



**IGNITE**

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT  
JUNE 30, 2022

(With summarized totals for the year ended June 30, 2021)

**IGNITE  
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Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
**Ignite**  
Oakland, California

### Opinion

We have audited the accompanying financial statements of Ignite (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and the related statements of activities, cash flows and functional expenses for the year 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 the Ignite as of June 30, 2022 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.

### Basis for Opinion

We conducted our audit 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 Ignite and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 these 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 Ignite's ability to continue as a going concern within one year after the date 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 misstatements 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 Ignite'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 Ignite'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.

#### **Report on Summarized Comparative Information**

We have previously audited the Ignite's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended in all material respects, with the audited financial statements from which it has been derived.



Los Angeles, California  
November 22, 2022

**IGNITE**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

|  | <b>2022</b>         | <b>2021</b>         |
|--|---------------------|---------------------|
| <b><u>ASSETS</u></b>                     |                     |                     |
| CURRENT ASSETS                           |                     |                     |
| Cash and cash equivalents                | \$ 3,560,188        | \$ 1,154,823        |
| Investments                              | 233,772             | 254,742             |
| Contributions receivable                 | 281,062             | 640,000             |
| Prepaid expenses                         | 43,043              | 17,270              |
| <b>TOTAL CURRENT ASSETS</b>              | <b>4,118,065</b>    | <b>2,066,835</b>    |
| NON-CURRENT ASSETS                       |                     |                     |
| Fixed assets, net                        | -                   | 1,281               |
| Deposits                                 | 600                 | 600                 |
| <b>TOTAL NON-CURRENT ASSETS</b>          | <b>600</b>          | <b>1,881</b>        |
| <b>TOTAL ASSETS</b>                      | <b>\$ 4,118,665</b> | <b>\$ 2,068,716</b> |
| <b><u>LIABILITIES AND NET ASSETS</u></b> |                     |                     |
| CURRENT LIABILITIES                      |                     |                     |
| Accounts payable                         | \$ 148,104          | \$ 39,973           |
| Accrued expenses                         | 56,054              | 142,346             |
| Refundable advances                      | -                   | 281,735             |
| <b>TOTAL CURRENT LIABILITIES</b>         | <b>204,158</b>      | <b>464,054</b>      |
| <b>TOTAL LIABILITIES</b>                 | <b>204,158</b>      | <b>464,054</b>      |
| NET ASSETS                               |                     |                     |
| Without donor restrictions               | 799,952             | 577,162             |
| With donor restrictions                  | 3,114,555           | 1,027,500           |
| <b>TOTAL NET ASSETS</b>                  | <b>3,914,507</b>    | <b>1,604,662</b>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>  | <b>\$ 4,118,665</b> | <b>\$ 2,068,716</b> |

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

**IGNITE**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**  
(with summarized totals for the year ended June 30, 2021)

|  | <u>WITHOUT DONOR<br/>RESTRICTIONS</u> | <u>WITH DONOR<br/>RESTRICTIONS</u> | <u>2022<br/>TOTAL</u> | <u>2021<br/>TOTAL</u> |
|--|---------------------------------------|------------------------------------|-----------------------|-----------------------|
| <b>REVENUE AND SUPPORT</b>                                 |                                       |                                    |                       |                       |
| Foundations  | \$ 301,510                            | \$ 1,865,300                       | \$ 2,166,810          | \$ 1,474,649          |
| Contributions  | 620,325                               | 2,541,600                          | 3,161,925             | 717,834               |
| Corporate sponsorships                                     | 90,000                                | -                                  | 90,000                | 226,109               |
| Grant Income   | 281,735                               | -                                  | 281,735               | 277,670               |
| Program service fees                                       | 5,000                                 | -                                  | 5,000                 | -                     |
| Event Income   | 3,300                                 | -                                  | 3,300                 | -                     |
| Investment loss  | (25,279)                              | -                                  | (25,279)              | 4,617                 |
| In-kind donations  | 50,000                                | -                                  | 50,000                | -                     |
| Other income   | -                                     | -                                  | -                     | 2,940                 |
| Assets relieved of restrictions                            | 2,319,845                             | (2,319,845)                        | -                     | -                     |
| <b>TOTAL REVENUE AND SUPPORT</b>                           | <b>3,646,436</b>                      | <b>2,087,055</b>                   | <b>5,733,491</b>      | <b>2,703,819</b>      |
| <b>EXPENSES</b>  |                                       |                                    |                       |                       |
| Program services   | 2,661,633                             | -                                  | 2,661,633             | 1,677,881             |
| Management and general                                     | 226,188                               | -                                  | 226,188               | 318,851               |
| Fundraising  | 535,825                               | -                                  | 535,825               | 475,025               |
| <b>TOTAL EXPENSES</b>                                      | <b>3,423,646</b>                      | <b>-</b>                           | <b>3,423,646</b>      | <b>2,471,757</b>      |
| <b>CHANGE IN NET ASSETS WITHOUT<br/>DONOR RESTRICTIONS</b> | <b>222,790</b>                        | <b>2,087,055</b>                   | <b>2,309,845</b>      | <b>232,062</b>        |
| <b>NET ASSETS, BEGINNING OF YEAR</b>                       | <b>577,162</b>                        | <b>1,027,500</b>                   | <b>1,604,662</b>      | <b>1,372,600</b>      |
| <b>NET ASSETS, END OF YEAR</b>                             | <b>\$ 799,952</b>                     | <b>\$ 3,114,555</b>                | <b>\$ 3,914,507</b>   | <b>\$ 1,604,662</b>   |

