



# **GIVE AN HOUR**

## **Financial Statements**

*For the Year Ended June 30, 2020*

*(With Summarized Financial Information for the Year Ended June 30, 2019)*



**and  
Report Thereon**



**GIVE AN HOUR**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Give an Hour

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Give an Hour, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit 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.

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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Give an Hour as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on the Summarized Comparative Financial Statements**

We have previously audited Give an Hour's 2019 financial statements, and in our report dated October 17, 2019, we expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Marcum LLP*

Washington, DC  
October 16, 2020

**GIVE AN HOUR**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2020**  
**(With Summarized Financial Information as of June 30, 2019)**

	2020	2019
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,702,939	\$ 375,787
Grants and contributions receivable	290,595	593,182
Prepaid expenses	16,592	84,721
Investments	11,800	10,351
<b>TOTAL ASSETS</b>	<b>\$ 2,021,926</b>	<b>\$ 1,064,041</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 42,740	\$ 31,050
Accrued salaries and vacation	97,644	73,074
Contract liabilities	75,000	50,000
Note payable	306,932	-
<b>TOTAL LIABILITIES</b>	<b>522,316</b>	<b>154,124</b>
<b>Net Assets</b>		
Without donor restrictions	691,115	474,679
With donor restrictions	808,495	435,238
<b>TOTAL NET ASSETS</b>	<b>1,499,610</b>	<b>909,917</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,021,926</b>	<b>\$ 1,064,041</b>

The accompanying notes are an integral part of these financial statements.

**GIVE AN HOUR**

**STATEMENT OF ACTIVITIES**

**For the Year Ended June 30, 2020**

**(With Summarized Financial Information for the Year Ended June 30, 2019)**

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
<b>REVENUE AND SUPPORT</b>				
Donated mental health and other services	\$ 1,778,199	\$ -	\$ 1,778,199	\$ 1,806,199
Grants and contributions	1,759,106	946,058	2,705,164	1,417,334
Contract revenue	212,000	-	212,000	-
Investment and other income	5,464	-	5,464	3,687
Programmatic events	-	-	-	823,106
Net assets released from restrictions:				
Released from purpose restrictions	447,801	(447,801)	-	-
Released from time restrictions	125,000	(125,000)	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>4,327,570</b>	<b>373,257</b>	<b>4,700,827</b>	<b>4,050,326</b>
<b>EXPENSES</b>				
Program Service:				
Mental health services	3,857,377	-	3,857,377	3,966,114
<b>Total Program Service</b>	<b>3,857,377</b>	<b>-</b>	<b>3,857,377</b>	<b>3,966,114</b>
Supporting Services:				
Management and general	138,923	-	138,923	241,809
Fundraising	114,834	-	114,834	53,624
<b>Total Supporting Services</b>	<b>253,757</b>	<b>-</b>	<b>253,757</b>	<b>295,433</b>
<b>TOTAL EXPENSES</b>	<b>4,111,134</b>	<b>-</b>	<b>4,111,134</b>	<b>4,261,547</b>
<b>CHANGE IN NET ASSETS</b>	<b>216,436</b>	<b>373,257</b>	<b>589,693</b>	<b>(211,221)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>474,679</b>	<b>435,238</b>	<b>909,917</b>	<b>1,121,138</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 691,115</b>	<b>\$ 808,495</b>	<b>\$ 1,499,610</b>	<b>\$ 909,917</b>

The accompanying notes are an integral part of these financial statements.

