



## **FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2019 AND 2018**

THRIVE DC  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor’s Report .....	3-4
Financial Statements:	
Statements of Financial Position .....	5
Statements of Activities and Changes in Net Assets .....	6-7
Statements of Functional Expenses .....	8-9
Statements of Cash Flows .....	10
Notes to Financial Statements .....	11-17



## Independent Auditor's Report

To the Board of Directors of  
Thrive DC

We have audited the accompanying financial statements of Thrive DC (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 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 Thrive DC as of December 31, 2019 and 2018, 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.

*Alta CPA Group, LLC*

August 6, 2020

THRIVE DC  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 107,284	\$ 138,128
Grants Receivable	149,527	126,784
Prepaid Expenses	<u>2,198</u>	<u>4,841</u>
Total Current Assets	259,009	269,753
Fixed Assets:		
Leasehold Improvements	144,842	144,842
Furniture and Equipment	38,071	40,611
Vehicles	23,094	23,094
Less: Accumulated Depreciation	<u>(176,257)</u>	<u>(183,354)</u>
Net Fixed Assets	29,750	25,193
Other Assets:		
Security Deposit	<u>5,000</u>	<u>5,000</u>
Total Other Assets	<u>5,000</u>	<u>5,000</u>
Total Assets	<u>\$ 293,759</u>	<u>\$ 299,946</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 63,919	\$ 29,915
Accrued Payroll	32,811	49,391
Line of Credit	<u>49,839</u>	<u>25,000</u>
Total Current Liabilities	<u>146,569</u>	<u>104,306</u>
Total Liabilities	146,569	104,306
Net Assets:		
Without Donor Restrictions	55,514	114,374
With Donor Restrictions	<u>91,676</u>	<u>81,266</u>
Total Net Assets	<u>147,190</u>	<u>195,640</u>
Total Liabilities and Net Assets	<u>\$ 293,759</u>	<u>\$ 299,946</u>

See auditor's report and accompanying notes to financial statements.

THRIVE DC  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE</b>			
Individual Contributions	\$ 357,795	\$ 49,883	\$ 407,678
Community Organization Contributions	41,683	-	41,683
Business Contributions	70,732	-	70,732
Foundation Grants	258,000	40,000	298,000
Government Grants	324,651	7,500	332,151
Interest Income	365	-	365
Other Income	640	-	640
Inkind Donations	1,617,745	-	1,617,745
Total Revenue	<u>2,671,611</u>	<u>97,383</u>	<u>2,768,994</u>
Net Assets Released from Restrictions	<u>86,973</u>	<u>(86,973)</u>	<u>-</u>
Total Revenue	2,758,584	10,410	2,768,994
<b>EXPENSES</b>			
Program Services:			
Daily Bread/Daily Needs	1,859,988	-	1,859,988
Dinner Program	18,399	-	18,399
Links	47,461	-	47,461
Many Hands	82,626	-	82,626
Public Education	122,172	-	122,172
Re-Entry Program	167,113	-	167,113
Workforce Development	160,485	-	160,485
Victim Support Services	91,405	-	91,405
Total Program Services	<u>2,549,649</u>	<u>-</u>	<u>2,549,649</u>
Support Services:			
Management and General	78,689	-	78,689
Fundraising	189,106	-	189,106
Total Support Services	<u>267,795</u>	<u>-</u>	<u>267,795</u>
Total Expenses	<u>2,817,444</u>	<u>-</u>	<u>2,817,444</u>
Change in Net Assets	(58,860)	10,410	(48,450)
Net Assets at Beginning of Year	<u>114,374</u>	<u>81,266</u>	<u>195,640</u>
Net Assets at End of Year	<u>\$ 55,514</u>	<u>\$ 91,676</u>	<u>\$ 147,190</u>

See auditor's report and accompanying notes to financial statements.

