

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

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

September 30, 2021 and 2020

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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 (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021 and 2020, 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

Louisville, Colorado
March 16, 2022

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Statement of Financial Position
September 30, 2021 and 2020

ASSETS

Assets	2021	2020
Cash and cash equivalents	\$ 231,905	\$ 186,436
Accounts receivable	25,842	\$ 14,413
Promises to give	9,730	7,064
Security deposits	1,775	1,775
Property and equipment, net of accumulated depreciation of \$2,768 and \$2,581 in 2021 and 2020, respectively	15	202
Total Assets	\$ 269,267	\$ 209,890

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 6,956	\$ 3,493
Accrued expenses	3,452	5,100
PPP Loan Payable	-	42,500
Total Liabilities	10,408	51,093
Commitments and Contingencies	-	-
Net Assets		
Without donor restrictions	214,129	106,733
With donor restrictions	44,730	52,064
Total Net Assets	\$ 258,859	\$ 158,797
Total Liabilities and Net Assets	\$ 269,267	\$ 209,890

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, 2021 and 2020

	Without Donor	With Donor	2021	2020
	Restrictions	Restrictions	Total	Total
Support and Revenue				
Grants and contributions	\$ 139,786	\$ 9,730	\$ 149,516	\$ 178,660
Memberships	217,990	-	217,990	188,976
In-kind donations	7,709	-	7,709	8,525
Program revenue	20,137	-	20,137	7,885
Investment income	945	-	945	122
Net assets released from restrictions	17,064	(17,064)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Support and Revenue.....	403,631	(7,334)	396,297	384,168
	<hr/>	<hr/>	<hr/>	<hr/>
Expenses				
Program Services	194,751	-	194,751	256,951
Management and general	61,567	-	61,567	56,100
Fundraising	39,917	-	39,917	40,384
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses.....	296,235	-	296,235	353,435
	<hr/>	<hr/>	<hr/>	<hr/>
Increase (Decrease) in Net Assets	107,396	(7,334)	100,062	30,733
	<hr/>	<hr/>	<hr/>	<hr/>
Net Assets at Beginning of Year	106,733	52,064	158,797	128,064
	<hr/>	<hr/>	<hr/>	<hr/>
Net Assets and End of Year.....	\$ 214,129	\$ 44,730	\$ 258,859	\$ 158,797
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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, 2021 and 2020

	<u>Program</u>	<u>Mgt & General</u>	<u>Fundraising</u>	2021 <u>Total</u>	2020 <u>Total</u>
Board expense	202	131	26	358	\$ -
Communications expense	7,497	222	1,336	9,056	14,333
Consultants (internal)	1,347	3,374	173	4,894	3,277
Depreciation expense	-	187	-	187	187
Events and meetings	3,507	961	452	4,920	3,792
Grants to Nonprofits	37,000	-	-	37,000	30,000
Bank and processing fees	1,184	1,853	148	3,185	2,635
Insurance expense	3,150	513	405	4,067	3,873
Membership expense	836	1,128	108	2,072	22,503
Outside services	11,644	2,312	1,498	15,454	18,039
Other expenses	1,123	329	117	1,569	1,056
Retirement expense	2,752	767	881	4,400	8,267
Salaries and wages	91,252	28,536	29,195	148,983	183,670
Payroll taxes	7,308	2,263	2,328	11,899	14,531
Printing and postage	-	-	-	-	121
Staff training	-	161	-	161	-
Accounting services	-	14,279	-	14,279	13,143
Occupancy expense	18,174	2,792	2,333	23,299	23,278
Technology expenses	7,775	1,759	917	10,451	10,729
Total Expenses	<u>194,751</u>	<u>61,567</u>	<u>39,917</u>	<u>296,235</u>	<u>\$ 353,434</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Increase in net assets	\$100,062	\$ 30,733
Adjustment to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	187	187
PPP Loan forgiveness	(42,500)	-
Changes in operating assets and liabilities:		
Accounts receivable	(11,428)	(14,413)
Pledges receivable	(2,666)	(64)
Rent security deposits	-	-
Accounts payable	3,463	(2,176)
Accrued expenses	<u>(1,649)</u>	<u>(2,091)</u>
Net Cash Provided by Operating Activities	<u>45,469</u>	<u>12,176</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	<u>-</u>	<u>-</u>
Net Cash Used by Investing Activities	<u>-</u>	<u>-</u>
Cash Flows from Financing Activities		
Proceeds from PPP loan	<u>-</u>	<u>42,500</u>
Net Cash Provided by Financing Activities	<u>-</u>	<u>42,500</u>
Net Increase in Cash and Cash Equivalents	45,469	54,676
Cash and Cash Equivalents at Beginning of Year	<u>186,436</u>	<u>131,760</u>
Cash and Cash Equivalents at End of Year	<u>\$231,905</u>	<u>\$186,436</u>

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

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Notes to Financial Statements *September 30, 2021 and 2020*

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, 2021 and 2020*

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.