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

**IGNITE**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

|   | <b>2022</b>  | <b>2021</b>  |
|---|--------------|--------------|
| <b>OPERATING ACTIVITIES</b>   |              |              |
| Change in net assets  | \$ 2,309,845 | \$ 232,062   |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: |              |              |
| Investment return, net  | 25,279       | (4,617)      |
| Depreciation  | 1,281        | 1,880        |
| Changes in operating assets and liabilities:  |              |              |
| (Increase) decrease in contributions receivable   | 358,938      | 18,000       |
| (Increase) decrease in prepaid expenses   | (25,773)     | (10,240)     |
| Increase (decrease) in accounts payable   | 108,131      | 26,323       |
| Increase (decrease) in accrued expenses   | (86,292)     | 68,264       |
| Increase (decrease) in refundable advances  | (281,735)    | 4,065        |
| Net cash provided by operating activities   | 2,409,674    | 335,737      |
| <b>INVESTING ACTIVITIES</b>   |              |              |
| Purchase of investments   | (259,051)    | (218,203)    |
| Proceeds from sale of investments   | 254,742      | 218,252      |
| Net cash (used in)/provided by investing activities   | (4,309)      | 49           |
| <b>CHANGE IN CASH AND CASH EQUIVALENTS</b>  | 2,405,365    | 335,786      |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>   | 1,154,823    | 819,037      |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>   | \$ 3,560,188 | \$ 1,154,823 |

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

**IGNITE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2022**  
(with summarized totals for the year ended June 30, 2021)

|                                | <b>PROGRAM<br/>SERVICES</b> | <b>MANAGEMENT<br/>AND GENERAL</b> | <b>FUNDRAISING</b> | <b>2022<br/>TOTAL</b> | <b>2021<br/>TOTAL</b> |
|--------------------------------|-----------------------------|-----------------------------------|--------------------|-----------------------|-----------------------|
| Salaries, wages and benefits   | \$ 1,911,161                | \$ 20,163                         | \$ 410,014         | \$ 2,341,338          | \$ 1,879,934          |
| Advertising                    | 179,619                     | 13,576                            | 40,522             | 233,717               | 158,356               |
| Bank and payroll fees          | 26,778                      | 6,256                             | 5,552              | 38,586                | 29,252                |
| Conferences and training       | 2,463                       | 3,701                             | 294                | 6,458                 | 78,169                |
| Depreciation                   | -                           | 1,281                             | -                  | 1,281                 | 1,880                 |
| Dues and subscriptions         | 396                         | 1,621                             | 3,770              | 5,787                 | 3,241                 |
| Insurance                      | 705                         | 2,539                             | -                  | 3,244                 | 4,664                 |
| Occupancy                      | 13,181                      | 877                               | 3,168              | 17,226                | 25,906                |
| Office expenses                | 559                         | 13,935                            | 628                | 15,122                | 2,863                 |
| Operational and other services | 60,034                      | 22,292                            | 7,863              | 90,189                | 14,368                |
| Printing and postage           | 5,378                       | 2,814                             | 376                | 8,568                 | 10,534                |
| Professional development       | 196,314                     | 48,888                            | 20,222             | 265,424               | 195                   |
| Professional fees              | 227,424                     | 53,302                            | 30,311             | 311,037               | 215,803               |
| Telecommunication and IT       | 37,621                      | 34,943                            | 13,105             | 85,669                | 46,592                |
| <b>TOTAL EXPENSES</b>          | <b>\$ 2,661,633</b>         | <b>\$ 226,188</b>                 | <b>\$ 535,825</b>  | <b>\$ 3,423,646</b>   | <b>\$ 2,471,757</b>   |

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



**IGNITE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1: NATURE OF ORGANIZATION**

Ignite (we, us, our) is located in Oakland, California, and is a California tax-exempt, non-profit corporation organized in 2009. Ignite are a non-partisan 501(c)(3) organization that builds political ambition in young women, with a focus on those who are underserved. Ignite provide 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 (ages 14-22) in their own communities, with an emphasis on lower-income women.

