

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
EMDR Humanitarian Assistance Programs, Inc.

We have audited the accompanying financial statements of EMDR Humanitarian Assistance Programs, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of EMDR Humanitarian Assistance Programs, Inc. as of June 30, 2021 and 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.

Budwitz & Meyerjack, P.C.

Cheshire, Connecticut
August 8, 2022

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

STATEMENT OF FINANCIAL POSITION

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS:		
Cash	\$ 459,273	\$ 8,531
Investments	113,647	624,437
Accounts receivable	2,725	21,985
Prepaid expenses	-	4,808
Net property and equipment	25,326	31,902
Restricted cash	458,954	666,115
Security deposits	1,426	1,426
Beneficial interest in assets held at Community Foundation of GNH, Inc.	593,074	-
Total Assets	<u>\$ 1,654,425</u>	<u>\$ 1,359,204</u>
LIABILITIES:		
Accounts payable and accrued expenses	\$ 45,535	\$ 35,230
Credit card payable	6,784	843
Deferred training revenue	213,405	127,010
Total Liabilities	<u>265,724</u>	<u>163,083</u>
NET ASSETS:		
Without donor restrictions	497,492	248,619
With donor restrictions	<u>891,209</u>	<u>947,502</u>
Total Net Assets	<u>1,388,701</u>	<u>1,196,121</u>
Total Liabilities and Net Assets	<u>\$ 1,654,425</u>	<u>\$ 1,359,204</u>

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

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	Without Donor Restrictions	With Donor Restrictions	2021 Totals	Without Donor Restrictions	With Donor Restrictions	2020 Totals
Public Support, Revenue and Reclassifications						
Product sales	\$ 29,865	-	\$ 29,865	\$ 44,950	-	\$ 44,950
Program services	919,219	-	919,219	1,152,978	-	1,152,978
Program services-donated	2,229,450	-	2,229,450	3,158,970	-	3,158,970
Contribution income	78,414	7,740	86,154	123,747	977,446	1,101,193
Investment income	8,964	69	9,033	3,417	-	3,417
Realized gain on investments	77,215	-	77,215	-	-	-
Unrealized gain on investments	-	5,251	5,251	25,416	-	25,416
Payroll Protection Program	102,000	-	102,000	78,300	-	78,300
Net assets released from restrictions:						
Restrictions satisfied by purpose	69,353	(69,353)	-	77,940	(77,940)	-
Total Support, Revenue and Reclassifications	3,514,480	(56,293)	3,458,187	4,665,718	899,506	5,565,224
Expenses and Losses						
Program costs	1,009,855	-	1,009,855	1,420,731	-	1,420,731
Program costs-donated	2,229,450	-	2,229,450	3,158,970	-	3,158,970
Management and general expenses	18,394	-	18,394	51,541	-	51,541
Total Expenses	3,257,699	-	3,257,699	4,631,242	-	4,631,242
Unrealized loss on investments	7,908	-	7,908	-	-	-
Total Expenses and Losses	3,265,607	-	3,265,607	4,631,242	-	4,631,242
INCREASE (DECREASE) IN NET ASSETS						
NET ASSETS, beginning of year	248,873	(56,293)	192,580	34,476	899,506	933,982
NET ASSETS, end of year	248,619	947,502	1,196,121	214,143	47,996	262,139
	\$ 497,492	\$ 891,209	\$ 1,388,701	\$ 248,619	\$ 947,502	\$ 1,196,121

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

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2021

	PROGRAMS					2021 Total
	Store	TRN/Special	Training	Client Programs	Management & General	
Program and Supporting Services Expenses:						
Salaries	\$ -	\$ -	\$ 441,585	\$ 634	\$ -	\$ 442,219
Payroll taxes and employee benefits	-	-	37,807	-	-	37,807
Travel and conference expense	-	-	814	-	-	814
Donation and grant expenses	-	-	3,000	6,042	-	9,042
Faculty training	-	-	15,875	-	-	15,875
Training expenses - domestic and international	-	8,100	134,817	-	375	142,917
Training expenses - donated	-	-	2,229,450	-	-	2,229,450
Outreach/Volunteer Expenses	-	-	1,876	-	-	1,876
Insurance	-	-	8,613	-	-	8,613
Postage and delivery	-	-	3,148	-	-	3,148
Professional fees	267	-	52,302	-	-	52,569
Marketing and development	-	-	39,762	-	-	39,762
Business Consulting	-	-	83,900	-	-	83,900
Rent	-	-	18,930	-	-	18,930
Store and product cost	6,272	-	1,170	-	-	7,442
Utilities and telecommunications	35	-	12,401	-	-	12,436
Office expenses	-	-	29,822	335	210	30,367
Bank, merchant, and investment fees	1,290	-	20,399	3,046	153	24,888
Client needs and program expenses	-	-	69,353	-	-	69,353
Depreciation	-	-	8,260	-	-	8,260
Total Program and Supporting Services Expenses June 30, 2021	\$ 7,864	\$ 8,100	\$ 3,213,284	\$ 10,057	\$ 18,394	\$ 3,239,305

