

**SOCIAL VENTURE PARTNERS
CONNECTICUT INC.**

FINANCIAL STATEMENTS

Years Ended June 30, 2023 and 2022

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Capossela, Cohen, LLC

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Independent Auditor's Report

**To the Boards of Directors of
Social Venture Partners Connecticut Inc.
50 Charles Street
Westport, CT 06880**

Opinion

We have audited the accompanying financial statements of Social Venture Partners Connecticut Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Social Venture Partners Connecticut Inc. as of June 30, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Social Venture Partners Connecticut Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Social Venture Partners Connecticut Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Social Venture Partner Connecticut Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Social Venture Partners Connecticut Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Capossela, Cohen, LLC

January 25, 2024

SOCIAL VENTURE PARTNERS CONNECTICUT INC.
STATEMENTS OF FINANCIAL POSITION
For the Years Ended June 30, 2023 and 2022

	Assets	
	2023	2022
Current assets		
Cash and cash equivalents	\$ 1,270,964	\$ 1,041,945
Contributions receivable	85,000	-
Total assets	\$ 1,355,964	\$ 1,041,945
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 24,529	\$ 10,520
Grants payable	-	32,500
Total current liabilities	24,529	43,020
Net assets		
Without donor restrictions	631,301	232,650
With donor restrictions	700,134	766,275
Total net assets	1,331,435	998,925
Total liabilities and net assets	\$ 1,355,964	\$ 1,041,945

See accompanying notes and independent auditor's report

SOCIAL VENTURE PARTNERS CONNECTICUT INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities:			
Revenues and other support			
Total amounts raised	\$ 1,317,439	\$ 745,600	\$ 2,063,039
Less: amounts raised for other not-for-profits	(5,000)	-	(5,000)
Contributions	1,312,439	745,600	2,058,039
Fees for service	145,000	-	145,000
Net assets released from restrictions			
Satisfaction of purpose restrictions	811,741	(811,741)	-
Total revenues and other support	2,269,180	(66,141)	2,203,039
Expenses			
Program services	1,671,115	-	1,671,115
Management and general	135,447	-	135,447
Fundraising	72,765	-	72,765
Total expenses	1,879,327	-	1,879,327
Change in net assets from operating activities	389,853	(66,141)	323,712
Nonoperating activities:			
Interest income	8,798	-	8,798
Change in net assets	398,651	(66,141)	332,510
Net assets at beginning of year	232,650	766,275	998,925
Net assets at end of year	\$ 631,301	\$ 700,134	\$ 1,331,435

See accompanying notes and independent auditor's report

SOCIAL VENTURE PARTNERS CONNECTICUT INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities:			
Revenues and other support			
Total amounts raised	\$ 972,107	\$ 892,200	\$ 1,864,307
Less: amounts raised for other not-for-profits	(18,095)	-	(18,095)
Contributions	954,012	892,200	1,846,212
Net assets released from restrictions			
Satisfaction of purpose restrictions	296,925	(296,925)	-
Total revenues and other support	1,250,937	595,275	1,846,212
Expenses			
Program services	1,046,904	-	1,046,904
Management and general	107,360	-	107,360
Fundraising	86,925	-	86,925
Total expenses	1,241,189	-	1,241,189
Change in net assets from operating activities	9,748	595,275	605,023
Nonoperating activities:			
Interest income	2,279	-	2,279
Change in net assets	12,027	595,275	607,302
Net assets at beginning of year	220,623	171,000	391,623
Net assets at end of year	\$ 232,650	\$ 766,275	\$ 998,925

See accompanying notes and independent auditor's report

SOCIAL VENTURE PARTNERS CONNECTICUT INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 908,260	\$ 95,051	\$ 52,806	\$ 1,056,117
Payroll taxes and benefits	139,071	14,554	8,085	161,710
Bank and credit card charges	17	524	2,943	3,484
Grant expense	420,000	-	-	420,000
Insurance	8,565	896	498	9,959
Office supplies and expenses	61,019	2,707	1,612	65,338
Professional fees	94,515	17,564	4,515	116,594
Rent	39,668	4,151	2,306	46,125
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	\$ 1,671,115	\$ 135,447	\$ 72,765	\$ 1,879,327
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

See accompanying notes and independent auditor's report

SOCIAL VENTURE PARTNERS CONNECTICUT INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 633,713	\$ 77,282	\$ 61,826	\$ 772,821
Payroll taxes and benefits	78,021	9,515	7,612	95,148
Bank and credit card charges	-	12	2,750	2,762
Grant expense	232,500	-	-	232,500
Insurance	8,107	989	791	9,887
Office supplies and expenses	35,895	3,322	1,786	41,003
Professional fees	21,153	11,665	8,500	41,318
Rent	37,515	4,575	3,660	45,750
Total expenses	<u>\$ 1,046,904</u>	<u>\$ 107,360</u>	<u>\$ 86,925</u>	<u>\$ 1,241,189</u>