Contributions

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.

Exchange Transactions

We have analyzed the provisions of the FASB's ASC Topic 606, *Revenue from Contracts with Customers*, and have concluded that no changes are necessary to conform with the new standard. The Organization had program revenue of \$20,137 and \$7,885 during the years ending September 30, 2021 and 2020, respectively. These are considered exchange transactions. Program revenue comes from other nonprofits who contact the Organization for a specific service such as board orientation presentations, strategic plan creation, leadership training courses, etc. Revenue is recognized as the work on these projects is performed. At September 30, 2021 and 2020, there were no accounts receivable associated with program revenue.

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Notes to Financial Statements *September 30, 2021 and 2020*

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Promises to Give

As of September 30, 2021 and 2020, unconditional promises-to-give receivables of \$9,730 and \$7,064, 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.

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 2020 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, 2020 in the accompanying financial statements are included to provide a basis for comparison with 2021 and present summarized totals only. Accordingly, the 2020 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, 2020, from which the summarized information was derived.

NOTE 2: 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.

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Notes to Financial Statements
September 30, 2021 and 2020

NOTE 3: 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>2021</u>	<u>2020</u>
Time restriction – general operations	\$ 9,730	\$ 7,064
Purpose restriction – partner memberships	<u>35,000</u>	<u>45,000</u>
Total	<u>\$ 44,730</u>	<u>\$ 52,064</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, 2021 and 2020.

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>2021</u>	<u>2020</u>
Financial Assets at Year-End	\$ 267,477	\$ 207,913
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>(44,730)</u>	<u>(52,064)</u>
Board designations		
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 222,747</u>	<u>\$ 155,849</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 \$25,000. The

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Notes to Financial Statements September 30, 2021 and 2020

NOTE 4: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

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.

NOTE 5: IN-KIND CONTRIBUTIONS

In-kind contributions consisted of the following at September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Advertising	\$ 6,049	\$ 8,525
Professional fees	<u>1,660</u>	<u>-</u>
Total	<u>\$ 7,709</u>	<u>\$ 8,525</u>

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization in various ways, but do not meet the requirements for recognition of revenue in the financial statements. During the years ended September 30, 2021 and 2020, member Partners volunteered 2,300 and 1,650 hours, respectively, to the Organization.

NOTE 6: PPP LOAN PAYABLE

In April 2020, the Organization received a Paycheck Protection Program (PPP) loan of \$42,500, which was recorded as a liability in 2020. The loan was formally forgiven during April 2021 and was reclassified to income at that time. It is included in Grants and contributions revenue on the Statement of Activities at September 30, 2021.

Interest on the loan was deemed insignificant to record in the financial statements.

NOTE 7: OPERATING LEASE

The Organization has an operating lease for the use of office space in Boulder, Colorado. The lease originally required monthly payments of \$1,828 plus common area maintenance costs, and expired July 2021. The lease was extended for an additional three years, with initial monthly payments of \$1,900 plus common area maintenance costs. Rental payments associated with the operating lease are charged to expense as incurred. During the years ended September 30, 2021 and 2020, rent expense was \$23,299 and \$23,278, respectively.

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Notes to Financial Statements September 30, 2021 and 2020

NOTE 7: OPERATING LEASE *(continued)*

Future minimum lease payments are as follows:

2022	\$ 23,243
2023	24,643
2024	<u>23,100</u>
Total	<u>\$ 70,986</u>

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 \$4,400 and \$5,935 during the year ended September 30, 2021 and 2020, respectively.

NOTE 9: SUPPLEMENTAL CASH FLOW INFORMATION

The Organization made no interest or income tax payments for the years ended September 30, 2021 and 2020.

Non-cash investing and financing activities for the year ended September 30, 2021 consisted of PPP loan forgiveness of \$42,500. There were no non-cash investing and financing activities for the year ended September 30, 2020.

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

SOCIAL VENTURE PARTNERS BOULDER COUNTY, INC.

Notes to Financial Statements September 30, 2021 and 2020

NOTE 10: NEW ACCOUNTING PRONOUNCEMENTS (continued)

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.

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

ASU 2014-09

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The Organization adopted this standard as of October 1, 2020, and has concluded that no changes were necessary to conform with the new standard.

NOTE 11: SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 16, 2022, 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.