

**PULSE OUTREACH**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Pulse Outreach  
Minneapolis, Minnesota

We have audited the accompanying financial statements of Pulse Outreach (a nonprofit corporation), 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.

### ***Auditors' 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 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.

Board of Directors  
Pulse Outreach

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pulse Outreach as of June 30, 2021 and 2020, and 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
November 11, 2021

**PULSE OUTREACH  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 3,950,936	\$ 5,163,141
Accounts Receivable	3,955	1,389
Inventory	25,530	2,806
Prepaid Expenses and Other Current Assets	346,811	347,421
Total Current Assets	4,327,232	5,514,757
<b>PROPERTY AND EQUIPMENT, NET</b>	3,731,208	3,272,999
Total Assets	\$ 8,058,440	\$ 8,787,756
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 31,123	\$ 28,253
Accrued Expenses	110,802	97,794
Paycheck Protection Program Loan	510,897	439,004
Total Liabilities	652,822	565,051
<b>NET ASSETS</b>		
Without Donor Restrictions	7,157,279	7,125,188
With Donor Restrictions	248,339	1,097,517
Total Net Assets	7,405,618	8,222,705
Total Liabilities and Net Assets	\$ 8,058,440	\$ 8,787,756

See accompanying Notes to Financial Statements.

**PULSE OUTREACH  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Support:						
Pledges and Contributions (Including In-Kind Contributions of \$66,029 and \$43,817, Respectively)	\$ 4,701,781	\$ 651,397	\$ 5,353,178	\$ 6,858,660	\$ 5,284,338	\$ 12,142,998
PPP Loan Forgiveness	439,004	-	439,004	-	-	-
Honorariums	37,000	-	37,000	13,000	-	13,000
Total Support	<u>5,177,785</u>	<u>651,397</u>	<u>5,829,182</u>	<u>6,871,660</u>	<u>5,284,338</u>	<u>12,155,998</u>
Revenue:						
Investment Income	19,199	-	19,199	17,005	-	17,005
Ticket and Merchandise Sales (Net of Cost of Goods Sold of \$2,254 and \$1,321, Respectively)	1,529	-	1,529	71,386	-	71,386
Sponsorships	-	-	-	280,000	-	280,000
Miscellaneous Income	207,136	-	207,136	3,875	-	3,875
Total Revenue	<u>227,864</u>	<u>-</u>	<u>227,864</u>	<u>372,266</u>	<u>-</u>	<u>372,266</u>
Net Assets Released from Restriction	<u>1,500,575</u>	<u>(1,500,575)</u>	<u>-</u>	<u>5,751,506</u>	<u>(5,751,506)</u>	<u>-</u>
Total Support and Revenue	6,906,224	(849,178)	6,057,046	12,995,432	(467,168)	12,528,264
<b>EXPENSES</b>						
Program Services	5,269,305	-	5,269,305	5,767,242	-	5,767,242
Support Services:						
Management and General	817,241	-	817,241	637,822	-	637,822
Fundraising	787,587	-	787,587	691,086	-	691,086
Total Support Services	<u>1,604,828</u>	<u>-</u>	<u>1,604,828</u>	<u>1,328,908</u>	<u>-</u>	<u>1,328,908</u>
Total Expenses	<u>6,874,133</u>	<u>-</u>	<u>6,874,133</u>	<u>7,096,150</u>	<u>-</u>	<u>7,096,150</u>
<b>CHANGE IN NET ASSETS</b>	32,091	(849,178)	(817,087)	5,899,282	(467,168)	5,432,114
Net Assets - Beginning of Year	<u>7,125,188</u>	<u>1,097,517</u>	<u>8,222,705</u>	<u>1,225,906</u>	<u>1,564,685</u>	<u>2,790,591</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 7,157,279</u>	<u>\$ 248,339</u>	<u>\$ 7,405,618</u>	<u>\$ 7,125,188</u>	<u>\$ 1,097,517</u>	<u>\$ 8,222,705</u>

See accompanying Notes to Financial Statements.