See accompanying notes and independent auditor's report

SOCIAL VENTURE PARTNERS CONNECTICUT INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022

Indirect method

Increases (decreases) in cash and cash equivalents

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 332,510	\$ 607,302
Adjustments to reconcile change in net assets to net cash from operating activities		
Net changes in:		
Contributions receivable	(85,000)	-
Prepaid expenses	-	2,192
Accounts payable and accrued expenses	14,009	10,520
Grants payable	(<u>32,500</u>)	<u>32,500</u>
 Net cash from operating activities	 <u>229,019</u>	 <u>652,514</u>
 Net change in cash	 229,019	 652,514
 Cash and cash equivalents, beginning of year	 <u>1,041,945</u>	 <u>389,431</u>
 Cash and cash equivalents, end of year	 \$ <u><u>1,270,964</u></u>	 \$ <u><u>1,041,945</u></u>

See accompanying notes and independent auditor's report

SOCIAL VENTURE PARTNERS CONNECTICUT INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

Note A - Nature of Activities and Summary of Significant Accounting Policies

Nature of activities

Social Venture Partners Connecticut Inc. (“SVP” or the “Organization”) is a tax-exempt public charity dedicated to harnessing the time, expertise, and resources of its staff, donors, and strategic partners to work with organizations in Connecticut whose mission is to support the needs of vulnerable and disadvantaged populations and advance equitable workforce development and early child care and education to close opportunity gaps in Connecticut.

Recently adopted accounting standards

Effective January 1, 2022, the Company adopted the provisions of *Accounting Standards Codification 842, Leases* (ASC 842), an accounting standard which requires all leases longer than twelve months to be recorded as assets and liabilities on the balance sheet. Under these provisions, lessees are required to recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. Expenses related to leases determined to be operating leases are recognized on a straight-line basis, while those determined to be finance leases are recognized following a front-loaded expense profile in which interest and amortization are presented separately in the statement of activities. Short-term leases with an initial term of twelve months or less are not recognized in the right-of-use asset and lease liability accounts on the statement of financial position.

Basis of presentation

The financial statements of SVP have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”).

Under the provisions of the Guide, net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. SVP’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

SOCIAL VENTURE PARTNERS CONNECTICUT INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

Note A - Nature of Activities and Summary of Significant Accounting Policies (continued)

Measure of operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to SVP's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and when the assets are placed in service.

Agency transactions

The Organization follows financial accounting standards related to transfers of assets to a not-for-profit organization or charitable trust that raises or holds contributions for others. These accounting standards establish principles for transactions in which a donor makes an irrevocable contribution to a beneficiary by transferring assets through another entity, the recipient. The standards require that when a recipient organization is acting like an agent for the ultimate beneficiary organization, the recipient organization is to recognize the fair value of the assets, as well as the liability to the specified beneficiary instead of recognizing a contribution. SVP received donations and pledges with the understanding that the donor's intention was for SVP to distribute the contribution to a specific not-for-profit organization designated by the donor. These pass-through donations totaled \$5,000 and \$18,095 during the years ending June 30, 2023 and 2022 respectively. The entire amounts received by SVP in both years were remitted to the donor-designated not-for-profit organizations during the year in which they were received.

Cash equivalents

SVP considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

SOCIAL VENTURE PARTNERS CONNECTICUT INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

Note A - Nature of Activities and Summary of Significant Accounting Policies (continued)

Revenue recognition

SVP recognizes revenue in accordance with Accounting Standard Codification (ASC) Topic 606, "Revenue from Contracts with Customers" (Topic 606). The standard provides for a comprehensive five-step model for recognizing revenue. The core principle of Topic 606 is that revenue shall be recognized when goods and services promised under a contract are transferred to the customer, as contemplated under the contract and for which the Organization is reasonably entitled to compensation.

Income taxes

The Organization is a Connecticut non-stock corporation that is exempt from taxes under Section 501(a) of the Internal Revenue Code as an organization described under Section 501(c)(3) of the code. A ruling from the Internal Revenue Service has determined that the Organization will be treated as a publicly supported organization, and not a private foundation. This qualifies the Organization for the 60% charitable contribution deduction for individual donors. Consequently, the accompanying financial statements do not include any provision for income taxes.

The Organization recognizes the effect of tax positions only when they are more likely than not of being sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition. The initial tax year for June 30, 2021 and the years thereafter will be open for audit by federal and state authorities.