**GIVE AN HOUR**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2020**  
**(With Summarized Financial Information for the Year Ended June 30, 2019)**

	Supporting Services			Total Supporting Services	2020 Total	2019 Total
	Mental Health Service	Management and General	Fundraising			
Donated mental health services	\$ 1,678,781	\$ -	\$ -	\$ -	\$ 1,678,781	\$ 1,701,320
Salaries and related expenses	1,344,188	90,768	75,848	166,616	1,510,804	1,512,526
Professional fees	441,270	28,231	14,365	42,596	483,866	555,987
Public awareness events	197,413	-	-	-	197,413	232,484
Advertising	67,830	190	48	238	68,068	46,319
Travel and meetings	37,968	5,376	8,066	13,442	51,410	67,100
Website maintenance	42,047	-	8,039	8,039	50,086	47,014
Administrative expenses	27,014	10,292	8,353	18,645	45,659	64,819
Printing, delivery and telecommunications	20,866	4,066	115	4,181	25,047	33,978
<b>TOTAL EXPENSES</b>	<b>\$ 3,857,377</b>	<b>\$ 138,923</b>	<b>\$ 114,834</b>	<b>\$ 253,757</b>	<b>\$ 4,111,134</b>	<b>\$ 4,261,547</b>

The accompanying notes are an integral part of these financial statements.

**GIVE AN HOUR**

**STATEMENT OF CASH FLOWS**

**For the Year Ended June 30, 2020**

**(With Summarized Financial Information for the Year Ended June 30, 2019)**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 589,693	\$ (211,221)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Unrealized gains on investments	(1,449)	(1,870)
Changes in assets and liabilities:		
Grants and contributions receivable	302,587	(291,140)
Prepaid expenses	68,129	(1,739)
Accounts payable and accrued expenses	11,690	(17,149)
Accrued salaries and vacation	24,570	(20,140)
Contract liabilities	25,000	(3,814)
	<u>1,020,220</u>	<u>(547,073)</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from note payable	306,932	-
	<u>306,932</u>	<u>-</u>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,327,152	(547,073)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>375,787</u>	<u>922,860</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,702,939</u>	<u>\$ 375,787</u>

The accompanying notes are an integral part of these financial statements.



## GIVE AN HOUR

### NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2020

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#### 1. Organization and Summary of Significant Accounting Policies

##### **Organization**

Give an Hour was incorporated on September 26, 2005 under the laws of the state of Maryland. It was formed to develop national networks of volunteers capable of responding to both acute and chronic conditions that arise within society. Give an Hour's first target population was the U.S. troops and families who are being affected by the current and past military conflicts. Give an Hour asks mental health professionals nationwide to donate an hour of their time each week to provide free mental health services to military personnel and their loved ones. Give an Hour is also now identifying other at-risk populations and groups in need that can benefit from its model of delivering services. As of June 30, 2020, Give an Hour had nearly 4,500 providers offering to donate their time to provide direct counseling to at-risk populations including military families, survivors of gun violence, victims of crime, medical professionals serving during the pandemic, and those affected by natural and man-made disasters. In 2015, Give an Hour also launched the Campaign to Change Direction to change the culture of mental health by encouraging everyone to pay attention to their emotional well-being. Give an Hour funds its program and supporting services primarily through foundation, corporate and individual grants and contributions.

##### **Basis of Accounting**

The accompanying financial statements are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (GAAP).

##### **Cash Equivalents**

Cash equivalents include money market accounts and highly liquid investments with initial maturities of three months or less.

##### **Grants and Contributions Receivable**

Grants and contributions receivable are recorded at their present net realizable value. Give an Hour uses the allowance method to record potentially uncollectible accounts receivable. Accounts past due are individually analyzed for collectibility. When all collection efforts have been exhausted, the account is written off against an allowance account. All grants and contributions receivable were considered fully collectible by management as of June 30, 2020.

##### **Investments**

Investments consist of common stock and exchange traded funds. These investments are recorded in the accompanying statement of financial position at their fair value based on quoted market prices. Fair value is the price that would be received to sell an asset or paid to transfer a liability through an orderly transaction between market participants at the measurement date. Purchases and sales are reflected on a trade date basis. Interest, dividends and realized gains or losses are recorded when earned. Changes in the fair value of the portfolio are recorded as unrealized gains or losses. All realized and unrealized gains and losses are included in investment income in the accompanying statement of activities.

