

09/15/2021

WORLD PULSE VOICES

FINANCIAL STATEMENTS

Year Ended December 31, 2020



WORLD PULSE

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CERTIFIED PUBLIC ACCOUNTANTS

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09/15/2021

WORLD PULSE VOICES
FINANCIAL STATEMENTS
Year Ended December 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
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, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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, 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.

Other Matters

Report on Summarized Comparative Information

We have previously audited World Pulse Voices' 2019 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated October 22, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Portland, Oregon
_____, 2021

WORLD PULSE VOICES
STATEMENT OF FINANCIAL POSITION
December 31, 2020
(With Comparative Totals as of December 31, 2019)

ASSETS

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 272,120	\$ 249,176
Contributions, grants and pledges receivable	1,103,396	850,653
Prepaid expenses and deposits	2,063	7,906
Property and equipment, net	<u>211,487</u>	<u>186,676</u>
Total assets	\$ <u>1,589,066</u>	\$ <u>1,294,411</u>

LIABILITIES AND NET ASSETS

Accounts payable and other liabilities	\$ 23,325	\$ 9,362
Accrued payroll and vacation	23,457	19,264
Refundable advance	<u>133,801</u>	<u>-</u>
Total liabilities	<u>180,583</u>	<u>28,626</u>
Net assets		
Without donor restrictions	276,855	366,538
With donor restrictions	<u>1,131,628</u>	<u>899,247</u>
Total net assets	<u>1,408,483</u>	<u>1,265,785</u>
Total liabilities and net assets	\$ <u>1,589,066</u>	\$ <u>1,294,411</u>

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See notes to financial statements.

WORLD PULSE VOICES
STATEMENT OF ACTIVITIES

Year Ended December 31, 2020
(With Comparative Totals as of December 31, 2019)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2020</u>	<u>Total 2019</u>
Operating support and revenues				
Contributions and grants revenues	\$ 399,467	\$ 871,532	\$ 1,270,999	\$ 1,425,756
In-kind contributions	156,362	-	156,362	34,752
Other revenue	732	-	732	-
	<u>556,561</u>	<u>871,532</u>	<u>1,428,093</u>	<u>1,460,508</u>
Net assets released from restrictions	<u>639,151</u>	<u>(639,151)</u>	<u>-</u>	<u>-</u>
Total operating support and revenues	<u>1,195,712</u>	<u>232,381</u>	<u>1,428,093</u>	<u>1,460,508</u>
Expenses				
Program services	914,691	-	914,691	826,423
Fundraising	186,780	-	186,780	267,477
Management and general	183,924	-	183,924	149,865
Total expenses	1,285,395	-	1,285,395	1,243,765
Change in net assets before investment return	(89,683)	232,381	142,698	216,743
Loss on sale of investment	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,051)</u>
Total change in net assets	<u>(89,683)</u>	<u>232,381</u>	<u>142,698</u>	<u>169,692</u>
Net assets, beginning of year	<u>366,538</u>	<u>899,247</u>	<u>1,265,785</u>	<u>1,096,093</u>
Net assets, end of year	<u>\$ 276,855</u>	<u>\$ 1,131,628</u>	<u>\$ 1,408,483</u>	<u>\$ 1,265,785</u>

See notes to financial statements.

WORLD PULSE VOICES

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020
(With Comparative Totals as of December 31, 2019)

