



GIVE AN HOUR

Financial Statements

For the Year Ended June 30, 2021

(With Summarized Financial Information for the Year Ended June 30, 2020)



and Report Thereon



GIVE AN HOUR

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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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, 2021, 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.

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, 2021, 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 2020 financial statements, and in our report dated October 16, 2020 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, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Marcum LLP

Washington, DC
November 4, 2021

GIVE AN HOUR
STATEMENT OF FINANCIAL POSITION
June 30, 2021
(With Summarized Financial Information as of June 30, 2020)

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 1,450,254	\$ 1,702,939
Grants and contributions receivable	174,162	290,595
Prepaid expenses	12,640	16,592
Investments	20,314	11,800
TOTAL ASSETS	\$ 1,657,370	\$ 2,021,926
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 17,397	\$ 42,740
Accrued salaries and vacation	110,679	97,644
Contract liabilities	78,207	75,000
Refundable grant advance - paycheck protection program (PPP)	-	306,932
TOTAL LIABILITIES	206,283	522,316
Net Assets		
Without donor restrictions	1,133,420	691,115
With donor restrictions	317,667	808,495
TOTAL NET ASSETS	1,451,087	1,499,610
TOTAL LIABILITIES AND NET ASSETS	\$ 1,657,370	\$ 2,021,926

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

GIVE AN HOUR

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

(With Summarized Financial Information for the Year Ended June 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
REVENUE AND SUPPORT				
Donated mental health and other services	\$ 1,880,991	\$ -	\$ 1,880,991	\$ 1,778,199
Grants and contributions:				
Foundations, corporations and individuals	303,810	283,215	587,025	2,282,421
Government grants:				
State and local	602,314	-	602,314	422,743
Federal - PPP	558,719	-	558,719	-
Contract revenue	156,846	-	156,846	212,000
Investment and other income	11,317	-	11,317	5,464
Net assets released from restrictions:				
Released from purpose restrictions	646,163	(646,163)	-	-
Released from time restrictions	127,880	(127,880)	-	-
	4,288,040	(490,828)	3,797,212	4,700,827
TOTAL REVENUE AND SUPPORT				
EXPENSES				
Program Service:				
Mental health services	3,620,835	-	3,620,835	3,857,377
	3,620,835	-	3,620,835	3,857,377
Total Program Service				
Supporting Services:				
Management and general	140,367	-	140,367	138,923
Fundraising	84,533	-	84,533	114,834
	224,900	-	224,900	253,757
Total Supporting Services				
	3,845,735	-	3,845,735	4,111,134
TOTAL EXPENSES				
CHANGE IN NET ASSETS	442,305	(490,828)	(48,523)	589,693
NET ASSETS, BEGINNING OF YEAR	691,115	808,495	1,499,610	909,917
NET ASSETS, END OF YEAR	\$ 1,133,420	\$ 317,667	\$ 1,451,087	\$ 1,499,610

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

GIVE AN HOUR
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021
(With Summarized Financial Information for the Year Ended June 30, 2020)

	Supporting Services			Total Supporting Services	2021 Total	2020 Total
	Mental Health Service	Management and General	Fundraising			
Donated mental health services	\$ 1,819,770	\$ -	\$ -	\$ -	\$ 1,819,770	\$ 1,678,781
Salaries and related expenses	1,214,247	69,051	46,159	115,210	1,329,457	1,510,804
Professional fees	408,301	59,533	25,968	85,501	493,802	483,866
Public awareness events	7,500	-	-	-	7,500	197,413
Advertising	49,392	310	-	310	49,702	68,068
Travel and meetings	558	623	-	623	1,181	51,410
Website maintenance	54,003	1,083	3,251	4,334	58,337	50,086
Administrative expenses	46,773	7,577	7,963	15,540	62,313	45,659
Printing, delivery and telecommunications	20,291	2,190	1,192	3,382	23,673	25,047
TOTAL EXPENSES	<u>\$ 3,620,835</u>	<u>\$ 140,367</u>	<u>\$ 84,533</u>	<u>\$ 224,900</u>	<u>\$ 3,845,735</u>	<u>\$ 4,111,134</u>

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

GIVE AN HOUR

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2021

(With Summarized Financial Information for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (48,523)	\$ 589,693
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Unrealized gains on investments	(8,514)	(1,449)
Changes in assets and liabilities:		
Grants and contributions receivable	116,433	302,587
Prepaid expenses	3,952	68,129
Accounts payable and accrued expenses	(25,343)	11,690
Accrued salaries and vacation	13,035	24,570
Contract liabilities	3,207	25,000
Refundable grant advance	<u>(306,932)</u>	<u>306,932</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(252,685)</u>	<u>1,327,152</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(252,685)	1,327,152
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,702,939</u>	<u>375,787</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,450,254</u>	<u>\$ 1,702,939</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, 2021

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, 2021, 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 net realizable value discounted to present value. Give an Hour uses the allowance method to record potentially uncollectible accounts receivable. Accounts past due are individually analyzed for collectability. 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, 2021.