Continued

## GIVE AN HOUR

### NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2020

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#### 1. Organization and Summary of Significant Accounting Policies (continued)

##### **Fair Value Measurement**

In accordance with accounting standards for fair value measurement for those assets and liabilities that are measured at fair value on a recurring basis, Give an Hour has categorized its applicable financial instruments into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Applicable financial assets and liabilities are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that Give an Hour has the ability to access.

*Level 2* – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

*Level 3* – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

As of June 30, 2020, Give an Hour's investments, as described in Note 3 of these financial statements, were measured at fair value on a recurring basis.

##### **Classification of Net Assets**

The net assets of Give an Hour are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for support of Give an Hour's operations.
- Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for a specific period of time. These donor restrictions can be temporary in nature in that they will be met by actions of Give an Hour or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of July 30, 2020, Give an Hour had no net assets that are required to be maintained in perpetuity.

##### **Revenue Recognition**

Unconditional grants and contributions are recognized as revenue when received or promised and are reported as donor restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time

## GIVE AN HOUR

### NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2020

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#### 1. Organization and Summary of Significant Accounting Policies (continued)

##### **Revenue Recognition (continued)**

restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Give an Hour receives government grants, which are conditional upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Revenue recognized on these grants for which billings have not been presented to the grantor, or cash has not been received from the grantor, is reflected as contributions and grants receivable in the accompanying statement of financial position.

Give an Hour has several contracts with other Organizations to provide certain services. The revenue for these contracts is recognized as the specific performance obligations are met or over the life of the contract if it has not specific measurable milestones or goals. Contract fees received in advance of the performance obligation being met are included in contract liabilities in the accompanying statement of financial position.

##### **Donated Services**

In-kind contributions are recognized as both revenue and support and expenses in the accompanying statement of activities at the estimated fair value as provided by the donor at the date of donation. In-kind contributions are predominantly donated mental health services and professional services.

##### **Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited based on personnel time spent on programs.

##### **Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### **New Accounting Pronouncements**

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled

## GIVE AN HOUR

### NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2020

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#### 1. Organization and Summary of Significant Accounting Policies (continued)

##### **New Accounting Pronouncements (continued)**

in exchange for those goods and services. Give an Hour adopted ASU 2014-09 and related amendments on July 1, 2019, using the modified retrospective method and elected to apply the standard only to contracts that were not completed as of that date. The adoption of the standard did not impact the results of operations or change in net assets.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This ASU provides additional guidance to be used to determine whether a contribution is conditional and when a transaction should be accounted for as a contribution versus an exchange. Give an Hour adopted ASU 2018-08 as of July 1, 2019, and has applied the amendments of this standard on a modified prospective basis and elected to apply the standard only to agreements that were entered into after the effective date. This standard did not result in a material change to the financial statements or the timing of revenue recognition for Give an Hour's contributions.

#### 2. Grants and Contributions Receivable

As of June 30, 2020, grants and contributions receivable are composed of unconditional promises to give and are to be received in less than one year. Give an Hour has not recorded an allowance for uncollectible accounts, as management believes all amounts are fully collectible.

#### 3. Investments

Investments consisted of the following as of June 30, 2020:

Exchange traded funds	\$	5,475
Common stock		<u>6,325</u>
Total Investments	\$	<u><u>11,800</u></u>

Investment income for the year ended June 30, 2020, consisted of the following:

Interest and dividends	\$	4,015
Unrealized gains		<u>1,449</u>
Total Investment Income	\$	<u><u>5,464</u></u>

#### 4. Fair Value Measurement

Investments measured at fair value consist of exchange traded funds and common stock that are valued in the fair value hierarchy based on Level 1 inputs as of June 30, 2020. The common stock is valued at quoted prices in an active market for identical assets. The exchange traded funds are valued at the net asset value of shares held by Give an Hour, which represents quoted prices in an active market for identical assets.