	PROGRAM SERVICES			Total	Fundraising	Management and General	Total 2020	Total 2019
	Community Engagement	Technology	Communi- cation					
Employee cost	\$ 268,496	\$ 45,609	\$ 100,115	\$ 414,220	\$ 113,507	\$ 134,847	\$ 662,574	\$ 627,274
Payroll taxes	28,250	5,721	10,117	44,088	15,360	6,987	66,435	63,076
Benefits	12,532	1,398	9,849	23,779	5,470	3,208	32,457	36,898
Workers compensation	690	304	384	1,378	614	294	2,286	1,402
Consultants	45,784	42,791	3,776	92,351	7,039	249	99,639	161,171
Occupancy	9,102	4,003	5,057	18,162	8,091	3,877	30,130	33,019
Conference and meetings	5,026	81	314	5,421	3,030	591	9,042	47,363
Travel	3,543	11	14	3,568	674	11	4,253	8,142
Office expenses	4,245	911	8,177	13,333	7,315	1,409	22,057	35,304
Professional services	11,442	5,033	6,357	22,832	10,171	4,874	37,877	48,617
Program expenses	27,628	11,592	6,563	45,783	12,662	599	59,044	51,657
Insurance	1,811	797	1,006	3,614	1,610	771	5,995	5,970
Interest	2	1	1	4	1	78	83	5,050
Depreciation	537	94,794	298	95,629	477	229	96,335	82,939
Other	41	8	10	59	759	8	826	1,131
In-kind consulting and professional fees	130,470	-	-	130,470	-	25,892	156,362	34,752
Total expenses	\$ 549,599	\$ 213,054	\$ 152,038	\$ 914,691	\$ 186,780	\$ 183,924	\$ 1,285,395	\$ 1,243,765

See notes to financial statements.

WORLD PULSE VOICES
STATEMENT OF CASH FLOWS

Year Ended December 31, 2020
(With Comparative Totals as of December 31, 2019)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 142,698	\$ 169,692
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	96,335	82,939
(Increase) decrease in:		
Contributions, grants and pledges receivable	(252,743)	(14,404)
Prepaid expenses and deposits	5,844	8,908
Increase (decrease) in:		
Accounts payable	13,963	(5,556)
Accrued payroll and vacation	4,193	6,619
Note payable	-	(73,726)
Refundable advance	133,801	-
Net cash flows provided by operating activities	<u>144,091</u>	<u>174,472</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(121,147)</u>	<u>(77,777)</u>
Net increase in cash and cash equivalents	22,944	96,695
Cash and cash equivalents, beginning of year	<u>249,176</u>	<u>152,481</u>
Cash and cash equivalents, end of year	<u>\$ 272,120</u>	<u>\$ 249,176</u>

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See notes to financial statements.

WORLD PULSE VOICES
NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE A – DESCRIPTION OF ORGANIZATION

World Pulse Voices is a not-for-profit Organization incorporated under the laws of the State of Oregon. World Pulse is social media for social revolution. We provide safe, supportive online space where women from over 190 countries connect and exchange stories and resources. Through these connections, women rise up and create the change they seek at a faster pace.

Our mission is to create a world where all women thrive.
One click, one comment, one connection at a time.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.
- **Net Assets With Donor Restrictions** – Net assets either subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Functional Allocation of Expenses

The costs of providing the programs and supporting services have been summarized in the Statement of Activities. Directly identifiable expenses are charged to programs and supporting services when incurred. Certain costs, including office expense, occupancy, leases and utilities have been allocated among the programs and supporting services benefited based primarily on estimates of time and effort.

WORLD PULSE VOICES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 four years for website development costs, and three to seven years for all other assets. Expenditures exceeding \$1,000 for additions, major renewals and betterments are capitalized. Maintenance and repairs are expensed when incurred.

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. There were no cash and cash equivalent balances in excess of FDIC coverage limits as of December 31, 2020.

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.

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.

Prior Year Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's 2019 financial statements, from which the summarized information was derived.

WORLD PULSE VOICES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

NOTE C – CONTRIBUTIONS AND PLEDGES

Contributions, grants and pledges receivable, which are unconditional promises to give, consist of the following at December 31, 2020:

Contributions and pledges receivable expected to be collected in:	
Less than one year	\$ 480,896
One to five years	<u>622,500</u>
	<u>\$ 1,103,396</u>

Contributions, grants and pledges receivable are recorded at the present value of the estimated cash flows, which approximates net realizable value. Management has determined that all receivables are fully collectible; therefore, an allowance for uncollectible accounts was not necessary at December 31, 2020.

