



NEED HIM NATIONAL MEDIA OUTREACH, INC.

Financial Statements  
With Independent Auditors' Report

June 30, 2024 and 2023

**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, 2024 and 2023, 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, 2024 and 2023, 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  
September 16, 2024

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

**Statements of Financial Position**

	June 30,	
	2024	2023
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 271,825	\$ 343,205
Prepaid expenses and other assets	53,624	32,520
Property and equipment—net	142,032	237,447
Operating lease right-of-use assets	58,753	121,051
<b>Total Assets</b>	<b>\$ 526,234</b>	<b>\$ 734,223</b>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable	\$ 8,147	\$ 8,965
Accrued expenses	14,609	15,033
Operating lease liabilities	60,957	124,770
<b>Total liabilities</b>	<b>83,713</b>	<b>148,768</b>
Net assets:		
Without donor restrictions	363,921	520,455
With donor restrictions	78,600	65,000
<b>Total net assets</b>	<b>442,521</b>	<b>585,455</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 526,234</b>	<b>\$ 734,223</b>

See notes to financial statements

# NEED HIM NATIONAL MEDIA OUTREACH, INC.

## Statements of Activities

	Year Ended June 30,	
	2024	2023
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
<b>SUPPORT AND REVENUE:</b>		
Contributions of cash and financial assets	\$ 1,007,762	\$ 1,349,739
Contributions of non-financial assets—media	5,473,831	5,473,831
Contributions of non-financial assets—printing	300,314	691,223
Other income	7,331	784
	6,789,238	7,515,577
Reclassifications—net assets released from restrictions:		
Satisfaction of purpose restrictions	-	50,000
	6,789,238	7,565,577
<b>EXPENSES:</b>		
Program services:		
Program development and ministry to constituency	901,478	864,509
Donated media	5,473,831	5,473,831
Donated printing	300,314	691,223
	6,675,623	7,029,563
Supporting activities:		
Management and general	78,254	89,784
Fundraising	191,895	554,644
	6,945,772	7,673,991
Change in Net Assets Without Donor Restrictions	(156,534)	(108,414)
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:</b>		
Contributions of cash and financial assets	13,600	65,000
Reclassifications—net assets released from restrictions:		
Satisfaction of purpose restrictions	-	(50,000)
Change in Net Assets With Donor Restrictions	13,600	15,000
Total Change in Net Assets	(142,934)	(93,414)
Net Assets, Beginning of Year	585,455	678,869
Net Assets, End of Year	\$ 442,521	\$ 585,455

See notes to financial statements

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

**Statement of Functional Expenses**

Year Ended June 30, 2024

	Supporting Activities				Total
	Program Services	Management and General	Fundraising	Total Supporting Activities	
Donated media and services	\$ 5,473,831	\$ -	\$ -	\$ -	\$ 5,473,831
Salaries and benefits	274,187	51,881	102,434	154,315	428,502
Donated printing	300,314	-	-	-	300,314
Contract labor	213,075	-	-	-	213,075
Information technology	81,074	5,603	16,511	22,114	103,188
Depreciation	94,229	1,192	1,192	2,384	96,613
Occupancy	53,725	10,414	20,402	30,816	84,541
Professional fees	73,747	-	-	-	73,747
Advertising and marketing	72,100	-	-	-	72,100
Meetings and conferences	26,424	-	27,636	27,636	54,060
Other	9,828	9,091	23,247	32,338	42,166
Travel and entertainment	3,089	73	473	546	3,635
	\$ 6,675,623	\$ 78,254	\$ 191,895	\$ 270,149	\$ 6,945,772

See notes to financial statements

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

**Statement of Functional Expenses**

Year Ended June 30, 2023

	Program Services	Supporting Activities			Total
		Management and General	Fundraising	Total Supporting Activities	
Donated media and services	\$ 5,473,831	\$ -	\$ -	\$ -	\$ 5,473,831
Donated printing	691,223	-	-	-	691,223
Salaries and benefits	301,859	62,164	82,059	144,223	446,082
Meetings and conferences	24,942	-	409,233	409,233	434,175
Contract labor	126,714	-	-	-	126,714
Information technology	94,190	4,876	16,644	21,520	115,710
Depreciation	100,228	1,192	1,192	2,384	102,612
Professional fees	87,391	-	-	-	87,391
Occupancy	56,999	11,930	15,642	27,572	84,571
Advertising and marketing	61,035	-	-	-	61,035
Other	9,056	9,548	29,578	39,126	48,182
Travel and entertainment	2,095	74	296	370	2,465
	<u>\$ 7,029,563</u>	<u>\$ 89,784</u>	<u>\$ 554,644</u>	<u>\$ 644,428</u>	<u>\$ 7,673,991</u>

See notes to financial statements



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

**Statements of Cash Flows**

	Year Ended June 30,	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (142,934)	\$ (93,414)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	96,613	102,612
Change in:		
Prepaid expenses and other assets	(21,104)	40,492
Accounts payable	(818)	3,296
Accrued expenses	(424)	(50,967)
Operating Lease	(1,515)	-
Noncash impact from adoption of accounting standard	-	3,720
Net Cash Provided (Used) by Operating Activities	(70,182)	5,739
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(1,198)	(32,500)
Net Cash Used by Investing Activities	(1,198)	(32,500)
Net Change in Cash and Cash Equivalents	(71,380)	(26,761)
Cash and Cash Equivalents, Beginning of Year	343,205	369,966
Cash and Cash Equivalents, End of Year	\$ 271,825	\$ 343,205
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Right-of-use assets obtained in exchange for operating lease liabilities	\$ -	\$ 181,557

See notes to financial statements

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

## **Notes to Financial Statements**

June 30, 2024 and 2023

### **1. NATURE OF ORGANIZATION:**

Need Him Global is an evangelism ministry that uses media and partnerships to create live conversations about Jesus. The mission is to meet the hurting and broken with the Gospel of Jesus Christ. The vision is to see a world engaged in Gospel-focused conversation.

