

**PULSE OUTREACH**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Pulse Outreach  
Minneapolis, Minnesota

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Pulse Outreach (a nonprofit corporation), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Pulse Outreach as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Pulse Outreach and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pulse Outreach's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Pulse Outreach's 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pulse Outreach's 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.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
October 17, 2024

**PULSE OUTREACH  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2024 AND 2023**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 2,337,145	\$ 1,744,064
Pledges Receivable, Net	4,485	25,000
Accounts Receivable	45,193	556,758
Inventory	14,872	2,614
Prepaid Expenses and Other Assets	756,951	795,118
Right-of-Use-Asset, Net	35,185	
Total Current Assets	3,193,831	3,123,554
<b>PROPERTY AND EQUIPMENT, NET</b>		
Total Assets	9,713,499	9,012,700
	\$ 12,907,330	\$ 12,136,254
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 269,500	\$ 318,219
Accrued Expenses	250,197	241,411
Deferred Revenue	102,250	91,695
Lease Liability	35,185	-
Total Liabilities	657,132	651,325
<b>NET ASSETS</b>		
Without Donor Restrictions	11,629,155	10,899,074
With Donor Restrictions	621,043	585,855
Total Net Assets	12,250,198	11,484,929
Total Liabilities and Net Assets	\$ 12,907,330	\$ 12,136,254

See accompanying Notes to Financial Statements.

**PULSE OUTREACH  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024			2023		
	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 \$14,830 and \$9,897, Respectively)	\$ 5,909,954	\$ 5,928,733	\$ 11,838,687	\$ 8,721,940	\$ 2,288,085	\$ 11,010,025
Honorariums	35,724	-	35,724	17,400	-	17,400
Total Support	<u>5,945,678</u>	<u>5,928,733</u>	<u>11,874,411</u>	<u>8,739,340</u>	<u>2,288,085</u>	<u>11,027,425</u>
Revenue:						
Interest Income	73,672	-	73,672	128,245	-	128,245
Ticket and Merchandise Sales (Net of Cost of Goods Sold of \$25,630 and \$9,212, Respectively)	89,611	-	89,611	5,689	-	5,689
Sponsorships	235,675	-	235,675	-	-	-
Rental Income	47,782	-	47,782	171,361	-	171,361
Miscellaneous Income	241,353	-	241,353	71,116	-	71,116
Total Revenue	<u>688,093</u>	<u>-</u>	<u>688,093</u>	<u>376,411</u>	<u>-</u>	<u>376,411</u>
Net Assets Released from Restriction	<u>5,893,545</u>	<u>(5,893,545)</u>	<u>-</u>	<u>5,082,037</u>	<u>(5,082,037)</u>	<u>-</u>
Total Support and Revenue	12,527,316	35,188	12,562,504	14,197,788	(2,793,952)	11,403,836
<b>EXPENSES</b>						
Program Services	8,995,654	-	8,995,654	12,280,407	-	12,280,407
Support Services:						
Management and General	1,151,309	-	1,151,309	928,069	-	928,069
Fundraising	1,650,272	-	1,650,272	1,671,450	-	1,671,450
Total Support Services	<u>2,801,581</u>	<u>-</u>	<u>2,801,581</u>	<u>2,599,519</u>	<u>-</u>	<u>2,599,519</u>
Total Expenses	<u>11,797,235</u>	<u>-</u>	<u>11,797,235</u>	<u>14,879,926</u>	<u>-</u>	<u>14,879,926</u>
<b>CHANGE IN NET ASSETS</b>	730,081	35,188	765,269	(682,138)	(2,793,952)	(3,476,090)
Net Assets - Beginning of Year	<u>10,899,074</u>	<u>585,855</u>	<u>11,484,929</u>	<u>11,581,212</u>	<u>3,379,807</u>	<u>14,961,019</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 11,629,155</u>	<u>\$ 621,043</u>	<u>\$ 12,250,198</u>	<u>\$ 10,899,074</u>	<u>\$ 585,855</u>	<u>\$ 11,484,929</u>

See accompanying Notes to Consolidated Financial Statements.

