

**WORLD PULSE VOICES**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2021**



**WORLD PULSE**

**Log on. Rise Up.**

**KERN ▲ THOMPSON**  
CERTIFIED PUBLIC ACCOUNTANTS

**WORLD PULSE VOICES**  
**FINANCIAL STATEMENTS**  
**Year Ended December 31, 2021**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>INDEPENDENT AUDITORS' REPORT</b>	1-2
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-11

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
World Pulse Voices  
Portland, Oregon

### Opinion

We have audited the accompanying financial statements of World Pulse Voices (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of World Pulse Voices and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about World Pulse Voices' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Trustees  
World Pulse Voices

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 World Pulse Voices' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about World Pulse Voices' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Report on Summarized Comparative Information***

We have previously audited World Pulse Voices' 2020 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated September 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Kern + Thompson, LLC*

Portland, Oregon  
July 14, 2022

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

**December 31, 2021**  
**(With Comparative Totals as of December 31, 2020)**

**ASSETS**

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 803,604	\$ 272,120
Contributions, grants and pledges receivable	1,339,045	1,103,396
Prepaid expenses and deposits	26,311	2,063
Property and equipment, net	281,380	211,487
<b>Total assets</b>	<b>\$ 2,450,340</b>	<b>\$ 1,589,066</b>

**LIABILITIES AND NET ASSETS**

Accounts payable and other liabilities	\$ 33,010	\$ 23,325
Accrued payroll and vacation	24,526	23,457
Accrued interest	2,994	-
Refundable advance - PPP	-	133,801
Note payable	150,000	-
<b>Total liabilities</b>	<b>210,530</b>	<b>180,583</b>
<b>Net assets</b>		
Without donor restrictions	889,780	276,855
With donor restrictions	1,350,030	1,131,628
<b>Total net assets</b>	<b>2,239,810</b>	<b>1,408,483</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,450,340</b>	<b>\$ 1,589,066</b>

See notes to financial statements.

**WORLD PULSE VOICES**  
**STATEMENT OF ACTIVITIES**

**Year Ended December 31, 2021**  
**(With Comparative Totals as of December 31, 2020)**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total 2021</b>	<b>Total 2020</b>
<b>Operating support and revenues</b>				
Contributions and grants revenues	\$ 670,556	\$ 996,500	\$ 1,667,056	\$ 1,270,999
In-kind contributions	267,714	-	267,714	156,362
PPP forgiveness	279,174	-	279,174	-
Other revenue	65,270	-	65,270	732
	<u>1,282,714</u>	<u>996,500</u>	<u>2,279,214</u>	<u>1,428,093</u>
Net assets released from restrictions	<u>778,098</u>	<u>(778,098)</u>	<u>-</u>	<u>-</u>
<b>Total operating support and revenues</b>	<b><u>2,060,812</u></b>	<b><u>218,402</u></b>	<b><u>2,279,214</u></b>	<b><u>1,428,093</u></b>
<b>Expenses</b>				
Program services	1,126,252	-	1,126,252	914,691
Fundraising	197,256	-	197,256	186,780
Management and general	124,379	-	124,379	183,924
	<u>1,447,887</u>	<u>-</u>	<u>1,447,887</u>	<u>1,285,395</u>
<b>Total change in net assets</b>	<b><u>612,925</u></b>	<b><u>218,402</u></b>	<b><u>831,327</u></b>	<b><u>142,698</u></b>
Net assets, beginning of year	<u>276,855</u>	<u>1,131,628</u>	<u>1,408,483</u>	<u>1,265,785</u>
<b>Net assets, end of year</b>	<b><u>\$ 889,780</u></b>	<b><u>\$ 1,350,030</u></b>	<b><u>\$ 2,239,810</u></b>	<b><u>\$ 1,408,483</u></b>

See notes to financial statements.

**WORLD PULSE VOICES**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2021  
(With Comparative Totals as of December 31, 2020)

	<u>PROGRAM SERVICES</u>				<u>Fundraising</u>	<u>Management and General</u>	<u>Total 2021</u>	<u>Total 2020</u>
	<u>Community Engagement</u>	<u>Technology</u>	<u>Communication</u>	<u>Total</u>				
Employee cost	\$ 249,517	\$ 16,957	\$ 80,317	\$ 346,791	\$ 115,984	\$ 88,474	\$ 551,249	\$ 662,574
Payroll taxes	23,183	2,057	8,111	33,351	9,731	11,705	54,787	66,435
Benefits	12,514	74	6,569	19,157	7,592	2,667	29,416	32,457
Workers compensation	-	-	-	-	-	2,693	2,693	2,286
Consultants	90,613	83,813	66,761	241,187	21,985	1,130	264,302	99,639
Occupancy	10,117	1,581	4,836	16,534	5,739	3,527	25,800	30,130
Conference and meetings	1,657	12	37	1,706	2,726	812	5,244	9,042
Travel	-	-	-	-	-	-	-	4,253
Office expenses	23,263	2,548	8,408	34,219	11,916	431	46,566	22,057
Professional services	25,114	3,865	11,825	40,804	14,033	8,625	63,462	37,877
Program expenses	30,713	22,654	9,740	63,107	5,875	3,286	72,268	59,044
Insurance	1,740	272	831	2,843	987	606	4,436	5,995
Interest	1,213	190	580	1,983	688	423	3,094	83
Depreciation	-	56,856	-	56,856	-	-	56,856	96,335
Other	-	-	-	-	-	-	-	826
In-kind consulting and professional fees	93,339	174,375	-	267,714	-	-	267,714	156,362
<b>Total expenses</b>	<b>\$ 562,983</b>	<b>\$ 365,254</b>	<b>\$ 198,015</b>	<b>\$ 1,126,252</b>	<b>\$ 197,256</b>	<b>\$ 124,379</b>	<b>\$ 1,447,887</b>	<b>\$ 1,285,395</b>