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.

GIVE AN HOUR

NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2021

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, 2021, 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, 2021, 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, 2021

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, including funding under the federal Paycheck Protection Program (PPP) which it has elected to treat as a grant that 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 grants and contributions receivable in the accompanying statement of financial position. Grants received in advance are recorded as refundable advances and recorded as revenue after the allowable costs are incurred.

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.

2. Grants and Contributions Receivable and Conditional Contributions

Grants and contributions receivable are composed of unconditional promises to give. Give an Hour has not recorded an allowance for uncollectible accounts, as management believes all amounts are fully collectible. Additionally, no discount was recorded as of June 30, 2021 as all grants and contributions receivable are expected to be received in less than one year.

GIVE AN HOUR

NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2021

2. Grants and Contributions Receivable and Conditional Contributions (continued)

On April 24, 2020, Give an Hour received PPP loan proceeds in the amount of \$306,932 from its financial institution. In May 2021, the Small Business Administration (SBA) approved Give an Hour's application for forgiveness of this initial PPP loan. On January 27, 2021, Give an Hour entered into a second SBA loan with a different financial institution under the PPP in the amount of \$251,250. This second PPP loan will mature on January 27, 2026, with a fixed interest rate of 1% per annum, and has yet to be forgiven as of November 4, 2021.

Give an Hour has elected to treat its PPP loans as conditional grants whereby contribution revenue is recognized upon certain program conditions being satisfied during the forgiveness period, including incurring sufficient qualifying expenses, primarily consisting of payroll costs for Give an Hour, and maintaining certain levels of employees and compensation. Upon satisfying the PPP conditions at the end of each loan's forgiveness period, Give an Hour recognized grants and contributions revenue in the accompanying statement of activities, which consisted of the forgiven principal and accrued interest in the amounts of \$558,182 and \$537, respectively.

3. Investments and Fair Value Measurement

Investments consisted of the following as of June 30, 2021:

Common stock	\$ 11,452
Exchange traded funds	<u>8,862</u>
Total Investments	<u>\$ 20,314</u>

Investment income for the year ended June 30, 2021, consisted of unrealized gains in the amount of \$8,515 and is included in investment and other income in the accompanying statement of activities.

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, 2021. 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 (NAV) of shares held at year-end. The NAV is based on the value of the underlying assets owned by the fund, less liabilities, divided by the number of shares outstanding. Exchange traded funds that are publicly traded on major exchanges are valued at the closing price reported on the major market on which the individual securities are traded.

4. Net Assets With Donor Restrictions

Give an Hour's net assets with donor restrictions were available for the following programs, time or purposes as of June 30, 2021:

Give an Hour California	\$ 175,350
Give an Hour Indiana	73,491
Time restricted	62,500
Change Direction	4,899
Provider recruitment	<u>1,427</u>
Total Net Assets With Donor Restrictions	<u>\$ 317,667</u>

GIVE AN HOUR

NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2021

5. 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, 2021, Give an Hour recognized support from in-kind services as follows:

Mental health services	\$ 1,819,770
Legal and other professional services	<u>61,221</u>
Total	<u>\$ 1,880,991</u>

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

6. Risks and Contingencies

Concentration of Credit Risk

Financial instruments which potentially subject the Organization to a concentration of credit risk consist principally of cash and cash equivalent balances maintained at various creditworthy financial institutions. While the amount at a given bank, at times, exceeds the amount guaranteed by federal agencies and, therefore, bears some risk, the Organization has not experienced, nor does it anticipate, any losses on its funds. At June 30, 2021, the amount in excess of the Federal Deposit Insurance Corporation insured limit of \$250,000 per depositor per financial institution was approximately \$143,000.

Concentration of Revenue and Receivable Risk

For the year ended June 30, 2021, Give an Hour recognized revenue of approximately \$1,268,000 from five donors, which represented approximately 66% of Give an Hour's total revenue and support, excluding donated services. Three grantors owed Give an Hour approximately \$146,000, which represented approximately 84% of Give an Hour's total grants and contributions receivable as of June 30, 2021.

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, 2021

7. 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, 2021, were as follows:

Cash and cash equivalents	\$ 1,450,254
Grants and contributions receivable collectible in one year	174,162
Investments	<u>20,314</u>
Total Financial Assets Available Within One Year	1,644,730
Less:	
Amounts unavailable for general expenditures within one year due to donor's restriction	<u>(317,667)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 1,327,063</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.

8. 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, 2021, 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, 2021, 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, 2021, 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.

GIVE AN HOUR

NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2021

9. 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, 2020, from which the summarized information was derived.

10. Reclassification

Certain 2020 amounts have been reclassified to conform to the 2021 financial statement presentation.

11. Subsequent Events

In preparing these financial statements, Give an Hour has evaluated events and transactions for potential recognition or disclosure through November 4, 2021, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.