Ignite is primarily funded by foundation grants, private gifts, and event fees.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements of Ignite have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements as set forth in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205-45. Accordingly, the net assets of Ignite are reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general and not subject to donor (or certain grantor) restrictions. The governing board has designated from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions; some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed or when the stipulated purpose for which the resource was restricted has been fulfilled or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction or by law.

**Comparative Totals**

The statement of functional expenses includes prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Ignite's statement of functional expenses for the year ended June 30, 2021 from which the summarized information was derived.

**IGNITE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires Ignite to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

**Cash and Cash Equivalents**

Cash and cash equivalents for Ignite include demand deposits with financial institutions. For the purpose of the statement of cash flows, cash equivalents are defined as short-term, highly liquid amounts of cash or were purchased so near their maturity that they present insignificant risk of change in value because of changes in interest rates.

**Contributions Receivable**

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions revenue. Conditional contributions are not included as support until the conditions are substantially met.

**Investments**

Investments are stated at fair value. Investment income is reported net of related investment expenses. Realized and unrealized gains and losses, in total, are included in net investment income reported on the statement of activities.

**Fixed Assets**

Fixed Assets purchases by Ignite are made principally with grant funds. Under the terms of its grant agreements, fixed asset purchases are considered to be the property of the grantor and are expensed on the grantee's books. At the end of the grant period, the grantor could reclaim all fixed assets acquired with grant funds. Accordingly, these property and equipment have not been reflected in the accompanying statements of financial position.

Depreciation of equipment cost is computed using the straight-line method over a 5-10 year useful life. Donated property and equipment are recorded as support at their estimated fair value at the date of the donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, Ignite reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Ignite reclassifies temporarily restricted net assets to unrestricted net assets at that time.

**IGNITE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition**

Ignite recognize contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Revenues from fee-for-service activities are recognized when the services are provided. Ignite record special event revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

**Functional Allocation of 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.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation and amortization, which are allocated based on an allocation study which encompasses factors such as square footage. Salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance and others are allocated on the basis of estimated time and effort.

Accordingly, certain costs have been allocated to program services, management and general and fundraising. The functional classifications are defined as follows:

- *Program service expenses* – consist of costs incurred in connection with providing services and conducting programs.
- *Management and general expenses* – consist of costs incurred in connection with the overall activities of the Organization, which are allocable to another functional expense category.
- *Fundraising costs* – are expensed as incurred, even though they may result in contributions received in future years. Ignite generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs (if any) would be allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising.

**IGNITE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Income Taxes**

Ignite are exempt from income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and related California code sections. It 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 has processes presently in place to ensure maintenance of Ignite's tax-exempt status; to identify and report unrelated business income; to determine the filing and tax obligations for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Ignite has evaluated its tax positions and related income tax contingencies and does believe that any material uncertain tax positions exist that require recognition or disclosure in the financial statements.

**Financial Instruments and Credit Risk**

Ignite manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit (if any) with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, Ignite has not experienced losses in any of these accounts. Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from donors supportive of its mission. Investments are made by diversified investment managers whose performance is monitored by Ignite and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the investment committee and Ignite believe that the investment policies and guidelines are prudent for the long-term welfare of Ignite.

**Reclassifications**

Certain prior year amounts may have been reclassified to conform to the current year financial statement presentation. The nature of reclassification has no impact on previously reported net assets.

**Presentation of Certain prior Year Information**

The statements of activities and functional expenses include certain prior year summarized financial information for comparative purposes only. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2021 from which the summarized information was derived.

**IGNITE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 3: LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

|                           | <u>2022</u>         | <u>2021</u>         |
|---------------------------|---------------------|---------------------|
| Cash and cash equivalents | \$ 3,560,188        | \$ 1,154,823        |
| Investments               | 233,772             | 254,742             |
| Contributions receivable  | <u>281,062</u>      | <u>640,000</u>      |
| Total                     | <u>\$ 4,075,022</u> | <u>\$ 2,049,565</u> |

Ignite maintains a liquid cash balance in checking and money market accounts in an amount necessary to meet anticipated expenditures for at least the next 60 days. Cash in excess of this may be invested in short-term investments.