**PULSE OUTREACH**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2024**

	Program Services	Support Services		Total Support Services	Total
		Management and General	Fundraising		
Salaries and Wages	\$ 2,772,801	\$ 510,103	\$ 514,271	\$ 1,024,374	\$ 3,797,175
Employee Benefits	303,132	86,298	125,693	211,991	515,123
Payroll Taxes	151,768	37,579	49,106	86,685	238,453
Total Personnel Costs	<u>3,227,701</u>	<u>633,980</u>	<u>689,070</u>	<u>1,323,050</u>	<u>4,550,751</u>
Advertising	1,761,642	-	35,692	35,692	1,797,334
Professional Fees/Talent - Events	588,315	2,640	65,550	68,190	656,505
Professional Fees - Operations	1,057,165	155,422	317,731	473,153	1,530,318
Supplies	82,303	5,656	4,710	10,366	92,669
Telephone/Internet/Media	16,405	4,605	3,739	8,344	24,749
Postage and Shipping	16,087	728	26,227	26,955	43,042
Occupancy	83,380	115,155	5,637	120,792	204,172
Printing and Publications	34,266	2,222	75,670	77,892	112,158
Travel and Lodging	521,790	11,119	82,464	93,583	615,373
Conferences and Meetings	26,129	2,489	10,140	12,629	38,758
Venue Costs (Rent, Catering, Etc.)	1,112,656	2,156	282,756	284,912	1,397,568
Insurance	62,480	31,345	13,874	45,219	107,699
Miscellaneous	37,976	32,995	2,225	35,220	73,196
Bank Charges and Fees	-	51,448	-	51,448	51,448
Subscriptions	209,061	5,737	21,529	27,266	236,327
Bad Debt	-	2,797	-	2,797	2,797
Depreciation and Amortization	158,298	90,815	13,258	104,073	262,371
Total Expenses	<u>\$ 8,995,654</u>	<u>\$ 1,151,309</u>	<u>\$ 1,650,272</u>	<u>\$ 2,801,581</u>	<u>11,797,235</u>
Cost of Goods Sold					<u>25,630</u>
Total Expenses					<u>\$ 11,822,865</u>

See accompanying Notes to Consolidated Financial Statements.

**PULSE OUTREACH**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2023**

	Program Services	Support Services			Total
		Management and General	Fundraising	Total Support Services	
Salaries and Wages	\$ 2,922,548	\$ 332,065	\$ 553,705	\$ 885,770	\$ 3,808,318
Employee Benefits	335,661	69,126	119,516	188,642	524,303
Payroll Taxes	162,398	23,754	42,711	66,465	228,863
Total Personnel Costs	<u>3,420,607</u>	<u>424,945</u>	<u>715,932</u>	<u>1,140,877</u>	<u>4,561,484</u>
Advertising	1,155,941	150	67,226	67,376	1,223,317
Professional Fees/Talent - Events	1,524,536	-	71,873	71,873	1,596,409
Professional Fees - Operations	875,830	42,506	235,298	277,804	1,153,634
Supplies	68,312	24,404	11,580	35,984	104,296
Telephone/Internet/Media	17,336	4,834	3,442	8,276	25,612
Postage and Shipping	41,869	583	25,733	26,316	68,185
Occupancy	133,748	216,722	16,616	233,338	367,086
Printing and Publications	31,418	2,122	83,193	85,315	116,733
Travel and Lodging	717,650	2,405	77,627	80,032	797,682
Conferences and Meetings	39,260	1,372	7,810	9,182	48,442
Venue Costs (Rent, Catering, Etc.)	3,609,214	650	308,775	309,425	3,918,639
Insurance	49,495	43,019	11,063	54,082	103,577
Miscellaneous	255,732	29,736	3,745	33,481	289,213
Bank Charges and Fees	250	40,704	-	40,704	40,954
Subscriptions	186,584	2,754	16,540	19,294	205,878
Bad Debt	-	580	-	580	580
Depreciation	152,625	90,583	14,997	105,580	258,205
Total Expenses	<u>\$ 12,280,407</u>	<u>\$ 928,069</u>	<u>\$ 1,671,450</u>	<u>\$ 2,599,519</u>	<u>14,879,926</u>
Cost of Goods Sold					<u>9,212</u>
Total Expenses					<u>\$ 14,889,138</u>

See accompanying Notes to Consolidated Financial Statements.