**PULSE OUTREACH  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2021**

	Program Services	Support Services			Total
		Management and General	Fundraising	Total Support Services	
Salaries and Wages	\$ 1,992,932	\$ 472,300	\$ 274,435	\$ 746,735	\$ 2,739,667
Employee Benefits	240,123	76,555	51,066	127,621	367,744
Payroll Taxes	104,924	28,295	18,240	46,535	151,459
Total Personnel Costs	<u>2,337,979</u>	<u>577,150</u>	<u>343,741</u>	<u>920,891</u>	<u>3,258,870</u>
Advertising	658,235	-	142	142	658,377
Professional Fees/Talent - Events	111,041	-	31,675	31,675	142,716
Professional Fees - Operations	242,804	22,345	48,318	70,663	313,467
Supplies	59,969	8,346	1,612	9,958	69,927
Telephone/Internet/Media	572,180	28,817	46,632	75,449	647,629
Postage and Shipping	9,692	903	14,997	15,900	25,592
Occupancy	50,653	15,225	3,658	18,883	69,536
Printing and Publications	17,469	2,275	31,258	33,533	51,002
Travel and Lodging	270,445	3,149	31,687	34,836	305,281
Conferences and Meetings	3,517	299	-	299	3,816
Venue Costs (Rent, Catering, etc.)	548,755	729	184,538	185,267	734,022
Insurance	29,175	31,506	4,085	35,591	64,766
Miscellaneous	86,154	70,447	14,976	85,423	171,577
Bank Charges and Fees	2	35,702	-	35,702	35,704
Subscriptions	168,631	7,427	17,283	24,710	193,341
Bad Debt	-	-	-	-	-
Depreciation	102,604	12,921	12,985	25,906	128,510
Total Expenses	<u>\$ 5,269,305</u>	<u>\$ 817,241</u>	<u>\$ 787,587</u>	<u>\$ 1,604,828</u>	6,874,133
Cost of Goods Sold					<u>2,254</u>
Total Expenses					<u>\$ 6,876,387</u>

See accompanying Notes to Financial Statements.

**PULSE OUTREACH  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2020**

	Program Services	Support Services			Total
		Management and General	Fundraising	Total Support Services	
Salaries and Wages	\$ 1,805,958	\$ 343,170	\$ 307,489	\$ 650,659	\$ 2,456,617
Employee Benefits	212,805	65,999	58,372	124,371	337,176
Payroll Taxes	105,778	21,067	19,348	40,415	146,193
Total Personnel Costs	<u>2,124,541</u>	<u>430,236</u>	<u>385,209</u>	<u>815,445</u>	<u>2,939,986</u>
Advertising	715,633	-	699	699	716,332
Professional Fees/Talent - Events	277,800	-	17,500	17,500	295,300
Professional Fees - Operations	520,764	17,125	26,464	43,589	564,353
Supplies	54,241	65,540	7,765	73,305	127,546
Telephone/Internet/Media	641,504	11,829	17,342	29,171	670,675
Postage and Shipping	14,029	283	14,854	15,137	29,166
Occupancy	48,944	12,836	1,449	14,285	63,229
Printing and Publications	41,280	1,885	45,302	47,187	88,467
Travel and Lodging	400,286	4,184	51,901	56,085	456,371
Conferences and Meetings	6,293	100	40	140	6,433
Venue Costs (Rent, Catering, etc.)	624,562	-	73,411	73,411	697,973
Insurance	20,870	22,360	2,623	24,983	45,853
Miscellaneous	134,576	18,219	27,394	45,613	180,189
Bank Charges and Fees	7	23,665	1	23,666	23,673
Subscriptions	80,302	13,263	7,875	21,138	101,440
Bad Debt	-	-	-	-	-
Depreciation	61,610	16,297	11,257	27,554	89,164
Total Expenses	<u>\$ 5,767,242</u>	<u>\$ 637,822</u>	<u>\$ 691,086</u>	<u>\$ 1,328,908</u>	<u>\$ 7,096,150</u>
Cost of Goods Sold					<u>1,321</u>
Total Expenses					<u>\$ 7,097,471</u>

See accompanying Notes to Financial Statements.

