

**WORLD PULSE VOICES**  
**FINANCIAL STATEMENTS**  
**Year Ended December 31, 2014**



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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
World Pulse Voices  
Portland, Oregon

We have audited the accompanying financial statements of World Pulse Voices (a non-profit organization), which comprise the statement of financial position as of December 31, 2014, 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 World Pulse Voices as of December 31, 2014, 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.

*Kern & Thompson, LLC*

Portland, Oregon  
December 30, 2015

**WORLD PULSE VOICES**  
**STATEMENT OF FINANCIAL POSITION**

**December 31, 2014**

**ASSETS**

Cash and cash equivalents	\$ 291,495
Grants receivable	65,706
Contributions and pledges receivable	374,400
Prepaid expenses and deposits	22,136
Property and equipment, net	<u>481,980</u>
<b>Total assets</b>	<b>\$ <u><u>1,235,717</u></u></b>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 87,140
Accrued vacation	<u>54,517</u>
<b>Total liabilities</b>	<b><u>141,657</u></b>
<b>Net assets</b>	
Unrestricted	535,524
Temporarily restricted	<u>558,536</u>
<b>Total net assets</b>	<b><u>1,094,060</u></b>
<b>Total liabilities and net assets</b>	<b>\$ <u><u>1,235,717</u></u></b>

See notes to financial statements.

**WORLD PULSE VOICES**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Operating support and revenues</b>			
Contributions	\$ 278,242	\$ 1,513,187	\$ 1,791,429
Grant revenues	73,940	-	73,940
In-kind contributions	35,166	-	35,166
Other income	725	-	725
	<u>388,073</u>	<u>1,513,187</u>	<u>1,901,260</u>
Net assets released from restrictions	<u>1,593,326</u>	<u>(1,593,326)</u>	<u>-</u>
<b>Total operating support and revenues</b>	<u><b>1,981,399</b></u>	<u><b>(80,139)</b></u>	<u><b>1,901,260</b></u>
<b>Expenses</b>			
Program services	1,086,501	-	1,086,501
Management and general	170,292	-	170,292
Fundraising	185,350	-	185,350
	<u>1,442,143</u>	<u>-</u>	<u>1,442,143</u>
<b>Total expenses</b>	<u><b>1,442,143</b></u>	<u><b>-</b></u>	<u><b>1,442,143</b></u>
<b>Change in net assets</b>	<u><b>539,256</b></u>	<u><b>(80,139)</b></u>	<u><b>459,117</b></u>
Net assets, beginning of year	<u>(3,732)</u>	<u>638,675</u>	<u>634,943</u>
<b>Net assets, end of year</b>	<u><b>\$ 535,524</b></u>	<u><b>\$ 558,536</b></u>	<u><b>\$ 1,094,060</b></u>

See notes to financial statements.

**WORLD PULSE VOICES**  
**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2014

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Total</u>
Salaries	\$ 423,998	\$ 255,855	\$ 93,746	\$ 773,599
Other employee benefits	44,244	26,699	9,782	80,725
Payroll taxes	42,184	24,554	8,898	75,636
Consultants	39,129	42,759	19,999	101,887
Training and development	22,063	55,917	1,475	79,455
Occupancy	704	67,828	1,063	69,595
Travel	35,209	1,664	17,693	54,566
Office expenses	7,354	33,979	12,766	54,099
Grants	41,641	-	-	41,641
Professional services	5,476	34,838	1,469	41,783
Conferences and meetings	21,985	2,443	2,536	26,964
Program expenses	3,382	-	9,980	13,362
Outreach and events	8,031	724	4,237	12,992
Insurance	4,919	4,487	-	9,406
Depreciation	512	4,215	1,706	6,433
Shared allocation	385,670	(385,670)	-	-
<b>Total expenses</b>	<b><u>\$ 1,086,501</u></b>	<b><u>\$ 170,292</u></b>	<b><u>\$ 185,350</u></b>	<b><u>\$ 1,442,143</u></b>

See notes to financial statements.

**WORLD PULSE VOICES**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2014**

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 459,117
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	6,435
(Increase) decrease in:	
Accounts receivable	(65,472)
Contributions and pledges receivable	(109,650)
Prepaid expenses and deposits	(13,114)
Increase (decrease) in:	
Accounts payable	84,126
Accrued vacation	20,325
<b>Net cash flows provided by operating activities</b>	<b><u>381,767</u></b>
<b>Cash flows from investing activities:</b>	
Purchase of property and equipment	<u>(478,320)</u>
<b>Net increase in cash and cash equivalents</b>	<b>(96,553)</b>
Cash and cash equivalents, beginning of year	<u>388,048</u>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 291,495</u></b>

See notes to financial statements.