THRIVE DC  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE</b>			
Individual Contributions	\$ 248,684	\$ 50,422	\$ 299,106
Community Organization Contributions	69,239	-	69,239
Business Contributions	71,193	-	71,193
Foundation Grants	323,424	50,000	373,424
Government Grants	333,796	-	333,796
Interest Income	140	-	140
Other Income (Loss)	(1,679)	-	(1,679)
Inkind Donations	1,334,164	-	1,334,164
Total Revenue	<u>2,378,961</u>	<u>100,422</u>	<u>2,479,383</u>
Net Assets Released from Restrictions	<u>149,051</u>	<u>(149,051)</u>	<u>-</u>
Total Revenue	2,528,012	(48,629)	2,479,383
<b>EXPENSES</b>			
Program Services:			
Computer Workshop	311	-	311
Daily Bread/Daily Needs	1,571,192	-	1,571,192
Dinner Program	26,075	-	26,075
Links	125,360	-	125,360
Many Hands	110,344	-	110,344
Public Education	49,264	-	49,264
Real Opportunity	19,767	-	19,767
Re-Entry Program	220,568	-	220,568
Workforce Development	157,327	-	157,327
Total Program Services	<u>2,280,208</u>	<u>-</u>	<u>2,280,208</u>
Support Services:			
Management and General	241,454	-	241,454
Fundraising	193,948	-	193,948
Total Support Services	<u>435,402</u>	<u>-</u>	<u>435,402</u>
Total Expenses	<u>2,715,610</u>	<u>-</u>	<u>2,715,610</u>
Change in Net Assets	(187,598)	(48,629)	(236,227)
Net Assets at Beginning of Year	<u>301,972</u>	<u>129,895</u>	<u>431,867</u>
Net Assets at End of Year	<u>\$ 114,374</u>	<u>\$ 81,266</u>	<u>\$ 195,640</u>

See auditor's report and accompanying notes to financial statements.

THRIVE DC  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services								Support Services			Total Expenses	
	Daily Bread/ Daily Needs	Dinner Program	Links	Many Hands	Public Education	Workforce Development	Re-Entry Program	Victim Support Services	Total Program Services	Management and General	Fundraising		Total Support Services
Personnel	\$ 111,809	\$ 12,016	\$ 31,447	\$ 54,743	80,160	\$ 67,347	\$ 84,881	\$ 54,477	\$ 496,880	\$ 11,657	\$ 120,242	\$ 131,899	\$ 628,779
Trainee Wages and Stipends	9	-	-	-	-	44,133	21,674	10,226	76,042	-	936	936	76,978
Fringe Benefits	20,375	2,379	5,689	10,179	14,077	12,256	16,203	-	81,158	6,289	22,636	28,925	110,083
Advertising	-	-	-	-	-	-	-	-	-	1,575	120	1,695	1,695
Client Assistance	22,376	-	87	20	-	4,915	1,763	20	29,181	20	-	20	29,201
Client Transportation Assistance	48	-	540	26	-	9,244	4,788	115	14,761	2,050	-	2,050	16,811
Depreciation	378	74	70	185	199	82	253	138	1,379	326	349	675	2,054
Food/Groceries	34,658	-	-	-	-	-	-	-	34,658	20	-	20	34,678
Food and Supplies - Inkind	1,608,405	-	-	-	-	-	-	-	1,608,405	-	-	-	1,608,405
Insurance	3,663	392	975	1,748	2,616	1,941	2,781	1,761	15,877	1,550	3,957	5,507	21,384
Kitchen Supplies	20,568	-	-	-	-	-	-	-	20,568	-	-	-	20,568
Maintenance	5,041	14	52	71	125	30	114	59	5,506	1,464	160	1,624	7,130
Office Supplies	2,624	254	727	1,123	1,935	1,512	2,498	1,338	12,011	7,465	6,954	14,419	26,430
Professional Fees and Contractual Services	9,484	1,233	2,383	4,989	7,988	6,792	7,355	4,919	45,143	30,944	11,069	42,013	87,156
Program Supplies	1,731	-	200	-	152	240	1,160	441	3,924	-	-	-	3,924
Rent	14,623	1,565	4,118	7,129	10,696	9,111	20,310	15,757	83,309	6,955	15,861	22,816	106,125
Subscriptions and Dues	-	-	-	-	-	-	-	-	-	1,263	11	1,274	1,274
Telephone and Internet	4,196	472	1,173	2,250	4,224	2,882	3,333	2,154	20,684	6,054	5,942	11,996	32,680
Volunteer and Donor Cultivation	-	-	-	163	-	-	-	-	163	1,057	869	1,926	2,089
<b>Total Functional Expenses</b>	<b>\$ 1,859,988</b>	<b>\$ 18,399</b>	<b>\$ 47,461</b>	<b>\$ 82,626</b>	<b>\$ 122,172</b>	<b>\$ 160,485</b>	<b>\$ 167,113</b>	<b>\$ 91,405</b>	<b>\$ 2,549,649</b>	<b>\$ 78,689</b>	<b>\$ 189,106</b>	<b>\$ 267,795</b>	<b>\$ 2,817,444</b>

See auditor's report and accompanying notes to financial statements.