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

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2020

	PROGRAMS					2020 Total
	Store	TRN/Special	Training	Client Programs	Total	
Program and Supporting Services Expenses:						
Salaries	\$ -	\$ -	\$ 472,937	\$ -	\$ 472,937	\$ 488,872
Payroll taxes and employee benefits	-	-	42,374	-	42,374	42,374
Travel and conference expense	-	-	13,940	-	13,940	13,940
Donation and grant expenses	-	-	-	3,173	3,173	3,173
Faculty training	-	-	47,240	-	47,240	47,240
Training expenses - domestic and international	-	-	338,032	-	338,032	338,704
Training expenses - donated	-	-	2,849,870	-	2,849,870	2,849,870
Outreach/Volunteer Expenses	-	-	9,531	-	9,531	44,127
Insurance	-	-	10,010	-	10,010	10,010
Postage and delivery	30	-	4,467	-	4,497	4,497
Professional fees	335	33,181	30,954	-	64,470	64,470
Marketing and development	-	-	63,425	-	63,425	63,425
Business Consulting	-	-	74,740	-	74,740	74,740
Rent	-	-	20,475	-	20,475	20,475
Rent - donated	-	-	309,100	-	309,100	309,100
Store and product cost	18,326	-	1,378	-	19,704	19,704
Utilities and telecommunications	-	-	14,931	-	14,931	14,931
Office expenses	1,262	-	34,402	129	35,793	36,109
Bank, merchant, and investment fees	1,455	-	20,239	1,734	23,428	23,450
Client needs and program expenses	-	-	27,940	50,000	77,940	77,940
Cancellations	-	-	75,983	-	75,983	75,983
Depreciation	-	-	8,108	-	8,108	8,108
Total Program and Supporting Services Expenses June 30, 2020	\$ 21,408	\$ 33,181	\$ 4,470,076	\$ 55,036	\$ 4,579,701	\$ 4,631,242
				Management & General		
				15,935		

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

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 192,580	\$ 933,982
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,260	8,108
Realized (gain) loss on investments	(77,215)	-
Unrealized (gain) loss on investments	2,657	(25,416)
Changes in Operating Assets and Liabilities		
(Increase) decrease in accounts receivable	19,260	48,721
(Increase) decrease in prepaid expenses	4,808	3,747
(Increase) decrease in cash restricted for grant purposes	207,161	(458,259)
Increase (decrease) in accounts payable and accrued expenses	10,305	(1,379)
Increase (decrease) in credit card payable	5,941	(18,018)
Increase (decrease) in deferred training revenue	86,395	23,391
Increase (decrease) in deferred grant revenue	-	(5,982)
Net Cash Used in Operating Activities	<u>460,152</u>	<u>508,895</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(587,753)	(508,930)
Proceeds from sale of investment	580,027	-
Purchase of property, plant and equipment	(1,684)	(5,435)
Net Cash Used by Investing Activities	<u>(9,410)</u>	<u>(514,365)</u>
NET INCREASE (DECREASE) IN CASH	450,742	(5,470)
CASH, beginning of year	<u>8,531</u>	<u>14,001</u>
CASH, end of year	<u>\$ 459,273</u>	<u>\$ 8,531</u>

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

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization:

EMDR Humanitarian Assistance Programs, Inc. (the Organization) is a non-profit Organization, incorporated within the State of California. The Organization's tax-exempt status has been certified by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code. The primary objectives and purposes of the Organization shall be to extend access to mental health services for underserved populations anywhere in the world through public and professional education, humanitarian services, and supportive research, with emphasis on building the capacity of local care givers to provide effective care for psychological trauma. The Organization's fiscal year begins on July 1 and ends on June 30. A summary of the Organization's accounting policies that affect the significant elements of the financial statements are stated below.

