

**SOCIAL VENTURE PARTNERS
BOULDER COUNTY, INC.**

**Financial Statements with
Independent Accountants'
Compilation Report**

September 30, 2019

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Social Venture Partners Boulder County, Inc.
Boulder, Colorado

Management is responsible for the accompanying financial statements of Social Venture Partners Boulder County, Inc, which comprise the statement of financial position as of September 30, 2019 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 accordance with accounting principles generally accepted in the United States of America.

We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Flewelling & Mitton, PC

A handwritten signature in cursive script that reads "Flewelling & Mitton, PC".

February 20, 2020

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Statement of Financial Position
September 30, 2019

ASSETS

Assets

Cash and cash equivalents	\$	131,760
Promises to give		7,000
Security deposits		1,775
Property and equipment, net of accumulated depreciation of \$2,394		<u>389</u>
Total Assets	\$	<u>140,924</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$	5,667
Accrued expenses		<u>7,193</u>
Total Liabilities	\$	<u>12,860</u>

Commitments and Contingencies —

Net Assets

Without donor restrictions		121,064
With donor restrictions		<u>7,000</u>
Total Net Assets		<u>128,064</u>

Total Liabilities and Net Assets **\$** **140,924**

See accompanying *Notes to Financial Statements and Accountants' Compilation Report*

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Statement of Activities
For the Year Ended September 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Grants and contributions	\$ 143,414	\$ 7,000	\$ 150,414
Memberships	248,797	—	248,797
In-kind donations	11,930	—	11,930
Program revenue	8,683	—	8,683
Investment income	<u>88</u>	<u>—</u>	<u>88</u>
 Total Support and Revenue	 <u>412,912</u>	 <u>7,000</u>	 <u>419,912</u>
 Expenses			
Program services	303,376	—	303,376
Management and general	54,977	—	54,977
Fund-raising	<u>39,118</u>	<u>—</u>	<u>39,118</u>
 Total Expenses	 <u>397,471</u>	 <u>—</u>	 <u>397,471</u>
 Increase in Net Assets	 15,441	 7,000	 22,441
 Net Assets at Beginning of Year	 <u>105,623</u>	 <u>—</u>	 <u>105,623</u>
 Net Assets at End of Year	 <u>\$ 121,064</u>	 <u>\$ 7,000</u>	 <u>\$ 128,064</u>

See accompanying *Notes to Financial Statements and Accountants' Compilation Report*

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Statement of Functional Expenses
For the Year Ended September 30, 2019

	<u>Program</u>	<u>Mgt & General</u>	<u>Fund- Raising</u>	<u>Total</u>
Board expense	\$ —	\$ 303	\$ —	\$ 303
Communications expense	13,993	3,048	3,153	20,194
Consultants (internal)	125	—	3,050	3,175
Depreciation expense	—	171	—	171
Events and meetings	6,880	1,229	1,836	9,945
Grants to others	54,650	—	—	54,650
Bank and processing fees	79	2,726	—	2,805
Insurance expense	2,192	959	292	3,443
Membership expense	12,678	3,428	1,618	17,724
Outside services	13,538	2,658	1,800	17,996
Other expenses	20	111	6	137
Retirement expense	9,854	1,521	1,404	12,779
Salaries and wages	153,056	19,912	20,770	193,738
Payroll taxes	12,303	1,585	1,647	15,535
Printing and postage	677	132	442	1,251
Staff training	253	22	15	290
Accounting services	—	12,176	—	12,176
Occupancy expense	15,003	3,180	2,000	20,183
Technology expenses	<u>8,075</u>	<u>1,816</u>	<u>1,085</u>	<u>10,976</u>
Total Expenses	<u>\$ 303,376</u>	<u>\$ 54,977</u>	<u>\$ 39,118</u>	<u>\$ 397,471</u>

See accompanying *Notes to Financial Statements and Accountants' Compilation Report*

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Statement of Cash Flows
For the Year Ended September 30, 2019

Cash Flows from Operating Activities	
Increase in net assets	\$ 22,441
Adjustment to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	171
Changes in operating assets and liabilities:	
Pledges receivable	4,525
Rent security deposits	25
Accounts payable	1,128
Accrued expenses	<u>(1,280)</u>
Net Cash Provided by Operating Activities	<u>27,010</u>
Cash Flows from Investing Activities	
Purchases of property and equipment	<u>(560)</u>
Net Cash Used by Investing Activities	<u>(560)</u>
Net Increase in Cash and Cash Equivalents	26,450
Cash and Cash Equivalents at Beginning of Year	<u>105,310</u>
Cash and Cash Equivalents at End of Year	<u>\$ 131,760</u>

See accompanying *Notes to Financial Statements and Accountants' Compilation Report*

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Notes to Financial Statements September 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose

Social Venture Partners Boulder County, Inc. (the Organization) is a non-profit corporation organized under the laws of the State of Colorado in November 2012. It was originally formed as a Donor-Advised Fund of the Community Foundation Serving Boulder County (the Foundation) in September 2000, received its IRS 501(c)(3) determination letter in January 2014, and began operating independently in March 2014. Its purposes are to:

- Connect and engage individuals, helping them to make the greatest impact with their time and philanthropic giving.
- Strengthen and fund non-profits, increasing their effectiveness and impact.
- Provide community leadership to create cross-sector solutions, so those with a common cause can align their efforts and go farther, together.