THRIVE DC  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services										Support Services			Total Expenses
	Computer Workshop	Daily Bread/Daily Needs	Dinner Program	Links	Many Hands	Public Education	Real Opportunity	Re-Entry Program	Workforce Development	Total Program Services	Management and General	Fundraising	Total Support Services	
Personnel	\$ 103	\$ 127,054	\$ 17,886	\$ 81,595	\$ 72,674	29,651	\$ 12,586	\$ 114,847	\$ 82,497	\$ 538,893	\$ 74,519	\$ 127,881	\$ 202,400	\$ 741,293
Trainee Wages and Stipends	-	-	-	-	-	-	-	31,195	1,368	32,563	-	807	807	33,370
Fringe Benefits	31	22,416	2,949	13,984	13,259	5,221	3,388	24,791	14,393	100,432	26,222	23,546	49,768	150,200
Advertising	-	-	-	-	200	-	-	-	-	200	26	47	73	273
Bad Debt	-	-	-	-	-	-	-	-	9,298	9,298	18,500	-	18,500	27,798
Client Assistance	-	20,792	-	2,385	17	-	-	8,678	13,590	45,462	150	-	150	45,612
Client Transportation Assistance	139	-	-	2,800	79	-	-	8,290	13,129	24,437	2	-	2	24,439
Depreciation	-	-	-	-	-	-	-	-	-	-	10,179	-	10,179	10,179
Event Rental	-	-	-	-	-	-	-	-	-	-	-	1,032	1,032	1,032
Food/Groceries	-	39,560	-	-	-	-	-	-	-	39,560	-	-	-	39,560
Food and Supplies - Inkind	-	1,298,680	-	-	-	-	-	-	-	1,298,680	3,724	-	3,724	1,302,404
Insurance	2	2,000	274	1,289	1,299	420	83	1,713	1,313	8,393	5,183	1,853	7,036	15,429
Kitchen Supplies	-	19,915	-	-	-	-	-	-	94	20,009	-	-	-	20,009
Maintenance	-	2,906	-	-	-	-	-	-	-	2,906	253	-	253	3,159
Office Supplies	3	3,898	414	1,796	2,669	7,499	353	3,132	1,783	21,547	8,192	6,466	14,658	36,205
Professional Fees and Contractual Services	4	10,191	1,527	6,807	6,685	2,211	390	9,283	6,749	43,847	59,728	8,870	68,598	112,445
Program Supplies	12	2,545	-	1,683	64	-	-	514	185	5,003	525	-	525	5,528
Rent	14	16,432	2,409	10,173	8,787	3,159	2,827	14,267	10,087	68,155	23,742	15,843	39,585	107,740
Subscriptions and Dues	2	2,342	340	1,522	1,427	479	73	2,060	1,517	9,762	3,148	3,268	6,416	16,178
Telephone and Internet	1	2,013	276	1,326	1,513	624	67	1,798	1,324	8,942	2,738	2,890	5,628	14,570
Volunteer and Donor Cultivation	-	448	-	-	1,671	-	-	-	-	2,119	4,623	1,445	6,068	8,187
<b>Total Functional Expenses</b>	<b>\$ 311</b>	<b>\$ 1,571,192</b>	<b>\$ 26,075</b>	<b>\$ 125,360</b>	<b>\$ 110,344</b>	<b>\$ 49,264</b>	<b>\$ 19,767</b>	<b>\$ 220,568</b>	<b>\$ 157,327</b>	<b>\$ 2,280,208</b>	<b>\$ 241,454</b>	<b>\$ 193,948</b>	<b>\$ 435,402</b>	<b>\$ 2,715,610</b>

See auditor's report and accompanying notes to financial statements.