Change in Accounting Principle:

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which replaces numerous requirements in accordance with accounting principles generally accepted in the United States of America, including industry-specific requirements, and provides organizations with a single revenue recognition model for recognizing revenue from contracts with customers. The core principle of the new standard is that an organization should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. The new standard is effective for annual reporting periods beginning after December 15, 2019. Management has adopted the new revenue guidance using the modified retrospective method on July 1, 2020.

The Organization has evaluated each revenue stream from contracts with customers and applied ASU 2014-09. As a result of this change in accounting guidance, the Organization updated its revenue recognition policies and disclosures. ASU 2014-09 did not impact the amount of revenue recognized in previous periods, and accordingly, there was no impact to the Organization's opening net asset balances upon adoption. The Organization does not expect the impact of the adoption of the new standard to be material to the results of operations on an ongoing basis.

Basis of Presentation and Accounting Method:

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, the accounts of the Organization are reported in the following categories:

Net Assets Without Donor Restrictions - Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the Board of Directors.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Net Assets With Donor Restrictions - Net assets with donor restrictions represent contributions that are restricted by the donor as to purpose or time of expenditure. Net assets with donor restrictions also represent resources that have donor-imposed restrictions to be maintained in perpetuity.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Further, the use of estimates also affects the levels of revenues and expenses recorded throughout the reporting period. Actual results could differ from those estimates.

Revenue Recognition:

Contributions and Support Revenue

Contributions that are subject to donor-imposed conditions (i.e., a donor stipulation that includes a barrier that must be overcome and a right of return or release from obligation) are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. Unconditional contributions are recognized when pledged or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions receivable expected to be collected in more than one year are discounted to their present value.

The Organization reports contributions of cash as donor restricted support if they are received with donor stipulations that limit their use. 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 statement of activities as net assets released from restrictions. Contributions received whose restrictions are met in the same period are presented with net assets without donor restrictions. Transfers of assets from a resource provider received before the barriers are overcome are reported as refundable advances on the accompanying statement of financial position.

Program Services and Product Sales Revenue

Program services revenue represents revenue from seminars and trainings provided by the Organization. Program services revenue received is not recognized as revenues until the revenue is earned, which is when the seminars or services are provided, and the Organization believes it is no longer required to provide additional services for the training program. Any unearned portion is recorded as deferred training revenue. Product sales revenue is recognized at the point in time when product is shipped, and the terms of the order have been satisfied.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Statement of Cash Flows:

The Organization considers demand deposits, certificates of deposit and all highly liquid investments with a maturity of three months or less to be cash equivalents.

Accounts Receivable:

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. No allowance for doubtful accounts has been provided for the years ended June 30, 2021 and 2020 as management has evaluated all amounts and believes they are all collectible.

Property, Plant and Equipment:

Buildings, improvements and equipment are carried at the cost of acquisition. The Organization follows the practice of capitalizing all expenditures for property and equipment equal to or in excess of \$1,000. The Organization uses the straight-line method of depreciation in all cases, allocating the cost of acquisition of property and equipment evenly over their expected useful lives. The depreciated cost of all property and equipment represents that portion of the original cost not yet allocated as charge against operations and does not purport to be realizable value or a replacement cost. Upon retirement or disposal, gain or loss, if any, is reflected in earnings for the period.

The estimated useful lives are as follows:

Computers	5 years
Website costs	3 years
Furniture and fixtures	5-7 years

Property and equipment consist of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Computer equipment	\$ 43,394	\$ 41,711
Website costs	53,306	53,306
Furniture and fixtures	<u>61,963</u>	<u>61,963</u>
Total Costs	158,663	156,980
Less accumulated depreciation	<u>(133,337)</u>	<u>(125,078)</u>
Net property and equipment	<u>\$ 25,326</u>	<u>\$ 31,902</u>

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Reclassifications:

Certain reclassifications have been made to the financial statements to conform to the June 30, 2020 presentation. These reclassifications have no material effect on the financial statements.

Restricted Cash:

Restricted cash is from donations and other funding sources. The total balance in these restricted accounts was \$458,954 and \$665,115 as of June 30, 2021 and 2020, respectively.

Corporate Income Taxes:

The Internal Revenue Service has ruled that under Section 501 (c) (3) of the Internal Revenue Code, the Organization qualifies as an Organization exempt from income tax under the present Federal income tax laws. Further, the Internal Revenue Service has ruled that the Organization is not a private foundation in accordance with Section 170 (b) (1) (a) (iv) of the Internal Revenue Code. The Organization is additionally exempt from State income taxation by virtue of its Federal exemption.

