

WORLD PULSE VOICES

FINANCIAL STATEMENTS

Year Ended December 31, 2022



WORLD PULSE

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KERN  THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

WORLD PULSE VOICES
FINANCIAL STATEMENTS
Year Ended December 31, 2022

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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, 2022, 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, 2022, 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.

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.

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.

To the Board of Directors
World Pulse Voices

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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' 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated July 14, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Portland, Oregon
November 13, 2023

WORLD PULSE VOICES
STATEMENT OF FINANCIAL POSITION

December 31, 2022
(With Comparative Totals for the Year Ended December 31, 2021)

ASSETS

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 577,436	\$ 803,604
Contributions and pledges receivable	1,336,989	1,339,045
Prepaid expenses and deposits	12,323	26,311
Property and equipment, net	<u>427,580</u>	<u>281,380</u>
Total assets	\$ <u>2,354,328</u>	\$ <u>2,450,340</u>

LIABILITIES AND NET ASSETS

Accounts payable and other liabilities	\$ 55,728	\$ 33,010
Accrued payroll and vacation	17,334	24,526
Accrued interest	6,578	2,994
Note payable	<u>150,000</u>	<u>150,000</u>
Total liabilities	<u>229,640</u>	<u>210,530</u>
Net assets		
Without donor restrictions	786,508	889,780
With donor restrictions	<u>1,338,180</u>	<u>1,350,030</u>
Total net assets	<u>2,124,688</u>	<u>2,239,810</u>
Total liabilities and net assets	\$ <u>2,354,328</u>	\$ <u>2,450,340</u>

See notes to financial statements.

WORLD PULSE VOICES

STATEMENT OF ACTIVITIES

Year Ended December 31, 2022

(With Comparative Totals for the Year Ended December 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
Operating support and revenues				
Contributions and grants revenues	\$ 506,615	\$ 859,836	\$ 1,366,451	\$ 1,667,056
In-kind contributions	54,991	-	54,991	267,714
PPP forgiveness	-	-	-	279,174
Other revenue	500	-	500	65,270
	<u>562,106</u>	<u>859,836</u>	<u>1,421,942</u>	<u>2,279,214</u>
Net assets released from restrictions	<u>871,686</u>	<u>(871,686)</u>	<u>-</u>	<u>-</u>
Total operating support and revenues	<u>1,433,792</u>	<u>(11,850)</u>	<u>1,421,942</u>	<u>2,279,214</u>
Expenses				
Program services	1,174,204	-	1,174,204	1,126,252
Fundraising	249,116	-	249,116	197,256
Management and general	113,744	-	113,744	124,379
Total expenses	<u>1,537,064</u>	<u>-</u>	<u>1,537,064</u>	<u>1,447,887</u>
Total change in net assets	<u>(103,272)</u>	<u>(11,850)</u>	<u>(115,122)</u>	<u>831,327</u>
Net assets, beginning of year	<u>889,780</u>	<u>1,350,030</u>	<u>2,239,810</u>	<u>1,408,483</u>
Net assets, end of year	<u>\$ 786,508</u>	<u>\$ 1,338,180</u>	<u>\$ 2,124,688</u>	<u>\$ 2,239,810</u>

See notes to financial statements.

WORLD PULSE VOICES

STATEMENT OF FUNCTIONAL EXPENSES

**Year Ended December 31, 2022
(With Comparative Totals for the Year Ended December 31, 2021)**

PROGRAM SERVICES										
	Community Engagement	Technology	Communication	Total	Fundraising	Manage- ment and General	Total 2022		Total 2021	
Employee costs	\$ 274,880	\$ 8,760	\$ 132,640	\$ 416,280	\$ 128,420	\$ 71,015	\$ 615,715	\$	551,249	
Payroll taxes	25,040	1,024	12,366	38,430	10,289	8,989	57,708		54,787	
Benefits	12,935	-	10,763	23,698	9,851	2,146	35,695		29,416	
Workers compensation	-	-	-	-	-	1,051	1,051		2,693	
Consultants	142,339	80,186	164,399	386,924	30,291	4,460	421,675		264,302	
Occupancy	8,676	626	5,528	14,830	7,838	3,132	25,800		25,800	
Conference and meetings	3,747	130	1,145	5,022	3,088	648	8,758		5,244	
Travel	853	25	217	1,095	857	123	2,075		-	
Office expenses	4,243	6,380	9,145	19,768	14,472	1,264	35,504		46,566	
Professional services	23,292	1,435	12,667	37,394	17,959	7,176	62,529		63,462	
Program expenses	28,897	49,950	4,610	83,457	11,098	3,301	97,856		72,268	
Insurance	1,465	106	933	2,504	1,324	529	4,357		4,436	
Interest	1,449	105	923	2,477	1,309	523	4,309		3,094	
Depreciation	-	95,594	-	95,594	-	-	95,594		56,856	
Other	5,398	-	-	5,398	2,840	5,209	13,447		-	
In-kind consulting and professional fees	21,141	5,959	14,233	41,333	9,480	4,178	54,991		267,714	
Total expenses	\$ 554,355	\$ 250,280	\$ 369,569	\$ 1,174,204	\$ 249,116	\$ 113,744	\$ 1,537,064	\$	1,447,887	

See notes to financial statements.