THRIVE DC  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (48,450)	\$ (236,227)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation and Amortization	2,054	10,179
(Increase) Decrease in:		
Accounts Receivable	(22,743)	15,520
Prepaid Expenses	2,643	(708)
Increase (Decrease) in:		
Accounts Payable	34,004	11,130
Accrued Payroll	(16,580)	14,396
Deferred Revenue	-	(51,087)
	<u>(49,072)</u>	<u>(236,797)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment and Leasehold Improvements	<u>(6,611)</u>	<u>-</u>
	(6,611)	-
 CASH FLOWS FROM FINANCING ACTIVITIES		
Draws on Line of Credit	24,839	25,001
Security Deposit Refund	<u>-</u>	<u>8,500</u>
	<u>24,839</u>	<u>33,501</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS	(30,844)	(203,296)
 Cash and Cash Equivalents, Beginning of Year	<u>138,128</u>	<u>341,424</u>
Cash and Cash Equivalents, End of Year	<u>\$ 107,284</u>	<u>\$ 138,128</u>
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest Paid	<u>\$ 2,832</u>	<u>\$ -</u>
Income Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

See auditor's report and accompanying notes to financial statements.

THRIVE DC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Originally known as the Dinner Program for Homeless Women, Thrive DC began in 1979 as a response to the first major wave of homelessness on the streets of downtown Washington, DC. Over time, Thrive DC incorporated supplemental social services that attended to the clients' many needs and addressed the root causes of their homelessness. In 1995, Thrive DC began a job training program; in 1998, Thrive DC began serving morning meals to homeless men as well as women; and in 2007, Thrive DC introduced more formalized case management and educational programming for women and men.

Thrive DC's mission is to prevent and end homelessness by providing vulnerable individuals with a comprehensive range of services to help stabilize their lives. Thrive DC envisions a city in which the community unites to ensure that vulnerable individuals have the necessary support and resources to lead fulfilling and stable lives free of homelessness. Thrive DC accomplishes its mission by providing the emergency assistance needed to stabilize lives along with the educational and therapeutic activities, employment preparation, and comprehensive social services required to change lives.

Each day, as part of the Organization's *Daily Bread/Daily Needs* program, Thrive DC staff provides a comprehensive range of free crisis services: breakfast and dinner daily; free showers and laundry; mail, telephone, and computer access; personal care supplies; health and safety items; transportation; and emergency clothing and blankets. Through the Organization's *Links* program, clients participate in enrichment activities, receive individualized case management, and connect with comprehensive services available onsite through Thrive DC community partners. Thrive DC's *Computer Workshop* enables participants to develop the skills they need to function in today's workplace by searching for jobs, preparing for interviews, and strengthening key networks with family and friends. This activity is primarily operated with volunteer support. Thrive DC's *Public Education* program informs the public, supporters, and clients about issues related to homelessness, poverty, and Thrive DC's services through social media, the Organization's website, blog, mass emails, and other communications media. The Organization's intensive *Workforce Development* employment preparedness program embodies the Organization's commitment to ending homelessness by providing individuals with the comprehensive support, rigorous training, and life-skills coaching needed to successfully enter the workforce and become self-sufficient. In 2014, Thrive DC initiated specialized programming targeting homeless women who were attempting to transition back into the community following incarceration. The *Re-Entry* program offers intensive case management, life skills education, employment assistance, recovery education, and financial literacy to a community of women that are working to overcome the increased challenges of re-stabilization due to previous incarceration. The Organization's mission is funded by government grants, individual, faith based, community, and corporate supporters.

THRIVE DC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, the financial statements reflect all significant receivables, payables and other liabilities.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Change in Accounting Principle

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

THRIVE DC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle (Continued)

The presentation and disclosure of revenue have been enhanced in accordance with the standard.

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

Cash and Cash Equivalents

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Grants Receivable

Grants receivable consist of funds raised during the year as well as expense reimbursement under exchange grants. Management has determined that grant receivables are fully collectible within one year; no allowance for uncollectible accounts is considered necessary as of December 31, 2019 and 2018 based on management's analysis of the collectability of receivables based on historic performance and current economic conditions.