**PULSE OUTREACH  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 765,269	\$ (3,476,090)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	169,037	211,538
Amortization Expense	93,334	46,667
Noncash PPP Loan Forgiveness	-	6,033
(Increase) Decrease in Assets:		
Pledges Receivable	20,515	(25,000)
Accounts Receivable	511,565	479,889
Inventory	(12,258)	19,696
Prepaid Expense and Other Current Assets	38,167	(698,296)
Increase (Decrease) in Liabilities:		
Accounts Payable	(48,719)	(1,394,252)
Accrued Expenses	8,786	62,543
Deferred Revenue	10,555	91,695
Net Cash Provided (Used) by Operating Activities	1,556,251	(4,675,577)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(973,608)	(2,794,920)
Proceeds from Sale of Furniture and Equipment	10,438	16,000
Net Cash Used by Investing Activities	(963,170)	(2,778,920)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	593,081	(7,454,497)
Cash and Cash Equivalents - Beginning of Year	1,744,064	9,198,561
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 2,337,145	\$ 1,744,064
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITY</b>		
Donated Goods and Services	\$ 14,830	\$ 9,897

See accompanying Notes to Consolidated Financial Statements.

**PULSE OUTREACH**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Pulse Outreach (the Organization) exists to bring the message of Jesus to the pulse of a generation by all means possible, through the ministry of Nick Hall and a team of emerging evangelists. The Organization relies on contributions from donors to fulfill its mission.

Launched in 2006 by Nick Hall, Pulse Evangelism is a leading global evangelistic ministry living at the intersection of live events and digital efforts. Nick Hall is an Evangelist, the Founder & President of Pulse Evangelism, and author of Reset. As an evangelistic voice to the next generation, Nick has shared Jesus with over 479 million people worldwide through some of the largest digital initiatives and live gatherings in history. To date, over 2 million have responded to the Gospel.

Through Pulse in-person and digital outreach events, Nick Hall and a team of emerging evangelists share the Gospel across America and around the world, while equipping believers and the Church to do the same. Through world-class training efforts, a new generation of young evangelists are being equipped and sent out to share the hope of Jesus with boldness, both in-person and online, while also empowering the Church to prioritize evangelism.

Amplify Festival, Inc. (Amplify), a non-profit corporation, was acquired in 2023 with the sole purpose of continuing the production of the self-titled live event in Arkansas following the retirement of that entity's board and management. There was no transfers of assets or liabilities related to the acquisition.

**Basis of Consolidation**

The Organization is required to consolidate within its financial statements the net assets of entities that meet certain control considerations. As a result of common control, the consolidated financial statements of the Organization includes the financial position and activities of the Organization Amplify. All significant intercompany accounts and transactions have been eliminated in consolidation. Collectively, the two entities are referred to herein as the Organization.

**Basis of Presentation**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Net Asset Classification**

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.

**PULSE OUTREACH**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

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

**Net Asset Classification (Continued)**

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.

**Cash and Cash Equivalents**

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

**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 \$2,500. Depreciation is computed on the straight-line basis over the estimated useful life.

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.

**Accounts Receivable**

Accounts receivable consist primarily of amounts due for the Employee Retention Credit refundable payroll costs and other program related costs recognized in 2023. The Organization provides for losses on accounts receivable using the measurement of expected credit losses. Expected credit losses are established based on management's analysis of historical collection rates and reasonable expectations of future collection performance. The organization periodically assesses its methodologies for estimating credit losses in consideration of actual experiences, trends and changes in overall economic environment.