Basis of Accounting

The Organization follows accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets accounting principles generally accepted in the United States of America (GAAP), which the Organization follows to ensure the financial condition, results of operations, and cash flows are consistently reported. References to GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification (ASC). The accompanying financial statements have been prepared on the accrual basis of accounting.

Financial Statement Presentation

The financial statements are prepared on the accrual basis under ASC 958-205 *Not-for-Profit Entities, Presentation of Financial Statements*. The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. In addition, the Organization is required to present a statement of functional expenses.

Furniture and Equipment

Furniture and equipment acquired with an initial value of \$500 or more are stated at cost, less accumulated depreciation, using the straight-line method over estimated useful lives of three to five years, or lease term if shorter.

Expenditures for equipment and improvements in excess of \$500 that materially extend the life of an asset are capitalized. Expenditures for repairs and maintenance that do not extend asset lives are expensed as incurred. When assets are sold, retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is recognized.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Notes to Financial Statements September 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or fewer to be cash and cash equivalents. At times, the Organization's bank account balances may exceed federally insured limits. Management monitors the soundness of the financial institutions with which it associates and believes the Organization's risk is negligible. The Organization has not experienced any losses in such accounts.

Revenue Recognition

In accordance with ASC 958-605 *Not for Profit Entities, Revenue Recognition*, contributions and membership fees received are recorded as donor-restricted or unrestricted donor support, depending on the existence or nature of donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization recognizes revenues from program activities as earned, or when conditions are met.

Promises to Give

As of September 30, 2019, unconditional promises-to-give receivables of \$7,000 were due within one year. Based on past history and assessment of the donors involved, management expects all of the unconditional promises to give to be collected as promised. Therefore, no allowance for uncollectible receivables has been established.

Uncertain Tax Positions

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on income derived from unrelated business activities. The Organization believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements.

The Organization's Federal Exempt Income Tax Returns Form 990 prior to 2018 are subject to examination by the IRS, generally for three years after they are filed.

Fair Value of Financial Instruments

The Organization discloses fair value information about financial instruments when it is practicable to estimate that value. The carrying value of the Organization's cash, promises to give, security deposits, accounts payable and accrued expenses approximate their estimated fair values due to their short-term maturities.

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Notes to Financial Statements September 30, 2019

NOTE 2: NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATIONS

Net assets with donor restrictions at September 30, 2019 are restricted for the following time period:

General operations, time restriction	\$ 7,000
Total	<u>\$ 7,000</u>

In addition to specified donor restrictions, the Organization is required to disclose board-designated net assets. There were no board designations as of September 30, 2019.

NOTE 3: IN-KIND CONTRIBUTIONS

In-kind contributions consisted of the following at September 30, 2019:

Advertising	\$ 11,865
Software	<u>65</u>
Total	<u>\$ 11,930</u>

NOTE 4: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include amounts the Organization's board of directors have designated for specific operating purposes, regardless of whether those designated amounts were released if the board so chooses.

Financial Assets at Year-End	\$ 138,760
Less: Financial assets unavailable for general expenditures within one year due to contractual or donor-imposed restrictions:	
Restricted by donors with time or purpose restrictions	(7,000)
Board designations	<u>—</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 131,760</u>

Promises to give are subject to time restrictions but are expected to be collected within one year of the date of the original pledge. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 90 days of normal monthly operating expenses, which are, on average, approximately \$27,500. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of near-term requirements in short-term investments.

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Notes to Financial Statements September 30, 2019

NOTE 5: FUNCTIONAL EXPENSES

The financial statements report certain expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy costs and depreciation, and supplies, communication and other costs based on identification or estimates of how the costs are used.

NOTE 6: OPERATING LEASE

The Organization has an operating lease for the use of office space in Boulder, Colorado. The lease requires monthly payments of \$1,828 and expires in June 2021. Rental payments associated with the operating lease are charged to expense as incurred. During the year ended September 30, 2019, rent expense was \$20,183.

Future minimum lease payments are as follows:

2020	\$ 22,101
2021	16,947
Total	<u>\$ 39,048</u>

NOTE 7: DEFINED CONTRIBUTION PLAN

The Organization sponsors a defined contribution retirement plan which provides benefits for all employees who have three months of service and work at least 24 hours per week. The Organization contributes 5% of employee's salary and matches employee contributions up to 2% of compensation for employees who work at least 1,000 hours during the fiscal year. The Organization contributed \$12,779 during the year ended September 30, 2019.

NOTE 8: SUPPLEMENTAL CASH FLOW INFORMATION

The Organization made no interest or income tax payments for the year ended September 30, 2019.

There were no non-cash investing and financing activities for the year ended September 30, 2019.

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Notes to Financial Statements *September 30, 2019*

NOTE 9: NEW ACCOUNTING PRONOUNCEMENT

On August 18, 2016, the Financial Accounting Standards Board issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The Organization has adjusted the presentation of its financial statements accordingly. The new standards change the following aspects of the Organization's financial statements.

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources.
- The financial statements include a new disclosure describing the method used to allocate the functional expenses.

NOTE 10: SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 20, 2020, which was the date the financial statements were available to be issued. There were no significant subsequent events noted.