

**IGNITE**

Independent Auditor's Report and  
Financial Statements

Year Ended June 30, 2017

**IGNITE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Ignite  
Oakland, CA

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Ignite (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ignite as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Fritzsche Associates, Inc.*

Certified Public Accountants  
Sacramento, CA  
December 28, 2018

**IGNITE**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2017**

**Assets**

Current assets:

Cash and equivalents	\$ 275,756
Grants receivable	255,064
Deposits	1,700
Prepaid expenses	<u>4,011</u>
Total current assets	536,531

Fixed assets, net	<u>6,068</u>
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Total assets	<u><u>\$ 542,599</u></u>
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**Liabilities and Net Assets**

Current liabilities:

Accounts payable	\$ 12,859
Accrued expenses	<u>7,400</u>
Total current liabilities	<u>20,259</u>

Unrestricted net assets	22,840
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Temporarily restricted net assets	<u>499,500</u>
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Total net assets	<u>522,340</u>
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Total liabilities and net assets	<u><u>\$ 542,599</u></u>
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The accompanying notes are an integral part of these financial statements.

**IGNITE**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2017**

	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support:			
Foundation grants	\$ 30,000	\$ 970,000	\$ 1,000,000
Corporate sponsorships	57,250	-	57,250
Donations	309,527	-	309,527
In-kind donations	15,000	-	15,000
Program service fees	14,454	-	14,454
Special event revenue	24,206	-	24,206
Less: Direct cost of donor benefits	(15,568)	-	(15,568)
Other income	24,428	-	24,428
Assets relieved of restrictions	537,219	(537,219)	-
Total revenues, gains and other support	<u>996,516</u>	<u>432,781</u>	<u>1,429,297</u>
Expenses:			
Program services	869,293	-	869,293
Total program services	<u>869,293</u>	<u>-</u>	<u>869,293</u>
Supporting services			
General and administrative	121,739	-	121,739
Fundraising	114,493	-	114,493
Total supporting services	<u>236,232</u>	<u>-</u>	<u>236,232</u>
Total expenses	<u>1,105,525</u>	<u>-</u>	<u>1,105,525</u>
Change in net assets	<u>(109,009)</u>	<u>432,781</u>	<u>323,772</u>
Net assets, beginning of year	<u>131,849</u>	<u>66,719</u>	<u>198,568</u>
Net assets, end of year	<u>\$ 22,840</u>	<u>\$ 499,500</u>	<u>\$ 522,340</u>

The accompanying notes are an integral part of these financial statements.

**IGNITE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2017**

	Program	General and Administrative	Fundraising	Total
Salaries & wages	\$ 406,841	\$ 74,584	\$ 100,201	\$ 581,626
Payroll taxes	31,309	5,740	7,711	44,760
Employee benefits	16,558	3,035	4,078	23,671
Subtotal personnel	454,708	83,359	111,990	650,057
Bank & payroll fees	-	6,025	-	6,025
Board expense	-	7,362	-	7,362
Conferences & trainings	26,537	-	-	26,537
Depreciation	1,839	153	51	2,043
Dues & subscriptions	18,655	-	-	18,655
Equipment purchase & rental	2,846	-	-	2,846
Insurance	1,345	112	37	1,494
In-kind expenses	15,000	-	-	15,000
Interest expense	4,814	882	1,185	6,881
Marketing & promotion	23,776	-	-	23,776
Miscellaneous	1,608	134	45	1,787
Occupancy	14,031	1,169	390	15,590
Office expenses	6,709	559	186	7,454
Printing & postage	4,323	360	120	4,803
Professional fees	7,481	20,155	-	27,636
Program expenses	265,170	-	-	265,170
Staff training & development	2,823	-	-	2,823
Telephone & internet	2,104	175	58	2,337
Travel & meals	15,524	1,294	431	17,249
Total expenses	<u>\$ 869,293</u>	<u>\$ 121,739</u>	<u>\$ 114,493</u>	<u>\$ 1,105,525</u>

The accompanying notes are an integral part of these financial statements.

**IGNITE**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2017**

Change in net assets	\$	323,772
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		2,043
Increase in grants receivable		(227,564)
Increase in prepaid expenses and deposits		(2,821)
Decrease in accounts payable		(18,131)
Decrease in accrued expenses		(21,211)
<b>Net cash provided by operating activities</b>		<u>56,088</u>
Cash flows from investing activities:		
Purchases of fixed assets		<u>(841)</u>
<b>Net cash used in investing activities</b>		<u>(841)</u>
Net increase in cash		55,247
Cash and equivalents, beginning of year		<u>220,509</u>
Cash and equivalents, end of year	\$	<u><u>275,756</u></u>
Supplemental disclosure:		
Cash paid for interest	\$	<u><u>6,881</u></u>

The accompanying notes are an integral part of these financial statements.