As of June 30, 2022 and 2021, the financial assets available for general expenditures total \$4,075,022 and \$2,049,565, respectively.

**NOTE 4: CONTRIBUTIONS RECEIVABLE**

Contributions receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management believe that the full amount of accounts and program receivables are collectible because such receivables are with the contributors and other parties. The allowance for contributions receivable during the years ended June 30, 2022 and 2021 were both \$0.

The total contributions receivable for the years ended June 30, 2022 and 2021 were \$281,062 and \$640,000, respectively.

**NOTE 5: INVESTMENTS**

In accordance with generally accepted accounting principles, Ignite use the following prioritized input levels to measure fair value. The input levels used for valuing instruments are not necessarily an indication of risk.

Level 1— Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.

Level 2 — Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data.

Level 3 — Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

**IGNITE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 5: INVESTMENTS (continued)**

Investments are reported at fair value as of June 30, 2022 and 2021 and consist of the following:

| <b>2022</b>                       | <b>Total</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
|-----------------------------------|--------------|----------------|----------------|----------------|
| Bond funds                        | \$ 146,247   | \$ 146,247     | \$ -           | \$ -           |
| Corporate bonds                   | 49,659       | -              | 49,659         | -              |
| Equity funds                      | 35,346       | 35,346         | -              | -              |
| Investments carried at fair value | 231,252      | \$ 181,593     | \$ 49,659      | \$ -           |
| Money market funds*               | 2,520        |                |                |                |
| Total investments                 | \$ 233,772   |                |                |                |

  

| <b>2021</b>                       | <b>Total</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
|-----------------------------------|--------------|----------------|----------------|----------------|
| Bond funds                        | \$ 158,013   | \$ 158,013     | \$ -           | \$ -           |
| Corporate bonds                   | 50,876       | -              | 50,876         | -              |
| Equity funds                      | 43,416       | 43,416         | -              | -              |
| Investments carried at fair value | 252,305      | \$ 201,429     | \$ 50,876      | \$ -           |
| Money market funds*               | 2,437        |                |                |                |
| Total investments                 | \$ 254,742   |                |                |                |

\* Money market funds included in the investment portfolio are not subject to provisions of fair value measurements, as they do not meet the FASB definition of a security.

Net investment return is comprised of the following for the years ended June 30:

|   | <b>2022</b> | <b>2021</b> |
|---|-------------|-------------|
| Interest and dividends                  | \$ 6,069    | \$ 2,463    |
| Net realized and unrealized gain/(loss) | (33,503)    | 4,280       |
| Investment gain/(loss)                  | (27,434)    | 6,743       |
| Less: investment expenses               | 2,155       | 2,126       |
| Investment return, net                  | \$ (25,279) | \$ 4,617    |

**NOTE 6: FIXED ASSETS, NET**

A summary of the Ignite fixed assets as of June 30, 2022 and 2021 consist of the following:

|                                | <b>2022</b> | <b>2021</b> |
|--------------------------------|-------------|-------------|
| Website                        | \$ 10,386   | \$ 10,386   |
| Computers                      | 11,083      | 11,083      |
| Total                          | 21,469      | 21,469      |
| Less: accumulated depreciation | (21,469)    | (20,188)    |
| Fixed assets, net              | \$ -        | \$ 1,281    |

**IGNITE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 6: FIXED ASSETS, NET (continued)**

Depreciation expense for years ended June 30, 2022 and 2021 were \$1,281 and \$1,880, respectively.

**NOTE 7: COMPENSATED ABSENCES**

Compensated absences consist of vacation and other compensated absences with similar characteristics that were earned but not used during the current or prior periods and for which employees can receive compensation in a future period. Benefits that have been earned but are expected to lapse and thus not result in compensation to employees are not accrued as a liability. Benefits that have been earned but are not yet available for use as paid time off or as some other form of compensation because employees have not met certain conditions (i.e., a minimum service period for new employees) are accrued to the extent it is probable that the employees will meet the conditions for compensation in the future. For the years ended June 30, 2022 and 2021 compensated absences were \$42,276 and \$50,244, respectively, which are included in accrued expenses.