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. As of June 30, 2024 and 2023, Need Him had approximately \$26,000 and \$96,000, 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, 2024 and 2023

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

#### OPERATING LEASES RIGHT-OF-USE ASSETS AND LIABILITIES

Right-of-use assets and related liabilities are recognized at commencement date based on the net present value of lease payments over the lease term discounted using a risk-free rate. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management, will exercise the option. Lease expense for lease payment is recognized on a straight-line basis over the lease term. Need Him has elected the practical expedient to separate lease and non-lease components, and the accounting policy election to exclude short-term leases with lease terms of 12 months or less, which are expensed as incurred. The additional lease disclosures can be found in Note 5.

#### 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.

# NEED HIM NATIONAL MEDIA OUTREACH, INC.

## Notes to Financial Statements

June 30, 2024 and 2023

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

#### SUPPORT, REVENUE, AND EXPENSES, continued

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, 2024 and 2023, Need Him incurred \$72,100 and \$61,035 respectively, of advertising costs.

#### 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. Need Him's policy related to GIK is to utilize the assets given in carrying out the mission of the ministry. GIK is not held for sale by Need Him. GIK received by Need Him does not have donor imposed restrictions.

For the years ended June 30, 2024 and 2023, Need Him received donated airtime (media) with an estimated value of \$5,473,831 and \$5,473,831, 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 225 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 \$300,314 and \$691,223 for the years ended June 30, 2024 and 2023, respectively, in contributed printing which consisted of newspaper advertisement pages in national media with Gospel related messages. The value recorded represents the fair market value to purchase an advertisement in the newspaper.

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

# NEED HIM NATIONAL MEDIA OUTREACH, INC.

## Notes to Financial Statements

June 30, 2024 and 2023

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.

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,	
	2024	2023
Financial assets as of year-end:		
Cash and cash equivalents	\$ 271,825	\$ 343,205
Less those not available within one year:		
Donor restricted funds—restricted for capital projects	<u>(78,600)</u>	<u>(65,000)</u>
Financial assets available for general expenditure within one year	<u>\$ 193,225</u>	<u>\$ 278,205</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.

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

**Notes to Financial Statements**

June 30, 2024 and 2023

4. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consist of:

	June 30,	
	2024	2023
Software	\$ 1,599,910	\$ 1,599,910
Furniture and equipment	39,172	37,973
Leasehold improvements	4,867	4,867
	1,643,949	1,642,750
Software development in progress	32,500	32,500
Less accumulated depreciation	(1,534,417)	(1,437,803)
	\$ 142,032	\$ 237,447

5. OPERATING LEASE RIGHT-OF-USE ASSETS AND LIABILITIES:

Need Him leases office space under one noncancelable lease agreement expiring in 2025. The office space has an optional 5-year renewal period under the control of Need Him (which Need Him is not reasonably certain to exercise). The office space lease requires monthly payments totaling \$5,227.13 per month, which increase \$98.63 each year starting after the first 15 months. The discount rate represents the risk-free rate using a period comparable with that of the individual lease term on the inception date of the lease.

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

**Notes to Financial Statements**

June 30, 2024 and 2023

5. OPERATING LEASE RIGHT-OF-USE ASSETS AND LIABILITIES, continued:

	June 30,	
	2024	2023
Assets:		
Operating lease right-of-use asset	\$ 58,753	\$ 121,051
Liabilities:		
Operating lease obligations	\$ 60,957	\$ 124,770
Lease costs:		
Operating lease costs	\$ 65,056	\$ 65,056
Cash paid for amounts included in the measurement of lease liabilities:		
Operating leases	\$ 66,572	\$ 65,388
Weighted average discount rate—operating lease	2.88%	2.88%
Weighted average remaining lease term (years)—operating lease	0.90	1.86

Future minimum lease payments required under operating leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

Year Ending June 30,	Operating Amounts
2025	\$ 61,838
Less imputed interest	(881)
	\$ 60,957

# NEED HIM NATIONAL MEDIA OUTREACH, INC.

## Notes to Financial Statements

June 30, 2024 and 2023

6. NET ASSETS:

Net assets consist of the following:

	June 30,	
	2024	2023
Net assets without donor restrictions:		
Operating	\$ 363,921	\$ 520,455
Net assets with donor restrictions based on purpose or time:		
Software projects	\$ 68,600	\$ 65,000
Events	10,000	-
	\$ 78,600	\$ 65,000

7. COMMITMENTS AND CONTINGENCIES:

Need Him entered into an agreement with a resort during the year ended June 30, 2024, to host their 2025 President's Gathering Event. As of June 30, 2024, \$160,000 of the event venue costs remained outstanding.

8. CONCENTRATION:

Need Him received donations of \$350,000 from two donors during the year ended June 30, 2023. These gifts accounted for approximately 25% of total cash contributions during the year ended June 30, 2023.

9. RELATED PARTY TRANSACTIONS:

During the years ended June 30, 2024 and 2023, Need Him received \$30,000 and \$155,000, respectively, in contributions from the president of the organization.

Additionally, during the years ended June 30, 2024 and 2023, Need Him received approximately \$145,811 and \$273,000, respectively, in contributions from members of the board of directors and related family members.

10. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through September 16, 2024, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.