**PULSE OUTREACH  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (817,087)	\$ 5,432,114
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	128,510	89,164
Noncash PPP Loan Forgiveness	(439,004)	
Loss on Sale of Furniture and Equipment	-	3,425
(Increase) Decrease in Assets:		
Pledges Receivable	-	232,270
Accounts Receivable	(2,566)	(1,113)
Inventory	(22,724)	844
Prepaid Expense and Other Current Assets	610	(262,717)
Increase (Decrease) in Liabilities:		
Accounts Payable	2,870	(98,039)
Accrued Expenses	13,008	21,155
Net Cash Provided (Used) by Operating Activities	(1,136,383)	5,417,103
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(586,719)	(613,974)
Net Cash Used by Investing Activities	(586,719)	(613,974)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Notes Payable	510,897	847,032
Payment on Notes Payable	-	(1,581,813)
Net Cash Provided (Used) by Financing Activities	510,897	(734,781)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,212,205)	4,068,348
Cash and Cash Equivalents - Beginning of Year	5,163,141	1,094,793
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 3,950,936	\$ 5,163,141
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITY</b>		
Donated Goods and Services	\$ 66,029	\$ 43,817
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid During the Year for Interest	\$ -	\$ 33,223

See accompanying Notes to Financial Statements.

**PULSE OUTREACH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Pulse Outreach (the Organization) exists to make Jesus known and to equip His followers to do the same. The Organization relies on contributions from the public to fulfill its mission.

Evangelist Nick Hall, Founder & President of Pulse, has a calling on his life—to share the Gospel. While a student at NDSU (North Dakota State University), Nick had a burning desire to reach his college campus and put Jesus at the “pulse of his generation.” That first event sparked a movement—placing this ministry at the center of the largest millennial-led prayer and outreach efforts in the world. As an evangelistic voice to the next generation, Nick has now shared the Gospel with more than five million teens and students around the world. Through in-person events and digital content, Pulse is proclaiming the Gospel, equipping believers, and unleashing young evangelists.

Every organization was forced to make major changes in 2020, and Pulse was no exception. As the world shut down and ministries struggled to survive, Pulse leadership made the decision to pivot and boldly launch into what has proven to be the greatest evangelistic opportunity of our lives. This season crystallized our why: Pulse exists to reach the lost and equip believers to do the same. The year 2020 propelled Pulse to move from being a national expression into a global evangelistic ministry that engages people through in-person events and on digital platforms. In 2020 and continuing in 2021, Pulse has impacted more people in this short period than in the previous 15 years.

The 2021 Good Friday outreach had 180 million viewers across 186 nations and over 1.1 million Gospel responses. In August 2021, Nick Hall shared the Gospel in 14 cities with 45,000 attendees, and 2,000 responded to the Gospel. In the fall of 2021, Pulse took the Gospel to the University of Texas, Oklahoma, Arkansas, and Arizona State. Pulse, through Nick Hall, wants to win back college campuses for Jesus!

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and related changes are classified and reported as follows:

*Without Donor-Restricted Net Assets* – Resources over which the board of directors has discretionary control.

*With Donor-Restricted Net Assets* – Resources subject to donor-imposed restrictions which will be satisfied by actions of the Organization or passage of time or to be maintained permanently by the Organization. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

**Cash Equivalents**

All highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

**PULSE OUTREACH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Concentrations of Credit Risk**

The Organization maintains cash balances with banks insured by the Federal Deposit Insurance Corporation (FDIC). These deposits may, from time to time, exceed the balances insured by the FDIC.

**Fair Value of Financial Instruments**

The carrying amounts of cash and cash equivalents and pledges receivable to be received in less than one year approximate fair value because of the short maturity of those financial instruments.

**Inventory**

Inventories consist of t-shirts and books stated at the lower of cost or net realizable value using the average cost method.