WORLD PULSE VOICES
STATEMENT OF CASH FLOWS

Year Ended December 31, 2022
(With Comparative Totals for the Year Ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (115,122)	\$ 831,327
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	95,594	56,856
(Increase) decrease in:		
Contributions and pledges receivable	2,056	(235,649)
Prepaid expenses and deposits	13,988	(24,248)
Increase (decrease) in:		
Accounts payable	22,718	9,685
Accrued payroll and vacation	(7,192)	1,069
Accrued interest	3,584	2,994
Refundable advance	-	(133,801)
Net cash flows provided by operating activities	<u>15,626</u>	<u>508,233</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(241,794)</u>	<u>(126,749)</u>
Cash flows from financing activities:		
Proceeds from EIDL loan	<u>-</u>	<u>150,000</u>
Net increase in cash and cash equivalents	(226,168)	531,484
Cash and cash equivalents, beginning of year	<u>803,604</u>	<u>272,120</u>
Cash and cash equivalents, end of year	\$ <u><u>577,436</u></u>	\$ <u><u>803,604</u></u>

See notes to financial statements.

WORLD PULSE VOICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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 a global social network connecting women worldwide to speed up social change.

We provide a safe, supportive online space where women can speak for themselves and connect from 200+ countries to rise up and drive greater change in their communities.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Pronouncements

During the year ended December 31, 2022, the Organization adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The purpose of the ASU 2020-07 is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by the not-for-profit. It is important to note that the ASU 2020-07 did not change the accounting and recognition of nonfinancial assets but rather the presentation and disclosure requirements in the financial statements.

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.

WORLD PULSE VOICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The Organization records various types of contributed services and materials. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

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.

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 \$34,000 at December 31, 2022.

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.

WORLD PULSE VOICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2022

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.

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 2021 financial statements, from which the summarized information was derived.

NOTE C – CONTRIBUTIONS AND PLEDGES RECEIVABLE

Contributions and pledges receivable, which are unconditional promises to give, consist of the following at December 31, 2022:

Contributions and pledges receivable expected to be collected in:	
Less than one year	\$ 640,322
One to five years	<u>696,667</u>
	<u>\$ 1,336,989</u>

Contributions 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, 2022.

NOTE D – IN-KIND CONTRIBUTIONS

The Organization received donated services for the years ended December 31, 2022 as follows:

Legal services	\$ 38,041
Consulting services	7,800
PIE session facilitation	5,850
Other services	<u>3,300</u>
	<u>\$ 54,991</u>

Amounts recognized on the statement of activities are limited to the significant services received which create or enhance a nonfinancial asset or require specialized skills that the Organization would have purchased if not donated. Donated services are valued at fair market value, based on similar purchased services.

WORLD PULSE VOICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2022

NOTE D – IN-KIND CONTRIBUTIONS (CONTINUED)

All gifts-in-kind received by the Organization for the years ended December 31, 2022 were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management. No gifts-in-kind were monetized.

NOTE E – PROPERTY AND EQUIPMENT

At December 31, 2022, property and equipment consist of the following:

Website development costs	\$ 1,373,797
Computer equipment and software	<u>6,034</u>
	1,379,831
Less accumulated depreciation and amortization	<u>(952,251)</u>
	<u>\$ 427,580</u>

NOTE F – 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, 2022:

Subject to time restrictions	\$ 1,336,989
Subject to time and purpose restrictions	<u>1,191</u>
	<u>\$ 1,338,180</u>

NOTE G – 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. In August 2020, the Organization received notice that the sublessee had defaulted on the lease. The lease expired in June 2023, and management believes there is no longer a liability related to this lease.

WORLD PULSE VOICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2022

NOTE H – LIQUIDITY

The following chart represents the Organization's financial assets available to meet cash needs for general expenditures within one year of December 31, 2022:

Financial assets at year-end	
Cash and cash equivalents	\$ 577,436
Contributions and pledges receivable	<u>1,336,989</u>
Total financial assets	<u>1,914,425</u>
Less those unavailable for general expenditure within one year, due to:	
Contractual or donor-imposed restrictions:	
Pledges receivable due beyond one year	(696,667)
Restricted by donor with purpose restriction	<u>(1,191)</u>
Total unavailable financial assets	<u>(697,858)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>1,216,567</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 I – RELATED PARTY ACTIVITY

During the year ended December 31, 2022, the Organization received \$568,052 in contributions from board members.

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 2023, 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.

WORLD PULSE VOICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

NOTE J – NOTE PAYABLE (CONTINUED)

Future minimum loan payments as of December 31, 2022 are as follows:

Year Ending December 31,	
2023	\$ 3,655
2024	3,757
2025	3,861
2026	3,969
2027	4,081
2028 and Thereafter	<u>130,677</u>
	<u>\$ 150,000</u>

NOTE K – SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 13, 2023, which is the date the financial statements were available to be issued.