**NOTE 8: REFUNDABLE ADVANCES – PPP LOAN**

Ignite received a Paycheck Protection Program (PPP) loan of \$281,735 established by the CARES Act and have elected to account for the funding as a conditional contribution under ASC Topic 958- 605, *Revenue Recognition*. Revenue is recognized when conditions are met, which include meeting FTE and salary reduction requirements and incurring eligible expenditures. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, SBA, or lender; because of such audit, adjustments could be required to the recognition of revenue. Ignite received full forgiveness of this loan on September 30, 2021.

**NOTE 9: NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of June 30, 2022 and 2021 consisted of the following:

|  | 2022         | 2021         |
|--|--------------|--------------|
| Subject to expenditure for a specified purpose:  |              |              |
| State program  | \$ 1,667     | \$ 24,500    |
| Fellows program  | 83,333       | 412,917      |
| Equality Can't Wait Challenge program  | 2,874,988    | 179,250      |
| Leadership development program   | 2,300        |              |
| Subject to the passage of time:  |              |              |
| Promises to give which are not restricted by a donor but are unavailable for expenditure until due | 152,267      | 410,833      |
| Total net assets with donor restrictions   | \$ 3,114,555 | \$ 1,027,500 |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors for the years ended June 30, 2022 and 2021 totaling \$2,319,845 and \$1,193,703, respectively.

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**NOTE 10: IN-KIND DONATIONS**

Ignite received a current year in-kind contribution from the Hopewell Fund in the amount of \$50,000 for access and use of its Pipeline Platform, an online database from Civitas that contains information about federal, state, and local elected offices nationwide and which includes current holders of those offices. That database is used to track, support and guide Ignite's participants to build a talent pipeline for young women to become elected officials.

For the years ended June 30, 2022 and 2021, in-kind donations were \$50,000 and \$0, respectively

**NOTE 11: RELATED PARTIES**

During the years ended June 30, 2022 and 2021, Ignite received contributions from various board members totaling \$42,728 and \$42,210, respectively.

**NOTE 12: CONTINGENCIES**

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

**NOTE 13: ADVERTISING**

Advertising costs are expensed as incurred and included in the statement of functional expenses. Advertising expense for the years ended June 30, 2022 and 2021 were \$233,717 and \$158,356 respectively.

**NOTE 14: COMMITMENTS**

**Office Lease: Oakland, CA**

In June 2018, Ignite entered into a month-to-month lease agreement to rent premises with Girls Inc. of Alameda County, Simpson Center for Girls located at 510 1675 Street, Oakland, CA, 94612 with a lease rate of \$1,200 per month and with \$600 deposit. The term of the agreement commenced on June 18, 2018 and is ongoing as a month-to-month lease agreement.

**NOTE 15: CONCENTRATION OF RISK**

For the year ended June 30, 2022 contributions from one significant grantor provided 41% of total revenue and support, and three grantors were responsible for 71% of contributions receivable.

For the year ended June 30, 2021 contributions from six grantors provided 31% of total revenue and support, and four grantors were responsible for 78% of contributions receivable.



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**NOTE 16: FINANCIAL INSTRUMENTS AND CREDIT RISK**

Deposit concentration risk was managed by placing cash, money market accounts and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, Ignite has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from large corporations with strong performance histories, governmental agencies, and foundations supportive of the mission.

Ignite maintains its cash balances at two financial institutions. Cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. At June 30, 2022, Ignite's uninsured cash balance was \$3,058,628.55.

**NOTE 17: NEW ACCOUNTING PRONOUNCEMENTS**

ASU 2016-02

For lessees, any leases that are over 12 months in duration will need to be presented on the entity's statement of financial position as a right-to-use asset and corresponding liability for the obligation to pay rent. The asset and liability should be initially measured at the present value of the lease payments, including payments to be made in optional renewal periods if the lessee is reasonably certain to exercise an option to extend the lease. The present value should be calculated using the discount rate implicit in the lease (if determinable) or the lessee's incremental borrowing rate. The asset will be depreciated, and the liability will be reduced by lease payments. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and liabilities. As amended, ASU 2016-02 will be effective for most nonprofit organizations for fiscal years beginning after December 15, 2022, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is allowed.

Ignite does not expect this new update to have a material impact on the Ignite financial statements.

**NOTE 18: COVID-19 EFFECTS**

As a result of the spread of the COVID-19 coronavirus (pandemic), economic uncertainties have occurred that may negatively impact Ignite's contribution revenue and program service activities. However, the related financial impact and duration of the pandemic cannot be reasonably estimated at this time.

**NOTE 19: SUBSEQUENT EVENTS**

In accordance with ASC 855, subsequent events through November 22, 2022, the date of these financial statements were evaluated. There were no material subsequent events that required recognition or additional disclosure in these financial statements.