**PULSE OUTREACH**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

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

**Accounts Receivable (Continued)**

Management has determine the current expected credit loss would be immaterial and therefore no amounts have been reflected in the statement of financial position for the year ended June 30, 2024 and 2023.

**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, 2024 and 2023, the Organization received various donated items valued at \$14,830 and \$9,897, 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 consolidated financial statements since the criteria for recording the services were not met.

**Ticket and Merchandise Sales**

During the years ended June 30, 2024 and 2023, 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 \$1,797,334 and \$1,223,317 for the years ended June 30, 2024 and 2023, respectively.

**Revenue Recognition**

**Contribution Revenue** – 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. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. There were no conditional promises to give as of June 30, 2024 and 2023. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions 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 and reported in the statements of activities as net assets released from restrictions.

**PULSE OUTREACH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

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

**Revenue Recognition (Continued)**

Sponsorships – These revenues consist of amounts typically received from businesses or other organizations that wish to sponsor certain aspects of the event. Sponsorships have a stated transaction price and are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total sponsorships paid and the exchange element. The timing of payment for the sponsorship fees varies from sponsor to sponsor, with some paying before the event and others paying after. The performance obligations include providing the sponsors presenting timeslots at the event, access to promotional email lists, and registrations, which is deemed to be a material right of the sponsorship. The Organization estimates the exchange portion of the sponsorship based on the fair value of benefits received, and it is recognized as revenue at the point in time the event occurs. Contribution income is recognized for the excess on the date the customer commits to a sponsorship. For the year ended June 30, 2024, the Organization determine no portion of sponsorship revenue was nonexchange.

Ticket and Merchandise Sales – These revenues consist of ticket revenue from booths purchased and merchandise sales at the conference. Ticket revenue and merchandise sales have stated transactions price and consists of an exchange of consideration with the purchaser. This revenue is recognized at the occasion of the conference.

Rental Income – Rental income is derived from rental income from a rental property the Organization owns. Performance obligations are delivered over the course of the year per rental agreements and revenue is recognized over these terms.

There were no contract assets or liabilities as of June 30, 2024 and 2023, 2022, and 2021. Contracts with customers consisted of Sponsorships in the amount of \$235,675, \$-0-, \$158,161 and \$-0- for the years ended June 30, 2024, and 2023, 2022, and 2021 respectively.

**Deferred Revenue**

Deferred revenue represents payments received for services that are going to be provided in the future. The deferred revenue for June 30, 2024 and 2023 was due to sponsorship agreements for live events occurring in the following year.

**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 consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect certain reported amounts and disclosures in the consolidated financial statements and accompanying notes. Actual results could differ from these estimates.

**PULSE OUTREACH**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

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

**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, 2024 and 2023, 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, Wisconsin, and Arkansas 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.

Amplify 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.

**Adoption of New Accounting Standards**

The organization has adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the organization's financial statements but did change how the allowance for credit losses is determined.

**Leases**

The Organization determines if an arrangement is a lease at inception. Leases are reported on the statement of financial position as a right-of-use (ROU) asset and lease liability. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the consolidated statements of financial position.

**PULSE OUTREACH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

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

**Subsequent Events**

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 17, 2024, the date the consolidated financial statements were available to be issued.

**NOTE 2 PROPERTY AND EQUIPMENT**

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

	<u>2024</u>	<u>2023</u>
Building	\$ 6,817,938	\$ 6,579,557
Construction in Progress	3,433,075	2,754,101
Furniture and Equipment	276,999	256,491
Software/Websites	140,000	140,000
Total	<u>10,668,012</u>	<u>9,730,149</u>
Less: Accumulated Depreciation	(814,513)	(624,116)
Less: Accumulated Amortization	(140,000)	(93,333)
Property and Equipment, Net	<u><u>\$ 9,713,499</u></u>	<u><u>\$ 9,012,700</u></u>