See notes to financial statements.

**WORLD PULSE VOICES**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2021**  
**(With Comparative Totals as of December 31, 2020)**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 831,327	\$ 142,698
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	56,856	96,335
(Increase) decrease in:		
Contributions, grants and pledges receivable	(235,649)	(252,743)
Prepaid expenses and deposits	(24,248)	5,844
Increase (decrease) in:		
Accounts payable	9,685	13,963
Accrued payroll and vacation	1,069	4,193
Accrued interest	2,994	-
Refundable advance	(133,801)	133,801
<b>Net cash flows provided by operating activities</b>	<u><b>508,233</b></u>	<u><b>144,091</b></u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	<u>(126,749)</u>	<u>(121,147)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from EIDL loan	<u>150,000</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	<b>531,484</b>	<b>22,944</b>
Cash and cash equivalents, beginning of year	<u>272,120</u>	<u>249,176</u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$ 803,604</b></u>	<u><b>\$ 272,120</b></u>

See notes to financial statements.

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

**December 31, 2021**

**NOTE A – DESCRIPTION OF ORGANIZATION**

World Pulse Voices (the Organization) 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, 2021**

**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. Cash and cash equivalent balances in excess of FDIC coverage limits totaled approximately \$258,000 at December 31, 2021.

**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 2020 financial statements, from which the summarized information was derived.

**WORLD PULSE VOICES**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2021**

**NOTE C – CONTRIBUTIONS AND PLEDGES**

Contributions, grants and pledges receivable, which are unconditional promises to give, consist of the following at December 31, 2021:

Contributions and pledges receivable expected to be collected in:	
Less than one year	\$ 516,545
One to five years	<u>822,500</u>
	<u>\$ 1,339,045</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, 2021.

**NOTE D – PROPERTY AND EQUIPMENT**

At December 31, 2021, property and equipment consist of the following:

Website development costs	\$ 1,132,003
Computer equipment and software	<u>6,034</u>
	1,138,037
Less accumulated depreciation and amortization	<u>(856,657)</u>
	<u>\$ 281,380</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, 2021:

Subject to time and purpose restrictions	\$ 10,985
Subject to time restrictions	<u>1,339,045</u>
	<u>\$ 1,350,030</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, 2021**

**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, 2021:

Financial assets at year-end	
Cash and cash equivalents	\$ 803,604
Contributions, grants and pledges receivable	<u>1,339,045</u>
Total financial assets	<u>2,142,649</u>
Less those unavailable for general expenditure within one year, due to:	
Contractual or donor-imposed restrictions:	
Pledges receivable due beyond one year	(822,500)
Restricted by donor with purpose restriction	<u>(10,985)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,309,164</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, 2021, the Organization recorded new pledges of \$271,192 from board members. \$527,000 of pledges from board members are in receivables as of December 31, 2021.

**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. During the year ended December 31, 2020, the Organization received a PPP loan of \$133,801. The Organization qualified for and received a second PPP loan for \$145,373 during the year ended December 31, 2021. During the year ended December 31, 2021, the SBA forgave both PPP loans. Accordingly, contribution revenue has been recognized under the accounting guidance of ASC 958-605.

**WORLD PULSE VOICES**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2021**

**NOTE J – NOTE PAYABLE**

In March, 2021, the organization obtained a loan from the U.S. Small Business Administration in the amount of \$150,000, pursuant to the Economic Injury Disaster Loan program, which is designed to provide economic relief to nonprofit organizations and businesses that are currently experiencing a temporary loss of revenue due to COVID-19. The note bears interest at 2.75% and requires monthly payments of \$641 beginning in September 2022, to be applied initially to accrued interest and interest and principal thereafter. Final payment of interest and principal is due in March 2051. The note is secured by all assets of the Organization.

Future minimum loan payments as of December 31, 2021 are as follows:

Year Ending December 31,	
2022	\$ 1,539
2023	3,655
2024	3,757
2025	3,861
2026	3,969
2027 and Thereafter	<u>133,219</u>
	<u>\$ 150,000</u>

**NOTE K – 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 L – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through July 14, 2022, which is the date the financial statements were available to be issued.