**IGNITE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE A – NATURE OF THE ORGANIZATION**

Ignite, located in Oakland, California, is a California tax-exempt, non-profit corporation organized in 2009. It is a non-partisan 501(c)(3) organization that builds political ambition in young women, with a focus on those who are underserved. Ignite provides civic education, exposure to women in political leadership, hands on training and work opportunities, and a peer network of women who support and nurture each other's aspirations for civic engagement and political leadership. Ignite serves young women (14-22) in their own communities, with an emphasis on lower income women. Ignite is primarily funded by grants from foundations, private gifts, and event fees.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The financial statements of Ignite have been prepared on the accrual basis of accounting. Ignite reports information regarding financial position and activities according to three classes of net assets: unrestricted net asset, temporarily restricted net assets, and permanently restricted net assets.

**Unrestricted net assets** – Net assets that are not subject to donor-imposed stipulations.

**Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met either by actions of Ignite and/or the passage of time.

**Permanently restricted net assets** – Net assets to be held in perpetuity as directed by donors. The income from the contributions is available to support activities as designated by donors. There were no permanently restricted net assets at June 30, 2017.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor restriction or by law.

Revenue Recognition

Program revenues and income from special events are recognized in the periods the programs or events are held. Revenues collected in advance are deferred until earned.

Cash and Equivalents

Cash and equivalents consist of cash on hand and highly liquid investments with original or remaining maturities of three months or less at the time of purchase.

**IGNITE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Fixed Assets

Acquisitions of fixed assets in excess of \$2,000 are capitalized and stated at cost if cost information is available; otherwise, they are stated at estimated value. Depreciation is calculated on the straight-line method over the estimated useful life of each asset.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates under different assumptions or conditions.

Income Tax

Ignite is exempt from income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and related California code sections. Ignite is considered a public charity and has been classified as an organization that is not a private foundation under IRC Section 170(b)(1)(A)(vi).

Management of Ignite has evaluated the tax positions and related income tax contingencies. Management does not believe that any material uncertain tax positions exist.

Functional Expenses

The costs of providing the program and supporting services have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services based on estimates of employees' time and on the usage of resources.

**NOTE C – GRANTS RECEIVABLE**

Grants receivable, which management considers fully collectible within one year, consist of the following at September 30, 2017:

Laurel Foundation	\$ 100,000
Battery Foundation	75,000
New York Women's Foundation	60,000
Other	<u>20,064</u>
Total grants receivable	<u>\$ 255,064</u>

**IGNITE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE D – FIXED ASSETS**

Fixed assets consisted of the following as of June 30, 2017:

Website	\$ 10,386
Computers	<u>5,309</u>
Subtotal	15,695
Less: accumulated depreciation	<u>(9,627)</u>
Total fixed assets	<u>\$ 6,068</u>

Depreciation expense was \$2,043 for the year ended June 30, 2017.

**NOTE E – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following at June 30, 2017:

Battery Foundation	\$ 175,000
Laurel Foundation	100,000
Boone Family Foundation	60,000
New York Women's Foundation	55,000
Erol Foundation	45,000
Other	<u>64,000</u>
Total temporarily restricted net assets	<u>\$ 499,000</u>

**NOTE F – DONATED SERVICES AND MATERIALS**

Ignite received a contribution of airline vouchers that meet the criteria for recognition in the accompanying financial statements. The donated vouchers were valued at \$15,000 for the year ended June 30, 2017.

Ignite also receives donated services from volunteers that operate the crisis line program and board members assisting Ignite in leadership, committees, and fund-raising activities. The value of this donated time is not reflected in the accompanying financial statements since it does not meet the criteria for recognition.

**IGNITE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE G – RELATED PARTIES**

During the year ended June 30, 2017, Ignite received contributions from board members totaling \$33,347.

**NOTE H – CONTINGENCIES**

Ignite has been awarded certain grants and contracts and is subject to financial and compliance requirements of the grantors or their representatives. The amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time although management does not expect such amounts, if any, to materially affect the financial statements.

**NOTE I – FAIR VALUE OF FINANCIAL INSTRUMENTS**

The fair value of substantially all reported assets and liabilities which represent financial instruments (none of which are held for trading purposes) approximate the carrying value of such amounts.

**NOTE J – CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject Ignite to concentrations of credit risk consist of cash and equivalents and grants receivable. Ignite maintains its cash and equivalents with various financial institutions and may be exposed from time to time to credit risk with bank deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits.

Ignite had \$37,216 of cash and equivalent balances which exceeded FDIC insured limits as of June 30, 2017.

For the year ended June 30, 2017, Ignite had grants from two significant grantors represent 30% of total revenue and support, and 69% of grants receivable.

**NOTE K – SUBSEQUENT EVENTS**

Management of Ignite has reviewed the results of operations for the period of time from its year end June 30, 2017 through December 28, 2018, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.