**NOTE 3 NET ASSETS WITH DONOR RESTRICTIONS**

At June 30, 2024 and 2023, with donor restricted net assets consisted of the following:

	<u>2024</u>	<u>2023</u>
With Donor Restriction:		
Amplify	\$ 4,485	\$ -
Campus	5,000	-
Training Center Expansion	516,096	393,819
Training	95,462	-
Pulse 100	-	192,036
Total With Donor Restriction	<u><u>\$ 621,043</u></u>	<u><u>\$ 585,855</u></u>

**PULSE OUTREACH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**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 restricted were released as follows:

	2024	2023
FTS-OU	\$ -	\$ 549,635
Pulse ND	363,260	100
Amplify	396,020	20,000
Pulse Tours	50,341	2,063
Trans4mation Ministries Van Fund	-	1,172
Together	-	37,965
Training Center Expansion	917,357	2,781,132
Training	173,238	320,000
Ukraine Relief	-	192,895
North Dakota Event & Operations	31,642	69,578
Digital Ministry	250,000	125,000
Evangelistic Campaigns	250,000	282,000
Pulse 100	451,267	690,299
Rapid Response	-	10,020
Good Friday	-	178
International: Latin America	10,420	-
Marketing and Rebranding	1,500,000	-
Two Pillars	1,500,000	-
Total With Donor Restricted	\$ 5,893,545	\$ 5,082,037

**NOTE 5 BOARD AND DONOR GENEROSITY**

Members of the Organization's board of directors contributed a total of \$885,050 and \$722,449 for the years ended June 30, 2024 and 2023, respectively. These board member contributions comprised approximately 7% of total contribution revenue for each of the years ended June 30, 2024 and 2023.

**NOTE 6 CONCENTRATION**

There was one donor that comprised approximately 25% of total contribution revenue and one donor that comprised approximately 32% of total contribution revenue for the years ended June 30, 2024 and 2023, respectively.

**PULSE OUTREACH**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 7 PENSION PLAN**

The Organization provides 403(b) to all eligible employees. Eligibility for this plan requires the employee to be full-time and work at least 30 hours per week. During the years ended June 30, 2024 and 2023, the Organization contributed \$55,178 and \$43,246, respectively, to the plan on behalf of its employees.

**NOTE 8 LEASES**

The Organization leases office equipment at headquarters. There were no material leases for the year ended June 30, 2023. The following table provides the Organization's right of use assets and lease liability for the year ended June 30, 2024:

Right-of-Use Assets:		
Operating Leases, Net	\$	35,185
Lease Liabilities:		
Current:		
Operating Leases		7,533
Noncurrent:		
Operating Leases		<u>27,652</u>
Total	\$	<u>35,185</u>

The following table provides quantitative information concerning the Organization's leases for the year ended June 30, 2024:

Lease Costs:		
Operating Lease Costs	\$	5,936
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	\$	5,936
Right of Use Assets Obtained in Exchange for New Operating Lease Liabilities		40,025
Weighted-Average Remaining Lease Term		
Operating Leases		4.3
Weighted-Average Discount Rate - Operating Leases		4.20%

The future minimum lease payments under noncancelable leases with terms greater than one year are listed below as of June 30, 2024:

<u>Year Ending June 30,</u>	<u>Operating</u>
2025	\$ 8,904
2026	8,904
2027	8,904
2028	8,904
2029	<u>2,968</u>
Undiscounted Cash Flows	\$ 38,584
Less: Imputed Interest	<u>(3,399)</u>
Total Present Value	<u>\$ 35,185</u>

**PULSE OUTREACH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**NOTE 9 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.

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>2024</u>	<u>2023</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 2,337,145	\$ 1,744,064
Pledges Receivable, Net	4,485	25,000
Accounts Receivable	45,193	556,758
Less: Assets with Donor Restrictions	<u>(621,043)</u>	<u>(585,855)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 1,765,780</u>	<u>\$ 1,739,967</u>



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