

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

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

September 30, 2020 and 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, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years 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.

Tandem CPAs, LLC

Tandem CPAs, LLC

April 15, 2021

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Statement of Financial Position
September 30, 2020 and 2019

ASSETS

Assets	2020	2019
Cash and cash equivalents	\$ 186,436	\$ 131,760
Accounts receivable	14,413	\$ -
Promises to give	7,064	7,000
Security deposits	1,775	1,775
Property and equipment, net of accumulated depreciation of \$2,581 and \$2,394 in 2020 and 2019, respectively	202	389
Total Assets	\$ 209,890	\$ 140,924

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 3,492	\$ 5,667
Accrued expenses	5,100	7,193
PPP Loan Payable	42,500	-
Total Liabilities	51,092	12,860
Commitments and Contingencies	-	-
Net Assets		
Without donor restrictions	106,733	121,064
With donor restrictions	52,064	7,000
Total Net Assets	\$ 158,797	\$ 128,064
Total Liabilities and Net Assets	\$ 209,890	\$ 140,924

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

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Statement of Activities
For the Years Ended September 30, 2020 and 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
Support and Revenue				
Grants and contributions	\$ 133,596	\$ 45,064	\$ 178,660	\$ 150,414
Memberships	188,976	-	188,976	248,797
In-kind donations	8,525	-	8,525	11,930
Program revenue	7,885	-	7,885	8,683
Investment income	122	-	122	88
Total Support and Revenue.....	339,104	45,064	384,168	419,912
 Expenses				
Program Services	256,950	-	256,950	303,376
Management and general	56,100	-	56,100	54,977
Fundraising	40,384	-	40,384	39,118
Total Expenses.....	353,434	-	353,434	397,471
Increase (Decrease) in Net Assets	(14,331)	45,064	30,733	22,441
Net Assets at Beginning of Year	121,064	7,000	128,064	105,623
Net Assets and End of Year.....	\$ 106,733	\$ 52,064	\$ 158,797	\$ 128,064

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

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Statement of Functional Expenses
For the Years Ended September 30, 2020 and 2019

	<u>Program</u>	<u>Mgt & General</u>	<u>Fundraising</u>	<u>2020</u> <u>Total</u>	<u>2019</u> <u>Total</u>
Board expense	\$ -	\$ -	\$ -	\$ -	\$ 303
Communications expense	12,707	878	748	14,333	20,194
Consultants (internal)	2,384	587	306	3,277	3,175
Depreciation expense	-	187	-	187	171
Events and meetings	3,123	572	97	3,792	9,945
Grants to Nonprofits	30,000	-	-	30,000	54,650
Bank and processing fees	498	1,401	736	2,635	2,805
Insurance expense	3,006	482	385	3,873	3,443
Membership expense	17,279	2,979	2,245	22,503	17,724
Outside services	14,033	2,202	1,804	18,039	17,996
Other expenses	251	785	20	1,056	137
Retirement expense	6,440	942	885	8,267	12,779
Salaries and wages	130,986	25,034	27,650	183,670	193,738
Payroll taxes	10,350	1,993	2,188	14,531	15,535
Printing and postage	242	(152)	31	121	1,251
Staff training	-	-	-	-	290
Accounting services	-	13,143	-	13,143	12,176
Occupancy expense	17,890	3,094	2,294	23,278	20,183
Technology expenses	7,761	1,973	995	10,729	10,976
Total Expenses	<u>\$ 256,950</u>	<u>\$ 56,100</u>	<u>\$ 40,384</u>	<u>\$ 353,434</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 Years Ended September 30, 2020 and 2019

Cash Flows from Operating Activities	<u>2020</u>	<u>2019</u>
Increase in net assets	\$ 30,733	\$ 22,441
Adjustment to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	187	171
Changes in operating assets and liabilities:		
Accounts receivable	(14,413)	-
Pledges receivable	(64)	4,525
Rent security deposits	-	25
Accounts payable	(2,175)	1,128
Accrued expenses	<u>(2,091)</u>	<u>(1,280)</u>
Net Cash Provided by Operating Activities	<u>12,178</u>	<u>27,010</u>
 Cash Flows from Investing Activities		
Purchases of property and equipment	<u>-</u>	<u>(560)</u>
Net Cash Used by Investing Activities	<u>-</u>	<u>(560)</u>
 Cash Flows from Financing Activities		
Proceeds from PPP loan	<u>42,500</u>	<u>-</u>
Net Cash Provided by Financing Activities	<u>42,500</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	54,678	26,450
Cash and Cash Equivalents at Beginning of Year	<u>131,760</u>	<u>105,310</u>
Cash and Cash Equivalents at End of Year	<u>\$186,438</u>	<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, 2020 and 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.

