

**WORLD PULSE VOICES**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2018**



**WORLD PULSE**

**Log on. Rise Up.**

**KERN ▲ THOMPSON**  
CERTIFIED PUBLIC ACCOUNTANTS

**WORLD PULSE VOICES**  
**FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	2
Statements of Activities	3
Statement of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6-10

**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 statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, and cash flows for the years then ended, and functional expenses (2018 only), 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, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Emphasis of Matter***

As discussed in Note B, the Organization adopted the provisions of Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958)*, for the year ended December 31, 2018. The Organization has elected to omit the presentation of the 2017 analysis disaggregating functional expense classifications by their natural expense classifications as it was not required under previous accounting standards. Our opinion is not modified with respect to this matter.



Portland, Oregon  
November 14, 2019

**WORLD PULSE VOICES**  
**STATEMENTS OF FINANCIAL POSITION**

**December 31, 2018 and 2017**

**ASSETS**

	<b>2018</b>	<b>2017</b>
Cash and cash equivalents	\$ 152,481	\$ 46,321
Contributions, grants and pledges receivable	836,249	1,375,880
Prepaid expenses and deposits	16,814	28,301
Property and equipment, net	191,838	335,014
<b>Total assets</b>	<b>\$ 1,197,382</b>	<b>\$ 1,785,516</b>

**LIABILITIES AND NET ASSETS**

Accounts payable and other liabilities	\$ 14,918	\$ 55,166
Accrued payroll and vacation	12,645	39,762
Note payable	73,726	231,668
<b>Total liabilities</b>	<b>101,289</b>	<b>326,596</b>
<b>Net assets</b>		
Without donor restrictions	225,521	(11,927)
With donor restrictions	870,572	1,470,847
<b>Total net assets</b>	<b>1,096,093</b>	<b>1,458,920</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,197,382</b>	<b>\$ 1,785,516</b>

See notes to financial statements.

**WORLD PULSE VOICES**  
**STATEMENTS OF ACTIVITIES**

Years Ended December 31, 2018 and 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2018</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2017</u>
<b>Operating support and revenues</b>						
Contributions and grants revenues	\$ 564,369	\$ 436,835	\$ 1,001,204	\$ 965,790	\$ 1,583,234	\$ 2,549,024
In-kind contributions	35,579	-	35,579	-	-	-
	<u>599,948</u>	<u>436,835</u>	<u>1,036,783</u>	<u>965,790</u>	<u>1,583,234</u>	<u>2,549,024</u>
Net assets released from restrictions	<u>1,037,110</u>	<u>(1,037,110)</u>	<u>-</u>	<u>683,560</u>	<u>(683,560)</u>	<u>-</u>
<b>Total operating support and revenues</b>	<b><u>1,637,058</u></b>	<b><u>(600,275)</u></b>	<b><u>1,036,783</u></b>	<b><u>1,649,350</u></b>	<b><u>899,674</u></b>	<b><u>2,549,024</u></b>
<b>Expenses</b>						
Program services	912,155	-	912,155	1,529,287	-	1,529,287
Management and general	219,974	-	219,974	276,630	-	276,630
Fundraising	267,481	-	267,481	216,431	-	216,431
<b>Total expenses</b>	<b><u>1,399,610</u></b>	<b><u>-</u></b>	<b><u>1,399,610</u></b>	<b><u>2,022,348</u></b>	<b><u>-</u></b>	<b><u>2,022,348</u></b>
<b>Change in net assets</b>	<b><u>237,448</u></b>	<b><u>(600,275)</u></b>	<b><u>(362,827)</u></b>	<b><u>(372,998)</u></b>	<b><u>899,674</u></b>	<b><u>526,676</u></b>
Net assets, beginning of year	<u>(11,927)</u>	<u>1,470,847</u>	<u>1,458,920</u>	<u>361,071</u>	<u>571,173</u>	<u>932,244</u>
<b>Net assets, end of year</b>	<b><u>\$ 225,521</u></b>	<b><u>\$ 870,572</u></b>	<b><u>\$ 1,096,093</u></b>	<b><u>\$ (11,927)</u></b>	<b><u>\$ 1,470,847</u></b>	<b><u>\$ 1,458,920</u></b>

See notes to financial statements.