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's Return of Organizations Exempt From Income Tax (Form 990) for the years ended June 30, 2018, 2019 and 2020 are subject to examination by the IRS, generally for three years after they were filed.

Allocation Expenses:

The costs of providing the various programs and other supporting activities of the Organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that were clearly identifiable as being for a specific function were allocated to that function. All other expenses were allocated based on management's estimation of time spent on a particular function or asset usage. Various allocation methods may change from year to year based upon management's review of internal processes.

Gains and Losses:

The realized gain or loss on the sale of investments is the difference between the proceeds received and the average cost of the investment sold. Unrealized appreciation or depreciation in the aggregate fair value of investments represents the change in the difference between the fair value and cost of investments.

Deferred Training Revenue:

Deferred revenue represents program income from training services invoiced in the period prior to the fiscal year in which such training services are provided.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

2. OPERATING LEASE

The Organization entered into a lease for office space with an original date of November 1, 2014. The Organization amended the lease agreement on April 7, 2021 to extend through December 2022 at a cost of \$18,960 per year. Total rent expense under the operating lease was \$18,930 and \$20,475 for the years ended June 30, 2021 and 2020, respectively.

The following is a schedule by year of future minimum lease payments required under the lease as of June 30, 2021:

Year Ending June 30,	
2022	\$ 18,960
2023	<u>9,480</u>
Total Minimum Obligations	<u>\$ 28,440</u>

3. DEFERRED TRAINING REVENUE

Total deferred training revenue was \$213,405 and \$127,010 for the years ended June 30, 2021 and 2020, respectively.

4. DONATED SERVICES

A substantial number of volunteers have donated significant amounts of time in the area of clinical training and trauma education in international disaster settings and in community mental health agencies across the U.S. If these hours were valued at commercial rates, the Organization would have received approximately \$2,229,450 of training time for domestic, military and international clinician training during the year ended June 30, 2021. For the year ended June 30, 2020, the Organization would have received approximately \$2,849,870.

The Organization uses facilities of its sponsors for training events for which the Organization does not pay rent. The estimated fair value of the rent during the year ended June 30, 2021 was \$-0-, and has been included in program services and program expenses in the statements of activities and net assets. For the year ended June 30, 2020, the estimated fair value of the rent was \$309,100.

5. BENEFICIAL INTEREST

The Organization has transferred assets to The Community Foundation for Greater New Haven, Inc. (the "Foundation") which is holding them as a donor restricted fund ("Fund") for the exclusive benefit of the Organization. At any time, the Organization may request to withdraw all or part of its investment in the Fund. Withdrawals of amounts less than 50% of the then current market value of the Organization's investment require at least 60 days prior written notice, and withdrawals of amounts greater than 50% require 90 days written notice.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

The Organization follows the annual distribution rate in accordance with the Spending Rule Policy of the Foundation determined annually by the Foundation's Board of Directors. The Spending Rate for 2021 was 5.50%. The Organization reports the fair value of the Fund as Beneficial Interest in Assets Held at The Community Foundation for GNH in the statement of financial position and reports distributions received as investment income. Changes in the value of the Fund are reported as gains or losses in the statement of activities. Changes in the Fund for the year ended June 30, 2021, are as follows:

Balance at July 1, 2020	\$ -
Amounts invested in Fund during FY 2021	587,753
Investment income	5,321
Distributions received	-
Balance at June 30, 2021	<u>\$ 593,074</u>

6. INVESTMENTS

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Investments are stated at fair value and consist primarily of equity securities and mutual funds.

	<u>June 30, 2021</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Mutual funds	<u>\$ 101,472</u>	<u>\$ 113,647</u>	<u>\$ 12,175</u>
	<u>June 30, 2020</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Mutual funds	<u>\$ 598,401</u>	<u>\$ 624,437</u>	<u>\$ 26,036</u>

Investment return is summarized as follows:

	<u>2021</u>	<u>2020</u>
Investment income	\$ 9,033	\$ 3,417
Net realized and unrealized loss	<u>74,558</u>	<u>25,416</u>
Total Net Unrestricted Investment Loss	<u>\$ 83,591</u>	<u>\$ 28,833</u>

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

7. CONCENTRATIONS OF CREDIT RISK

The Organization maintains a substantial portion of its cash with one financial institution. At June 30, 2021, and at other times of the year, amounts of cash and cash equivalents maintained on deposit may be in excess of Federal Deposit Insurance Corporation (FDIC) limits. There was \$551,299 and \$173,460 in excess of insured limits for the years ended June 30, 2021 and 2020, respectively.