Functional expenses

Costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries	Time and effort
Payroll taxes and benefits	Time and effort
Bank and credit card charges	Time and effort
Insurance	Time and effort
Office supplies and expenses	Time and effort
Rent	Square footage
Professional Fees	Time and effort

SOCIAL VENTURE PARTNERS CONNECTICUT INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

Note A - Nature of Activities and Summary of Significant Accounting Policies (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount 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.

Concentration of credit risk

The Organization maintains cash balances at financial institutions located in Connecticut. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Balances in excess of FDIC limits for the years ended June 30, 2023 and 2022 were \$1,001,356 and \$786,913, respectively.

Note B - Contracts with Customers

Nature of goods and services

The Organization has revenue streams that are accounted for as exchange transactions including fee for service income.

Fees for service

Fees for service income consists of amounts from a master service agreement with OneTen Coalition, Inc to engage SVP to support the local implementation of OneTen's national goal to hire and promote one million black individuals. SVP's services to OneTen included: (1) engaging with employers; (2) engaging and raising awareness with black talent; (3) identifying high quality talent developer and supports; and (4) convening with local community leaders. The total fee for this contract was \$145,000 which was recognized quarterly as work was performed over the fiscal year ended June 30, 2023.

SOCIAL VENTURE PARTNERS CONNECTICUT INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

Note C - Net Assets - With Donor Restrictions

Donor restricted net assets are comprised of the following at June 30:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
To support SVP's work with the CT Office of Early Childhood's Blue Ribbon Panel and related initiatives	\$ 293,830	\$ -
Development consultant services for SVP Connecticut	-	37,500
Governor's fellows advisors for the state of Connecticut	230,000	360,000
To support SVP's IT workforce development strategy and initiatives	109,052	241,176
To support SVP's healthcare workforce development strategy and initiatives	13,914	43,505
To support SVP's early childhood strategy and initiatives	52,738	77,234
Summer 2022 intern stipend	-	6,860
SVP's race equity fund	600	-
	<u>\$ 700,134</u>	<u>\$ 766,275</u>

Releases from donor restricted net assets consisted of the following during the years ended June 30:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
To support SVP's work with the CT Office of Early Childhood's Blue Ribbon Panel and related initiatives	\$ 56,170	\$ -
Development consultant services for SVP Connecticut	37,500	8,500
Governor's fellows advisors for the state of Connecticut	300,000	-
To support SVP's IT workforce development strategy and initiatives	132,124	58,824
To support SVP's healthcare workforce development strategy and initiatives	129,591	56,495
To support SVP's early childhood strategy and initiatives	149,496	47,766
Summer 2022 intern stipend	6,860	340
COVID-19 mitigation and recovery advisors for State of Connecticut	-	125,000
	<u>\$ 811,741</u>	<u>\$ 296,925</u>

SOCIAL VENTURE PARTNERS CONNECTICUT INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

Note D - Grants to Others

SVP supports and makes grants to other nonprofit organizations in Connecticut as well as an annual grant to the state of Connecticut for the Governor's Fellow Program. These grants made during the fiscal years ended June 30, 2023 and 2022 totaled \$420,000 and \$232,500, respectively.

Note E - Related Parties

During the fiscal year ended June 30, 2023, SVP awarded a \$25,000 grant to ReadyCT. A member of the SVP Board is on the board of ReadyCT, the Executive Director of ReadyCT is a member of the SVP Board, and a member of the SVP staff is on the board of ReadyCT.

During the fiscal year ended June 30, 2022, SVP awarded \$25,000 grants to Norwalk ACTs and ReadyCT. At the time, a member of the SVP Board was a member of the Norwalk ACTs Board and the Executive Director of ReadyCT was a member of the SVP Board.

Note F - Operating Leases

The Organization leases its main facility located in Westport, CT on a quarter-to-quarter basis with quarterly payments of \$11,250 per the lease agreement. Effective January 1, 2023 the quarterly payments increased to \$11,812.50. SVP leased an additional facility located in New Haven, CT with monthly payments of \$375 through August 2021.

Rent expense for the years ended June 30, 2023 and 2022 was \$46,125 and \$45,750, respectively.

Note G - Liquidity

Social Venture Partners Connecticut Inc.'s financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 570,830	\$ 275,670

SVP's financial assets have been reduced by amounts not available for general use because of donor imposed restrictions with in one year of the balance sheet date.

SOCIAL VENTURE PARTNERS CONNECTICUT INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

Note H - Retirement Plan

During the fiscal year ended June 30, 2023 Social Venture Partners Connecticut Inc. set up a retirement plan for the benefit of its employees. The Organization provides a matching contribution of up to 5% of compensation for eligible employees. For the fiscal year ended June 30, 2023, Social Venture Partners Connecticut Inc. contributed \$37,052.

Note I - Subsequent Events

Date of management evaluation

Management has evaluated subsequent events through January 25, 2024, the date on which the financial statements were available to be issued.