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**Financial Statements**  
Year Ended September 30, 2017



# Social Venture Partners Boulder County, Inc.

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## Independent Accountant's Compilation Report

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, 2017 and the related statements of activities 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.

*Anton Collins Mitchell LLP*

Boulder, Colorado  
January 10, 2018

Denver | Boulder | Northern Colorado | Larimer



# **Financial Statements**

# Social Venture Partners Boulder County, Inc.

## Statement of Financial Position

| <i>September 30,</i>  |    | 2017    |
|---|----|---------|
| <b>Assets</b>   |    |         |
| <b>Current assets:</b>  |    |         |
| Cash and cash equivalents   | \$ | 94,855  |
| Prepaid expenses  |    | 1,400   |
| Total current assets  |    | 96,255  |
| <b>Property and equipment, net:</b>   |    |         |
| Office equipment  |    | 2,223   |
| Less accumulated depreciation   |    | (1,906) |
| Total property and equipment, net   |    | 318     |
| <b>Other assets:</b>  |    |         |
| Rent security deposits  |    | 1,400   |
| Beneficial interest in net assets held by The Community<br>Foundation of Boulder County |    | 12,374  |
| Total other assets  |    | 13,774  |
| <b>Total assets</b>   | \$ | 110,346 |
| <b>Liabilities and Net Assets</b>   |    |         |
| <b>Current liabilities:</b>   |    |         |
| Accounts payable  | \$ | 2,266   |
| Accrued expenses  |    | 9,689   |
| Total current liabilities   |    | 11,955  |
| <b>Commitments and contingencies</b>  |    |         |
| <b>Net assets:</b>  |    |         |
| Unrestricted  |    | 86,017  |
| Temporarily restricted  |    | 2,374   |
| Permanently restricted  |    | 10,000  |
| Total net assets  |    | 98,391  |
| <b>Total liabilities and net assets</b>   | \$ | 110,346 |

*See Independent Accountant's Compilation Report and notes to the financial statements.*

# Social Venture Partners Boulder County, Inc.

## Statement of Activities

| <i>Year Ended September 30, 2017</i>   | Unrestricted     | Temporarily<br>Restricted | Permanently<br>Restricted | Total            |
|--|------------------|---------------------------|---------------------------|------------------|
| <b>Support and revenue:</b>  |                  |                           |                           |                  |
| Grants and contributions   | \$ 166,872       | \$ -                      | \$ -                      | \$ 166,872       |
| Memberships  | 186,628          | -                         | -                         | 186,628          |
| Program revenue  | 11,734           | -                         | -                         | 11,734           |
| Change in value of beneficial interest in net assets held<br>by the Community Foundation of Boulder County | -                | 968                       | -                         | 968              |
| Investment income  | 260              | -                         | -                         | 260              |
| <b>Total support and revenue</b>   | <b>365,494</b>   | <b>968</b>                | <b>-</b>                  | <b>366,462</b>   |
| <b>Expenses:</b>   |                  |                           |                           |                  |
| Program services   | 251,183          | -                         | -                         | 251,183          |
| General and administrative   | 53,799           | -                         | -                         | 53,799           |
| Fundraising  | 41,167           | -                         | -                         | 41,167           |
| <b>Total expenses</b>  | <b>346,148</b>   | <b>-</b>                  | <b>-</b>                  | <b>346,148</b>   |
| <b>Change in net assets</b>  | <b>19,346</b>    | <b>968</b>                | <b>-</b>                  | <b>20,314</b>    |
| <b>Net assets, beginning of year</b>   | <b>66,671</b>    | <b>1,406</b>              | <b>10,000</b>             | <b>78,077</b>    |
| <b>Net assets, end of year</b>   | <b>\$ 86,017</b> | <b>\$ 2,374</b>           | <b>\$ 10,000</b>          | <b>\$ 98,391</b> |

*See Independent Accountant's Compilation Report and notes to the financial statements.*

# Social Venture Partners Boulder County, Inc.

## Statement of Cash Flows

| <i>Year Ended September 30,</i>   | 2017             |
|---|------------------|
| <b>Cash flows from operating activities:</b>  |                  |
| Change in net assets  | \$ 20,314        |
| Adjustments to reconcile change in net assets to net cash flows from operating activities               |                  |
| Depreciation  | 822              |
| Change in value of beneficial interest in net assets held by the Community Foundation of Boulder County | (968)            |
| (Increase) decrease in operating assets:  |                  |
| Prepaid expenses  | (1,400)          |
| Employee receivable   | 137              |
| Rent security deposits  | (82)             |
| Increase (decrease) in operating liabilities:   |                  |
| Accounts payable  | (4,141)          |
| Accrued expenses  | 3,565            |
| Net cash provided by operating activities   | 18,247           |
| <b>Cash flows from investing activities:</b>  |                  |
| Purchase of property and equipment  | (636)            |
| Net change in cash and cash equivalents   | 17,611           |
| <b>Cash and cash equivalents, beginning of year</b>   | <b>77,244</b>    |
| <b>Cash and cash equivalents, end of year</b>   | <b>\$ 94,855</b> |

*See Independent Accountant's Compilation Report and notes to the financial statements.*

# Social Venture Partners Boulder County, Inc.

## Notes to the Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Activities*

Social Venture Partners Boulder County, Inc. (the "Organization") is a nonprofit 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 of 2000; received its IRS 501(c)(3) determination letter in January 2014; and began operating independently in March 2014. Its purposes are:

- Connect and engage individuals, helping them make the greatest impact with their time and philanthropic giving.
- Strengthen and fund nonprofits, 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, commonly referred to as the "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, sometimes referred to as the "Codification" or "ASC".