**WORLD PULSE VOICES**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Years Ended December 31, 2018 and 2017**

	<b>PROGRAM SERVICES</b>			<b>Total</b>	<b>Fundraising</b>	<b>Management and General</b>	<b>Total 2018</b>	<b>Total 2017</b>
	<b>Community Engagement</b>	<b>Technology</b>	<b>Communication</b>					
Employee cost	\$ 233,132	\$ 83,673	\$ 54,967	\$ 371,772	\$ 124,342	\$ 84,748	\$ 580,862	\$ 960,415
Payroll taxes	20,651	10,199	5,230	36,080	11,619	12,455	60,154	90,110
Benefits	6,995	4,701	2,202	13,898	13,593	11,027	38,518	74,544
Workers compensation	754	141	168	1,063	202	491	1,756	2,062
Consultants	47,825	97,839	42,670	188,334	20,710	360	209,404	329,137
Training and development	-	-	-	-	-	-	-	7,510
Occupancy	22,643	8,691	5,487	36,821	3,704	20,474	60,999	94,801
Travel	14,237	-	-	14,237	11,188	1,097	26,522	38,857
Office expenses	6,703	3,441	2,197	12,341	29,285	17,539	59,165	72,315
Professional services	9,357	1,153	701	11,211	1,179	42,164	54,554	64,281
Conferences and meetings	-	-	-	-	3,717	3,682	7,399	12,050
Program expenses	6,865	18,569	456	25,890	6,705	4,404	36,999	56,237
Insurance	-	-	-	-	4	11,506	11,510	8,177
Interest	6,159	2,529	1,520	10,208	2,551	4,188	16,947	15,247
Depreciation	-	190,300	-	190,300	-	2,497	192,797	192,606
Other	-	-	-	-	3,103	3,342	6,445	3,999
In-kind expenses	-	-	-	-	35,579	-	35,579	-
<b>Total expenses</b>	<b>\$ 375,321</b>	<b>\$ 421,236</b>	<b>\$ 115,598</b>	<b>\$ 912,155</b>	<b>\$ 267,481</b>	<b>\$ 219,974</b>	<b>\$ 1,399,610</b>	<b>\$ 2,022,348</b>

See notes to financial statements.

**WORLD PULSE VOICES**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (362,827)	\$ 526,676
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	192,797	192,606
(Increase) decrease in:		
Contributions, grants and pledges receivable	539,631	(952,284)
Prepaid expenses and deposits	11,487	19,791
Increase (decrease) in:		
Accounts payable	(40,248)	1,259
Accrued payroll and vacation	(27,117)	(24,651)
Line of credit	(157,942)	231,668
<b>Net cash flows provided by operating activities</b>	<b>155,781</b>	<b>(4,935)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(49,621)	(1,890)
<b>Net increase in cash and cash equivalents</b>	<b>106,160</b>	<b>(6,825)</b>
Cash and cash equivalents, beginning of year	46,321	53,146
<b>Cash and cash equivalents, end of year</b>	<b>\$ 152,481</b>	<b>\$ 46,321</b>

See notes to financial statements.

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

**December 31, 2018 and 2017**

**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**

**Adoption of New Accounting Pronouncement**

During the fiscal year ended December 31, 2018, the Organization implemented *Accounting Standards Update No. 2016-14, Not-for-Profit Entities Topic 958 (“ASU 2016-14”)*. This standard revised the net asset classification requirements and information presented in financial statements and notes about a not-for-profit entity’s liquidity, financial performance, and cash flows. As a result of the implementation of ASU 2016-14, net assets and transactions are now presented in two categories (with donor restrictions and without donor restrictions) instead of three (unrestricted, temporary, and permanent), and expenses are presented on a functional basis. Additionally, disclosures regarding liquidity have been added and the expansion of disclosures regarding the nature of donor restrictions and cost allocation methods have been made. The implementation of ASU 2016-14 had no impact on total beginning net assets.

