities        |                   |                                   | Total                |
|----------------------------|----------------------|------------------------------|-------------------|-----------------------------------|----------------------|
|                            |                      | Management<br>and<br>General | Fundraising       | Total<br>Supporting<br>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.

## Statements of Cash Flows

|  | Year Ended June 30,      |                          |
|--|--------------------------|--------------------------|
|  | 2022                     | 2021                     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                          |                          |
| Change in net assets   | \$ (15,516)              | \$ (61,872)              |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: |                          |                          |
| Depreciation   | 100,410                  | 110,487                  |
| Change in:   |                          |                          |
| Prepaid expenses and other assets  | (24,382)                 | 40,975                   |
| Accounts payable   | 3,123                    | (51,441)                 |
| Accrued expenses   | 756                      | 45,116                   |
| Net Cash Provided by Operating Activities  | <u>64,391</u>            | <u>83,265</u>            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                          |                          |
| Purchases of property and equipment  | (52,385)                 | (164,730)                |
| Net Cash Used by Investing Activities  | <u>(52,385)</u>          | <u>(164,730)</u>         |
| Net Change in Cash and Cash Equivalents  | 12,006                   | (81,465)                 |
| Cash and Cash Equivalents, Beginning of Year   | <u>357,960</u>           | <u>439,425</u>           |
| Cash and Cash Equivalents, End of Year   | <u><u>\$ 369,966</u></u> | <u><u>\$ 357,960</u></u> |
| <b>SUPPLEMENTAL DISCLOSURES:</b>   |                          |                          |
| Property and equipment purchased but not yet paid for  | <u><u>\$ 50,000</u></u>  | <u><u>\$ 50,000</u></u>  |

See notes to financial statements

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

## **Notes to Financial Statements**

June 30, 2022 and 2021

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 470,000 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, 2022 and 2021, Need Him had approximately \$117,000 and \$112,000, 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, 2022 and 2021

### **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, 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, 2022 and 2021, Need Him incurred \$45,779 and \$32,448, respectively, of advertising costs.

#### **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.

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

## **Notes to Financial Statements**

June 30, 2022 and 2021

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:**

#### **CONTRIBUTIONS OF NON-FINANCIAL ASSETS**

Need Him receives various forms of gift-in-kind (GIK) services which include media and printing. GIK services are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. GIK are valued based upon estimates of fair market or wholesale values that would be received for selling the services in their principal market considering their benefit. These GIK are considered to create or enhance nonfinancial assets or require specialized skills that would typically need to be purchased if not contributed.

For the years ended June 30, 2022 and 2021, Need Him received donated airtime (media) with an estimated value of \$17,616,044 and \$17,617,842, 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 week 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](http://www.chataboutjesus.com) or 888-NEEDHIM. The recorded value represents the estimated fair value of similar-airtime in the U.S. radio markets.

Need Him received \$1,704,093 and \$1,051,481 for the years ended June 30, 2022 and 2021, 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.

#### **RECENTLY ISSUED ACCOUNTING STANDARDS**

During the year ended June 30, 2022, Need Him adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the consolidated statements of changes in net assets, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

# NEED HIM NATIONAL MEDIA OUTREACH, INC.

## Notes to Financial Statements

June 30, 2022 and 2021

### 3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects Need Him's financial assets as of the statement of financial position 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 date:

|  | June 30,          |                   |
|--|-------------------|-------------------|
|  | 2022              | 2021              |
| Financial assets as of year-end:                                   |                   |                   |
| Cash and cash equivalents  | \$ 369,966        | \$ 357,960        |
| Less those not available within one year:                          |                   |                   |
| Donor restricted funds—restricted for capital projects             | (50,000)          | (100,000)         |
| Financial assets available for general expenditure within one year | <u>\$ 319,966</u> | <u>\$ 257,960</u> |

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,           |                    |
|-------------------------------|--------------------|--------------------|
|                               | 2022               | 2021               |
| Software                      | \$ 1,599,910       | \$ 1,549,910       |
| Furniture and equipment       | 37,973             | 36,997             |
| Leasehold improvements        | 4,867              | 4,867              |
|                               | <u>1,642,750</u>   | <u>1,591,774</u>   |
| Less accumulated depreciation | <u>(1,335,190)</u> | <u>(1,236,189)</u> |
|                               | <u>\$ 307,560</u>  | <u>\$ 355,585</u>  |

### 5. NET ASSETS WITH DONOR RESTRICTIONS:

As of June 30, 2022 and 2021, net assets with donor restrictions consist of \$50,000 and \$100,000, respectively, restricted for the development of the Echo system.

# NEED HIM NATIONAL MEDIA OUTREACH, INC.

## Notes to Financial Statements

June 30, 2022 and 2021

6. COMMITMENTS AND CONTINGENCIES:

Need Him has a lease for office space with a term from January 2020 to May 2025. Total lease expense for the years ended June 30, 2022 and 2021, was \$64,205 and \$57,627, respectively. Future minimum lease payments under noncancelable operating leases are:

Year Ending June 30,

|      |    |         |
|------|----|---------|
| 2023 | \$ | 65,388  |
| 2024 |    | 66,572  |
| 2025 |    | 61,838  |
|      |    | <hr/>   |
|      | \$ | 193,798 |
|      |    | <hr/>   |

7. CONCENTRATION:

Need Him received donations of \$281,332 from two donors during the year ended June 30, 2022, and received \$360,769 from two donors during the year ended June 30, 2021. These gifts accounted for approximately 27% and 35% of total cash contributions during the years ended June 30, 2022 and 2021, respectively.

8. RELATED PARTY TRANSACTIONS:

During the years ended June 30, 2022 and 2021, Need Him received \$52,342 and \$50,000, respectively, in contributions from the president of the organization.

Additionally, during the years ended June 30, 2022 and 2021, Need Him received approximately \$181,000 and \$275,000, respectively, in contributions from members of the board of directors and related family members.

9. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 17, 2022, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.