The financial statements are prepared on the accrual basis under ASC 958-205 *Not-for-Profit Entities, Presentation of Financial Statements*. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.



# Social Venture Partners Boulder County, Inc.

## Notes to the Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Use of Estimates*

The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and such differences could be material.

#### *Cash and Cash Equivalents*

The Organization considers all highly liquid investments and securities with original maturities of three months or less at the time of purchase to be 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.

#### *Furniture and Equipment*

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

Expenditures for renewals and betterments in excess of \$500 that materially extend the life of an asset or increase its productivity are capitalized in the office equipment accounts. Expenditures for repairs and maintenance that do not extend asset lives or improve productivity 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.

#### *Contributions*

Contributions are recognized when cash, other assets, a decrease in liabilities or expense, or an unconditional promise to give is received. In accordance with ASC 958-605 *Not-for-Profit Entities, Revenue Recognition*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of donor restrictions.

# Social Venture Partners Boulder County, Inc.

## Notes to the Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Recognition of Donor Restrictions*

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

#### *Functional Allocation of Expenses*

The costs of conducting the various programs and supporting services activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### *Revenue Recognition*

The Organization recognizes revenues from memberships and grants as earned.

#### *Advertising Expense*

ASC 720-35 *Other Expenses, Advertising Costs* requires direct response advertising to be capitalized when it can be shown that customers responded to a specific advertisement and there is probable future economic benefit. The Organization does not currently use direct response advertising, hence advertising costs are expensed when incurred. During the year ended September 30, 2017 the Organization incurred \$11,560 in advertising costs, of which \$8,000 was received as in-kind donations.

# Social Venture Partners Boulder County, Inc.

## Notes to the Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Income Taxes and Tax Status*

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code having received its letter of determination effective January 2014. However, income from activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization had no unrelated business income during the year ended September 30, 2017.

The Organization believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for recognition or disclosure in the financial statements. Years before 2014 are no longer subject to tax authority examinations.

### 2. FAIR VALUE MEASUREMENTS

The Organization reports all financial assets and liabilities required to be measured at fair value by utilizing the following three-level valuation hierarchy for disclosure of fair value measurements. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability, i.e. the "exit price," in an orderly transaction between market participants at the measurement date. The valuation hierarchy categorizes assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs employed in the measurement. The three levels are defined as follows:

- Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 - inputs to the valuation methodology are unobservable and are significant to the fair value measurement.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

The beneficial interest in net assets held by The Community Foundation of Boulder County (the "Foundation") is carried at fair market value of the underlying assets, as reported by the Foundation which is considered a level 3 measurement.

# Social Venture Partners Boulder County, Inc.

## Notes to the Financial Statements

### 3. BENEFICIAL INTEREST IN NET ASSETS HELD BY THE COMMUNITY FOUNDATION OF BOULDER COUNTY

In September 2000 the Organization, at that time the donor advised fund of the Foundation, and the Foundation agreed to establish an endowment fund. All distributions from the Foundation may be used as deemed necessary by the Organization in order to support the ongoing operation of the Organization. Variance power has been granted to the Foundation. Accordingly, the Board of Trustees of the Foundation shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to a specified organization if, in the sole judgment of the Board of Trustees of the Foundation, such a restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served.

Additionally, the agreement with the Foundation limits the Organization's access to the funds, and the funds are invested and distributed to the Organization based on the Foundation's policies. Distributions received and changes in the fair value of the beneficial interest are reported in the statement of activities.

### 4. OPERATING LEASE

The Organization has an operating lease for the use of office space in Boulder, Colorado. The terms and conditions of the lease require monthly payments of \$1,400 and expires on January 31, 2018. A subsequent lease requires monthly payments of \$1,465 and expires on July 31, 2018. Rental payments associated with the operating lease are charged to expense as incurred. During the year ended September 30, 2017 rent expense was \$16,628. Future minimum lease payments required under this lease are \$14,390.

### 5. 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 employees' salary and matches up to 2% of employee contributions for employees who work at least 1,000 hours during the fiscal year. The Organization contributed \$14,940 during the year ended September 30, 2017.

### 6. RELATED PARTY TRANSACTIONS

During the year ended September 30, 2017, 21% of total grants and contributions were received from an organization in which a family member of a board member is a member of their board.

# Social Venture Partners Boulder County, Inc.

## Notes to the Financial Statements

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### 7. RESTRICTED NET ASSETS

#### *Temporary*

Temporarily restricted net assets consist of cumulative interest and earnings on the endowment described below of \$2,374 restricted until distribution from the Foundation.

#### *Permanent*

Permanently restricted net assets consist solely of an endowment held with the Foundation. The Organization was required by the Foundation to establish a donor advised endowment fund of \$10,000 during 2008. The Organization retains interest and earnings on the fund.

### 8. GRANT DISBURSEMENTS

In 2017 the Organization updated the Catapult program. The updates included a change in timing for cash grant disbursements from summer to late fall. This created a reduction in grant expense for the year ended September 30, 2017.

### 9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 10, 2018, which is the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.