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.

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Notes to Financial Statements *September 30, 2020 and 2019*

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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, 2020 and 2019, unconditional promises-to-give receivables of \$7,064 and \$7,000, respectively, 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.

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Notes to Financial Statements September 30, 2020 and 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2019 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, accounts receivable, promises to give, security deposits, accounts payable and accrued expenses approximate their estimated fair values due to their short-term maturities.

Summarized Prior-Year Information

The amounts shown for the year ended September 30, 2019 in the accompanying financial statements are included to provide a basis for comparison with 2020 and present summarized totals only. Accordingly, the 2019 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2019, from which the summarized information was derived.

NOTE 2: NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATIONS

Net assets with donor restrictions at September 30, 2020 and 2019 are restricted for the following time period:

	<u>2020</u>	<u>2019</u>
Time restriction – general operations	\$ 7,064	\$ 7,000
Purpose restriction – partner memberships	<u>45,000</u>	<u>-</u>
Total	<u>\$ 52,064</u>	<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, 2020 and 2019.

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

**Notes to Financial Statements
September 30, 2020 and 2019**

NOTE 3: IN-KIND CONTRIBUTIONS

In-kind contributions consisted of the following at September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Advertising	\$ 8,525	\$ 11,865
Software	<u>-</u>	<u>65</u>
Total	<u>\$ 8,525</u>	<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.

	<u>2020</u>	<u>2019</u>
Financial Assets at Year-End	\$ 207,913	\$ 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	<u>(52,064)</u>	<u>(7,000)</u>
Board designations		
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 155,849</u>	<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 \$28,600. 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, 2020 and 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: NOTES PAYABLE

Notes payable consist of the following:

	<u>2020</u>	<u>2019</u>
Note payable to bank for an initial amount of \$42,500 on April 17, 2020 for Paycheck Protection Loan. The loan is forgivable if used for certain payroll, employee benefits, and occupancy costs. The forgiveness calculation will be made in the year ending September 30, 2021. Any portion of the loan not forgiven by the Small Business Administration will be repaid within two years of issuance. Interest on the portion not forgiven will accrue at 1% per year.	<u>\$ 42,500</u>	-
Total Notes Payable.....	<u>\$ 42,500</u>	-

The loan is anticipated to be fully forgiven. Interest on the loan is deemed insignificant to accrue and unlikely to be incurred.

NOTE 7: 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 plus common area maintenance costs, and expires in July 2021. Rental payments associated with the operating lease are charged to expense as incurred. During the years ended September 30, 2020 and 2019, rent expense was \$23,278 and \$20,183, respectively.

Future minimum lease payments are as follows:

2021	<u>\$ 19,410</u>
Total	<u>\$ 19,410</u>

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Notes to Financial Statements *September 30, 2020 and 2019*

NOTE 8: 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 \$5,935 and \$12,779 during the year ended September 30, 2020 and 2019, respectively.

NOTE 9: SUPPLEMENTAL CASH FLOW INFORMATION

The Organization made no interest or income tax payments for the years ended September 30, 2020 and 2019.

There were no non-cash investing and financing activities for the years ended September 30, 2020 and 2019.

NOTE 10: NEW ACCOUNTING PRONOUNCEMENTS

ASU 2018-08

In June 2018, the Financial Accounting Standards Board (FASB) issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities.

The change in accounting principle was adopted on a modified prospective basis in its year ending September 30, 2020. As a result, the Organization had no changes to its revenues or net assets as of October 1, 2019.

ASU 2020-05

Due to the COVID-19 pandemic, FASB issued this update as a limited deferral of the effective dates of the following standards:

- ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* – delayed one year to periods beginning after 12/15/19.
- ASU 2016-02, *Leases (Topic 842)* – delayed one year to periods beginning after 12/15/21.

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Notes to Financial Statements September 30, 2020 and 2019

NOTE 10: NEW ACCOUNTING PRONOUNCEMENTS (continued)

Since the Organization has not yet implemented these standards, it has elected to defer implementation to the revised dates.

ASU 2016-14

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 adopted this accounting pronouncement effective October 1, 2018, and 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 11: SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 15, 2021, which was the date the financial statements were available to be issued. There were no significant subsequent events noted.

In March 2020, the Coronavirus (COVID-19) pandemic began to affect individuals and businesses throughout Colorado. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. The related financial impact and duration cannot be reasonably estimated at this time.