**Property and Equipment**

Property and Equipment are presented at cost or donated (appraised) value. The Organization generally capitalizes all assets over \$1,000. Depreciation is computed on the straight-line basis over the estimated useful lives, currently three to seven years.

Contributions of long-lived assets or contributions restricted for acquisition/construction of long-lived assets are reported as increases in with donor-restricted net assets. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions for contributions when expenses are incurred and placed in service for donated buildings, furniture, or equipment. The Organization reclassifies with donor-restricted net assets to without donor-restricted net assets at that time.

**Contributions**

Contributions received are recorded as without donor-restricted or with donor-restricted support depending on the existence and nature of any restrictions. Contributions, including unconditional promises to give, are recorded as made. Unconditional promises to give due in subsequent years are recorded at their net realizable value.

**Donated Goods and Services**

The Organization receives donated goods and services during the year. The donated goods and services are valued at fair value on the date of the donation. During the years ended June 30, 2021 and 2020, the Organization received various donated items valued at 66,029 and \$43,817, respectively.

Additionally, the Organization has a large and dedicated team of volunteers that perform a variety of tasks that assist the Organization with specific programs and supporting services. These services are not recognized in the financial statements since the criteria for recording the services were not met.

**PULSE OUTREACH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Ticket and Merchandise Sales**

During the years ended June 30, 2021 and 2020, the Organization hosts various events for which attendees are charged for admission and merchandise purchased. The revenue earned on the events and merchandise sales is recorded in the year the event took place or the merchandise sales occurred.

**Advertising Costs**

Advertising costs are expensed as incurred. Advertising costs incurred were \$658,378 and \$716,332 for the years ended June 30, 2021 and 2020, respectively.

**Expense Allocation**

Salaries and related expenses are allocated based on job descriptions and management estimates. Expenses, other than salaries and related payroll expenses, that are not directly identifiable by program or support service, are allocated based on management estimates.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that may affect certain reported amounts and disclosures in the financial statements and accompanying notes. Actual results could differ from these estimates.

**Risks and Uncertainties**

In March 2020, the World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic continues having significant effects on global markets, supply chains, businesses, and communities as new variants of the virus evolve. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing subsequent to fiscal year-end 2021.

**Income Taxes**

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05. Because the Organization is a public charity, contributions to it may be deductible for income tax purposes.

Management believes that it is not reasonably possible for any tax position benefits to increase or decrease significantly over the next 12 months. As of June 30, 2021 and 2020, there was no income tax related accrued interest or penalties recognized in either the statements of financial position or the statements of activities.

The Organization files information returns in the U.S. federal jurisdiction, and in the Minnesota, North Dakota, and Wisconsin state jurisdictions. U.S. federal returns and state returns prior to fiscal year 2014 are closed. No returns are currently under examination in any tax jurisdiction.

**PULSE OUTREACH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 11, 2021, the date the financial statements were available to be issued.

**NOTE 2 PROPERTY AND EQUIPMENT**

Property and Equipment consists of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Building	\$ 3,625,268	\$ 3,256,685
Furniture and Equipment	208,816	242,832
Software/Websites	140,000	-
Total	<u>3,974,084</u>	<u>3,499,517</u>
Less: Accumulated Depreciation	<u>(242,876)</u>	<u>(226,518)</u>
Property and Equipment, Net	<u><u>\$ 3,731,208</u></u>	<u><u>\$ 3,272,999</u></u>

**NOTE 3 NET ASSETS WITH DONOR RESTRICTIONS**

At June 30, 2021 and 2020, with donor-restricted net assets consisted of the following:

	<u>2021</u>	<u>2020</u>
With Donor Restriction:		
Training	\$ 39,570	\$ 291,689
North Dakota	18,739	26,710
Leader Check-In	-	381,516
Digital Ministry	-	229,277
Website Domain	-	90,000
Pulse 100	2,803	-
Rapid Response	164,709	-
Other	22,518	78,325
Total With Donor Restriction	<u><u>\$ 248,339</u></u>	<u><u>\$ 1,097,517</u></u>