NOTE D – PROPERTY AND EQUIPMENT

At December 31, 2020, property and equipment consist of the following:

Website development costs	\$ 1,006,603
Computer equipment and software	<u>11,543</u>
	1,018,146
Less accumulated depreciation and amortization	<u>(806,659)</u>
	<u>\$ 211,487</u>

NOTE E – RESTRICTIONS ON NET ASSETS

The Organization's net assets with donor restrictions are subject to the following purpose or time restrictions as of December 31, 2020:

Subject to time and purpose restrictions	\$ 69,807
Subject to time restrictions	<u>1,061,821</u>
	<u>\$ 1,131,628</u>

NOTE F – OPERATING LEASE COMMITMENTS

During the year ended December 31, 2018, the Organization entered into a sublease agreement for its former office space. The Organization was to receive \$5,000 per month until the end of the term of the original master lease, June 2023. The master lessor agreed to accept such payments as full satisfaction for the master lease, however if the sublessee does not perform, the Organization is contingently liable for the remaining sublease monthly payments of \$12,000 per month through June 2023.

WORLD PULSE VOICES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

NOTE F – OPERATING LEASE COMMITMENTS (CONTINUED)

In August 2020, the Organization received notice that the sublessee had defaulted on the lease. Management is currently working with the lessor and the sublessee to negotiate a termination of the lease. While the cost to terminate the lease is currently unknown, Management estimates the cost will most likely range between \$0 and \$25,000.

NOTE G – LIQUIDITY

The following chart represents the Organization's financial assets available to meet cash needs for general expenditures within one year of December 31, 2020:

Financial assets at year-end	
Cash and cash equivalents	\$ 272,120
Contributions, grants and pledges receivable	<u>1,103,396</u>
Total financial assets	<u>1,375,516</u>
Less those unavailable for general expenditure within one year, due to:	
Contractual or donor-imposed restrictions:	
Pledges receivable due beyond one year	(622,500)
Restricted by donor with purpose restriction	<u>(28,232)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 724,784</u>

As part of its liquidity management, the Organization's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE H – RELATED PARTY ACTIVITY

During the year ended December 31, 2020, the Organization received contributions of \$799,678 from board members, of which \$710,321 is in receivables as of December 31, 2020.

NOTE I – REFUNDABLE ADVANCE (PAYCHECK PROTECTION PROGRAM)

In response to the global economic impact caused by the coronavirus pandemic, the US Small Business Administration (SBA) created the Paycheck Protection Program (PPP) "forgivable loan" to assist nonprofit organizations and for-profit enterprises with eligible payroll and certain specified operating costs. The loans are funded by the SBA through participating banks and are subject to specific conditions, which if met, will result in forgiveness of all or part of the loan. The Organization qualified for and received a PPP loan for \$133,801 on November 1, 2020. The terms of the PPP loan include interest at 1% and maturity on November 1, 2022.

WORLD PULSE VOICES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

NOTE I – REFUNDABLE ADVANCE (PAYCHECK PROTECTION PROGRAM) (CONTINUED)

The Organization has concluded that although the legal form of the PPP was a loan, the criteria for forgiveness was met during 2021 and the SBA forgave this loan in April, 2021. Accordingly, the PPP loan represents, in substance, a conditional grant and has therefore been recorded as a refundable advance under the accounting guidance of ASC 958-605.

NOTE J – UNCERTAINTY

Beginning in March 2020, an outbreak of a coronavirus necessitated that many employees work from home and provided for social distancing measure. The effects of these events may continue for some time, including disruptions to or restrictions on employees' ability to work and on the ability of funders and members to fully participate in programs and continue their current level of financial support to the Organization. At the present time, the ultimate future effects of these issues are unknown.

NOTE K – SUBSEQUENT EVENTS

Subsequent events have been evaluated through _____, 2021, which is the date the financial statements were available to be issued.

In January 2021, the Organization received a second Paycheck Protection Program loan of \$145,372 that was forgiven on August 17, 2021.

In September 2021, the Organization received a grant of \$500,000 towards core operating expenses over the next five years.

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