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## GIVE AN HOUR

### NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2020

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#### 5. Net Assets With Donor Restrictions

Give an Hour's net assets with donor restrictions were available for the following programs or purposes as of June 30, 2020:

Give an Hour California	\$ 383,030
Hospital Heroes	183,858
Give an Hour Indiana	123,713
Reserve component	65,380
First Responders First	<u>52,514</u>
Total Net Assets With Donor Restrictions	<u>\$ 808,495</u>

#### 6. Donated Services

Give an Hour receives various kinds of in-kind support, including contributed mental health and professional services. These services are recognized if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing these skills and would typically need to be purchased if not donated. During the year ended June 30, 2020, Give an Hour recognized support from in-kind services as follows:

Mental health services	\$ 1,678,781
Legal and other professional services	<u>99,418</u>
Total	<u>\$ 1,778,199</u>

Donated legal and other professional services are included in program service expenses in the accompanying statement of activities.

#### 7. Risks and Contingencies

##### **Concentration of Revenue and Receivable Risk**

For the year ended June 30, 2020, Give an Hour recognized revenue of approximately \$1,540,000 from five donors, which represented approximately 53% of Give an Hour's total revenue and support, excluding donated services. Two grantors owed Give an Hour approximately \$223,000, which represented approximately 77% of Give an Hour's total grants and contributions receivable as of June 30, 2020.

##### **Risk and Uncertainty**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses across the country for non-essential services. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of closings. Give an Hour has been able to continue operations; however, at this point, the extent to which COVID-19 will impact Give an Hour's financial condition or results of operations is uncertain and being evaluated by management and the Board.

## GIVE AN HOUR

### NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2020

#### 8. Notes Payable

On April 24, 2020, Give an Hour entered into a Small Business Administration loan with its financial institution under the Paycheck Protection Program (PPP) for the amount of \$306,932. The loan will mature on April 24, 2022, with a fixed interest rate of 1% per annum. Monthly payments of principal and interest will commence on November 24, 2020, with 18 consecutive monthly payments through the maturity date. The loan amount may be eligible for forgiveness pursuant to the PPP, which established minimum amounts of the loan to be used to cover payroll costs and the remainder can be used for mortgage interest, rent and utility costs over a specified period of time after the loan is made; and the number of employees and compensation levels are maintained.

The following are maturities of the note payable as of June 30, 2020:

For the Year Ending June 30,	
2021	\$ 97,524
2022	147,510
2023	<u>61,898</u>
Total Note Payable	<u>\$ 306,932</u>

Interest expense for the note payable totaled \$537 for the year ended June 30, 2020.

#### 9. Liquidity and Availability

Give an Hour regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. Give an Hour's financial assets available within one year of the consolidated statement of financial position date for general expenditures at June 30, 2020, were as follows:

Cash and cash equivalents	\$ 1,702,939
Grants and contributions receivable collectible in one year	290,595
Investments	<u>11,800</u>
Total Financial Assets Available Within One Year	2,005,334
Less:	
Amounts unavailable for general expenditures within one year due to donor's restriction	<u>(808,495)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 1,196,839</u>

Give an Hour has various sources of liquidity at its disposal, including cash and cash equivalents and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of Give an Hour throughout the year. This is done through monitoring and reviewing Give an Hour's cash flow needs on a monthly basis. As a result, management is aware of the cyclical nature Give an Hour's cash flow related to Give an Hour's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. Give an Hour can liquidate its investments on demand, and therefore the investments are available to meet current cash flow needs.

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## GIVE AN HOUR

### NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2020

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#### 10. Income Taxes

Give an Hour is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. No provision for federal income taxes is required for the year ended June 30, 2020, as Give an Hour had no significant net unrelated business income.

Give an Hour has adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB Accounting Standards Codification Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. Give an Hour evaluated its uncertainty in income taxes for the year ended June 30, 2020, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of June 30, 2020, the statute of limitations for certain tax years with the U.S. federal jurisdiction or the various states and local jurisdictions in which Give an Hour files tax returns are open for examination, however, no examinations are currently pending or in progress. It is Give an Hour's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense.

#### 11. Prior Year Summarized Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Give an Hour's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

#### 12. Subsequent Events

In preparing these financial statements, Give an Hour has evaluated events and transactions for potential recognition or disclosure through October 16, 2020, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.