**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 received with donor restrictions that are met in the same reporting period are reported as increases in net assets without donor restrictions.



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

**December 31, 2018 and 2017**

**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. Contributions received with donor restrictions that are met in the same reporting period are reported as increases in net assets without donor restrictions. Otherwise, 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.

**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 \$500 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, 2018 and 2017.

**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.

**WORLD PULSE VOICES**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2018 and 2017**

**NOTE C – CONTRIBUTIONS AND PLEDGES**

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

	<u>2018</u>	<u>2017</u>
Contributions and pledges receivable expected to be collected in:		
Less than one year	\$ 624,843	\$ 846,354
One to five years	<u>211,406</u>	<u>529,526</u>
	<u>\$ 836,249</u>	<u>\$ 1,375,880</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, 2018 and 2017.

**NOTE D – FURNITURE AND EQUIPMENT**

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

	<u>2018</u>	<u>2017</u>
Website development costs	\$ 809,174	\$ 755,106
Computer equipment and software	<u>12,819</u>	<u>61,337</u>
	821,993	816,443
Less accumulated depreciation and amortization	<u>(630,155)</u>	<u>(481,429)</u>
	<u>\$ 191,838</u>	<u>\$ 335,014</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:

	<u>2018</u>	<u>2017</u>
Subject to time and purpose restrictions	\$ 43,623	\$ 94,967
Subject to time restrictions	<u>826,949</u>	<u>1,375,880</u>
	<u>\$ 870,572</u>	<u>\$ 1,470,847</u>

**WORLD PULSE VOICES**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2018 and 2017**

**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 will receive 5,000 a month until the end of the term of the original master lease, June 2023. The master lessor has 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 master lease average monthly payments due of approximately \$12,500 through June 2023.

**NOTE G – NOTE PAYABLE**

The Organization has entered into a \$226,630 note payable. The Organization's cash accounts held at the same bank are pledged as security on the line of credit. Interest is payable at the bank's prime rate (5.5% at December 31, 2018) plus 1.75 percentage points. Monthly principal and interest payments of \$3,376 are due through April 2020, and a final balloon payment of the lesser of the remaining balance or \$151,307 is due April 30, 2020. The Organization has prepaid a portion of the payments as of December 31, 2018. Principle payments are scheduled and due as follows:

2019	\$	28,807
2020		160,567
Less amounts prepaid by December 31, 2018		<u>(115,648)</u>
Total	\$	<u><u>73,726</u></u>

As of the report date \$47,323 was outstanding.

**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:

	<u>2018</u>	<u>2017</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 152,481	\$ 46,321
Contributions, grants and pledges receivable	<u>836,249</u>	<u>1,375,880</u>
Total financial assets	<u>988,730</u>	<u>1,422,201</u>

Less those unavailable for general expenditure within one year, due to:

Contractual or donor-imposed restrictions:		
Pledges receivable due beyond one year	211,406	529,526
Restricted by donor with purpose restriction	<u>43,623</u>	<u>94,967</u>

Financial assets available to meet cash needs for general expenditures within one year	\$ <u>733,701</u>	\$ <u>797,708</u>
--	-------------------	-------------------

**WORLD PULSE VOICES**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2018 and 2017**

**NOTE H – LIQUIDITY (CONTINUED)**

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 years ended December 31, 2018 and December 31, 2017, the Organization received contributions of \$511,612 and \$434,211 from board members, of which \$1,500 and \$144,750 are in receivables as of December 31, 2018 and 2017, respectively.

**NOTE J – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 14, 2019, which is the date the financial statements were available to be issued.