8. FAIR VALUE MEASUREMENTS

Accounting Standards Codification (“ASC”) Topic 820, “Fair Value Measurements and Disclosures” (“ASC 820”), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under ASC 820 are described below:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date identical, unrestricted assets or liabilities;
- Level 2 Quoted prices in market that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and observable.

The asset’s and liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value.

Mutual funds – These funds are valued at the closing price reported in the active market in which the securities are traded.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Beneficial interest in assets held at The Community Foundation for GNH, Inc. – These funds are valued at the fair value of the Organization’s share of the interest held in the Foundation’s comingled fund as of the measurement date. The Foundation values securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the Foundation for which prices are not readily available, are determined by the management of the Foundation. Estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The Foundation’s investments are composed approximately of 50.00% global equities, 32.50% alternative investments including hedge funds and private equity funds, and 17.50% bonds. The beneficial interest in assts held at the Foundation is redeemable by the Organization as described in Note 5.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

<u>Description</u>	<u>6/30/21</u>	<u>In Active Markets For Identical Assets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds	\$ 113,647	\$ 113,647	\$ -	\$ -
Beneficial interest in assets held at the Community Foundation for GNH, Inc.	<u>593,074</u>	<u>-</u>	<u>593,074</u>	<u>-</u>
	<u>\$ 706,721</u>	<u>\$ 113,647</u>	<u>\$ 593,074</u>	<u>\$ -</u>

<u>Description</u>	<u>6/30/20</u>	<u>In Active Markets For Identical Assets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds	\$ 624,437	\$ 624,437	\$ -	\$ -
	<u>\$ 624,437</u>	<u>\$ 624,437</u>	<u>\$ -</u>	<u>\$ -</u>

Gains and losses (realized and unrealized) are reported in the statement of activities for the year ended June 30, 2021 and 2020.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

9. NET ASSET CLASSIFICATIONS

Temporarily Restricted Net Assets:

Temporarily restricted net assets as of June 30, 2021 and 2020 totaled \$891,209 and \$947,502, respectively, and the purposes and amounts are as follows:

	<u>2021</u>	<u>2020</u>
Client needs	<u>\$ 891,209</u>	<u>\$ 947,502</u>

Net Assets Released From Restrictions:

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. Net assets released from restrictions are as follows:

	<u>2021</u>	<u>2020</u>
Client needs	<u>\$ 69,353</u>	<u>\$ 77,940</u>
	<u>\$ 69,353</u>	<u>\$ 77,940</u>

10. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	<u>\$ 459,273</u>	<u>\$ 8,531</u>
Investments	<u>113,647</u>	<u>624,437</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 572,920</u>	<u>\$ 632,968</u>

Liquidity Management:

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

11. OTHER RISKS AND UNCERTAINTIES

Since early March 2020, the COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple businesses. While this disruption is currently expected to be temporary, there is uncertainty around the duration of the closings. Therefore, the Company expects this matter to negatively impact its training income. However, the related financial impact and duration cannot be reasonably estimated at this time.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

12. PAYROLL PROTECTION PROGRAM

On March 3, 2021, the Organization received a second Paycheck Protection Program (PPP) loan of \$102,000 and on April 23, 2020 received an original Paycheck Protection Program (PPP) loan of \$78,300 granted by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Organization considers PPP loans to be conditional contributions, with a right-of return in the form of an obligation to be repaid if barriers to entitlement are not met. These barriers include incurring qualifying expenses and maintaining certain levels of employee headcount and salary during a measurement period. The Organization considers reviews of our application for forgiveness by the lender and the SBA as well as potential audits to be administrative in nature rather than barriers to entitlement. During the years ended June 30, 2021 and June 30, 2020, the Organization recognized \$102,000 and \$78,300 in employee headcount and salary levels maintained through June 30, 2021 and June 30, 2020, respectively.

The loan is guaranteed by the Small Business Administration and contains provisions for loan forgiveness when loan funds are expended on payroll costs and other costs approved by the program. As of the date of issuance of these financial statements the Company has been granted full forgiveness of the loans made by the SBA and KeyBank, N.A. in the amount of \$102,000 and 78,300, respectively.

13. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 8, 2022 the date the financial statements were available to be issued, and has determined that there are no matters requiring disclosure in, or adjustment to, these financial statements.