**WORLD PULSE VOICES**  
**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2014**

**NOTE A – DESCRIPTION OF ORGANIZATION**

World Pulse Voices (the Organization) is a powerful online community of women and allies worldwide who speak out and build solutions to today's biggest challenges. We empower women leaders on the ground by advancing their digital skills and leadership to mobilize around the world and create real social transformation. Today, tens of thousands of women from 190 nations are using WorldPulse.com to start movements and pressure global leaders to take a stand on the issues affecting their lives, ranging from the allocation of economic resources to securing leadership at all levels of society.

Our mission is to accelerate the global changes women seek by using digital communication to unite and amplify women's voices, solutions and impact worldwide.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting and Presentation**

The Organization presents its financial statements in accordance with accounting principles generally accepted in the United States of America. The accrual basis is used to record revenues and expenses, which means that revenues are recognized when they are earned and expenses are recognized when incurred.

The Organization reports information regarding its financial position and activities according to three classes of net assets. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- **Unrestricted net assets** – Net assets not subject to donor-imposed stipulations.
- **Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that will be met by the actions of the Organization and/or the passage of time.
- **Permanently restricted net assets** – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

The Organization has no permanently restricted net assets. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets are reported as net assets released from restrictions.

**Cash and Cash Equivalents**

For financial reporting purposes, the Organization considers all liquid investments having initial maturities of three months or less when purchased to be cash equivalents.

## WORLD PULSE VOICES

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **Property and Equipment**

Furniture and equipment is recorded at cost when purchased or fair market value when donated. Depreciation is computed using the straight-line method over an estimated useful life of three to seven years. Expenditures exceeding \$500 for additions, major renewals and betterments are capitalized. Maintenance and repairs are expensed when incurred.

##### **Grants Receivable**

Grants receivable consist of uncollateralized fees from government and other grants. Management periodically assesses the need for an allowance for doubtful accounts based on historical experience and existing conditions affecting probable collection. Management has determined that no allowance for doubtful accounts was necessary as of December 31, 2014.

##### **Support and Revenue Recognition**

Contributions are recognized when the donor or grantee makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily restricted or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

##### **Concentration of Credit Risk**

The Organization places its cash and cash equivalents with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Amounts in excess of FDIC coverage are not insured. The Organization's cash and cash equivalent balances in excess of FDIC coverage limits totaled \$37,545 as of December 31, 2014.

##### **Estimates**

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

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

The costs of providing the various programs and other activities have been summarized in the statement of functional expenses. Accordingly, certain costs have been allocated among programs and supporting services, based on management's estimates of benefit received.

**WORLD PULSE VOICES**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2014**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

The Organization has been approved as a tax exempt organization under the Internal Revenue Code Section 501(c)(3) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization does not believe it has unrelated trade or business income in excess of \$1,000.

**NOTE C – CONTRIBUTIONS AND PLEDGES**

Contributions and pledges receivable, which are unconditional promises to give, consist of the following at December 31, 2014:

Contributions and pledges receivable expected to be collected in:	
Less than one year	\$ 254,400
One to five years	<u>120,000</u>
	<u>\$ 374,400</u>

Contributions and pledges receivable are recorded at the present value of the estimated cash flows, which approximates net realizable value. Management has determined a discount related to multi-year pledges is immaterial, and that all grants and contributions receivable are fully collectible; therefore, an allowance for uncollectible accounts was not necessary at December 31, 2014.

**NOTE D – FURNITURE AND EQUIPMENT**

At December 31, 2014, furniture and equipment consist of the following:

Website development costs in progress	\$ 455,929
Computer equipment and software	<u>40,887</u>
	496,816
Less accumulated depreciation and amortization	<u>(14,836)</u>
	<u>\$ 481,980</u>

**NOTE E – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at December 31, 2014 consist of various grants that are restricted as follows:

Purpose	\$ 162,608
Timing	<u>395,928</u>
	<u>\$ 558,536</u>

**WORLD PULSE VOICES**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2014**

**NOTE F – IN-KIND CONTRIBUTIONS**

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization. The Organization received donated services and supplies during 2014 valued at \$32,661 and \$2,505, respectively. No other amounts have been recognized in the accompanying Statement of Activities because the criteria for recognition of such volunteer efforts under generally accepted accounting principles have not been satisfied.

**NOTE G – OPERATING LEASE COMMITMENTS**

Minimum lease payments under non-cancellable leases for office space are as follows:

Year Ended December 31,	
2015	\$ 86,565
2016	89,156
2017	<u>52,906</u>
	<u>\$ 228,627</u>

Total rental expense for the year ended December 31, 2014 was \$59,625.

**NOTE H – SUBSEQUENT EVENTS**

Subsequent to year end, the Organization entered into a \$250,000 line of credit agreement. Interest is payable monthly at the bank's prime rate plus 1.25 percentage points, but not less than 5.00% per annum. Substantially all assets are pledged as security on the line of credit.

Subsequent events have been evaluated through December 30, 2015, which is the date the financial statements were available to be issued.