**PULSE OUTREACH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 4 NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions when expenses were incurred to satisfy the restricted purposes or by occurrence of other events specified by donors. For the years ended June 30, net assets with donor restrictions were released as follows:

	<u>2021</u>	<u>2020</u>
The Table Coalition	\$ -	\$ 479
Together	10,000	10,560
Multiplication Department	-	100,000
Training	264,619	83,311
International	46,842	-
National Fundraiser	10,000	-
North Dakota	33,383	20,786
Year of the Bible	-	3,150,050
UNITE / Pulse Twin Cities	-	3,000
The Reason	-	1,054
Building	-	1,866,257
Leader Check-in	381,516	118,484
Digital Ministry	229,277	145,723
Evangelistic Campaign	12,750	-
Pulse 100	22,697	-
Rapid Response	89,331	-
Good Friday	254,353	130,000
Website Domain	90,000	-
Make Jesus Known	-	5,000
Other	55,807	116,802
Total With Donor Restricted	<u>\$ 1,500,575</u>	<u>\$ 5,751,506</u>

**NOTE 5 OPERATING LEASES**

The Organization leases office equipment. The lease is being treated as an operating lease and future payments under the lease are anticipated as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 8,252
2023	4,998
2024	4,764
2025	397
Total	<u>\$ 18,411</u>

**PULSE OUTREACH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 6 BOARD AND DONOR GENEROSITY**

Members of the Organization's board of directors contributed a total of \$29,757 and \$97,965 for the years ended June 30, 2021 and 2020, respectively. These board member contributions comprised approximately 1% of total contribution revenue for the years ended June 30, 2021 and 2020.

**NOTE 7 CONCENTRATION**

There were two donors that comprised approximately 38% and 24% of total contribution revenue for the years ended June 30, 2021 and 2020, respectively.

**NOTE 8 PENSION PLAN**

The Organization provides 403(b)9 to all eligible employees. Eligibility for this plan requires the employee to be a full-time who works at least 30 hours per week. During the years ended June 30, 2021 and 2020, the Organization contributed \$36,271 and \$30,362, respectively, to the plan on behalf of its employees.

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

The Organization has executed long-term contracts related to professional fees and event venues. For years ended June 30, 2021 and 2020, the Organization's commitments which cannot be terminated total \$-0- and \$126,400, respectively. The amount of the Organization's commitments concerning these contracts increases as the scheduled dates of the events approach.

The Organization is subject to certain claims arising out of the ordinary course of business. Although it is not possible to predict the outcomes of these claims, management believes they will not have a material effect on the financial condition of the Organization.

**NOTE 10 LIQUIDITY**

The Organization has financial assets available to meet general expenditures. In addition, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The statements of cash flows identifies the sources and uses of the Organization's cash.

**PULSE OUTREACH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 10 LIQUIDITY (CONTINUED)**

The following tables show the total financial assets held by the Organization and the amounts of those financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures.

	<u>2021</u>	<u>2020</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 3,950,936	\$ 5,163,141
Accounts Receivable	3,955	1,389
Less: Assets with Donor Restrictions	<u>(248,339)</u>	<u>(1,097,517)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 3,706,552</u>	<u>\$ 4,067,013</u>

**NOTE 11 PAYCHECK PROTECTION PROGRAM AND SUBSEQUENT EVENT**

On April 6, 2020, the Organization received proceeds in the amount of \$439,004 to fund payroll through the Paycheck Protection Program (PPP). In January 2021, the SBA formally approved forgiveness. These funds were recognized as revenue and are included in the Support Revenue total on the statement of activities. The Organization recognized \$439,004 of income related to this agreement during the year ended June 30, 2021, which represents the portion of the PPP loan funds for which the performance barriers have been met.

On March 7, 2021, the Organization received a loan from Tradition Capital Bank in the amount of \$517,700 to fund payroll through the Paycheck Protection Program (the PPP Loan). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program.

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