Property and Equipment

Equipment is recorded at cost if purchased, or fair market value at time of donation if donated. Acquisition of property and equipment with a useful life of one year or greater and cost or fair market value of \$1,500 or more is capitalized. The costs of maintenance and repairs are charged to expense as incurred; significant renewals and betterments are capitalized. Depreciation is calculated using the straight line method over the estimated useful lives of the assets as follows:

Vehicles	5 Years
Leasehold Improvements	5-7 Years
Furniture and Equipment	3-10 Years

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the accounts and any resulting gain or loss is recognized in income for the period.

THRIVE DC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition

The Organization is supported by grants and contributions received from individuals, government, and other organizations.

The Organization recognizes 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 barriers and right of return - are not recognized until the conditions on which they depend have been met.

Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. Expenses which benefit more than one function are allocated on a reasonable basis that is consistently applied; the basis of allocation is the reported time and effort maintained by each employee.

Advertising

The Organization expenses advertising costs as they are incurred.

Income Taxes

Thrive DC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization which is not a private foundation. The Organization has no unrelated business income subject to income tax; therefore, no provision for income taxes has been included in the accompanying financial statements.

The Organization's Federal Form 990, Return of Organization Exempt from Income Tax, is subject to examination by the Internal Revenue Service, generally for the three years after it is filed.

THRIVE DC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 2 - LIQUIDITY AND AVAILABILITY

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. When necessary the Organization may draw on its line of credit to meet general expenditures.

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

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 107,284	\$ 138,128
Accounts Receivable	<u>149,527</u>	<u>126,784</u>
Total Current Financial Assets at Year End	256,811	264,912
Amounts Unavailable for General Expenditures Within One Year, Due to:		
Restricted by Donors With Time Restrictions	(69,883)	(50,422)
Restricted by Donors for a Specific Purpose	<u>(21,793)</u>	<u>(30,844)</u>
Total Financial Assets Available for General Expenditure Within One Year	\$ <u>165,135</u>	\$ <u>183,646</u>

NOTE 3- CONCENTRATIONS

At times during the year, the Organization maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits of \$250,000 per bank. The Organization has no cash balances on deposit at December 31, 2019 that exceeded the balance insured by the FDIC.

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

At December 31, net assets with donor restrictions are available for the following purposes:

	<u>2019</u>	<u>2018</u>
Client Assistance	\$ 2,670	\$ 2,670
Links	16,123	25,174
Technology and Upgrades	3,000	3,000
Time	<u>69,883</u>	<u>50,422</u>
Total	\$ <u>91,676</u>	\$ <u>81,266</u>

THRIVE DC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 5 - INKIND CONTRIBUTIONS

The Organization receives inkind contributions of food, professional services, program supplies, and clothing. The value of the donated items is recorded at estimated fair value at the time of donation. Inkind contributions are recorded as revenue without donor restrictions and expenses in the accompanying statements of activities and changes in net assets and functional expenses. Inkind professional services support primarily management and general functions.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with its daily operations. The Organization programs are furthered through these contributions of time by a significant number of unpaid volunteers. The services would have to be purchased without the contributions of volunteers. The value of these contributed services, which is approximately 4,119 hours and 6,333 hours for the years ended December 31, 2019 and 2018, respectively, is not reflected in the accompanying financial statements as they are for non-specialized services, which are not recognized under accounting principles generally accepted in the United States of America.

Inkind contributions consisted of the following at December 31:

	<u>2019</u>	<u>2018</u>
Food	\$ 1,516,801	\$ 1,099,291
Clothing and Toiletries	91,604	199,389
Professional Services	<u>9,340</u>	<u>35,484</u>
Total	\$ <u>1,617,745</u>	\$ <u>1,334,164</u>

NOTE 6 - LINE OF CREDIT

Thrive DC has a \$50,000 line of credit available in 2019. Interest is payable monthly. The line bears interest at a variable rate plus 2%; at December 31, 2019, the rate in effect was 7.5%. At December 31, 2019 and 2018, \$49,839 and \$25,000, respectively, was outstanding on the line of credit.

NOTE 7 - RETIREMENT PLAN

On April 1, 2013, Thrive DC established a 403(b) retirement plan for all eligible employees who are at least 21 years of age and have worked an equivalent of one year in hours. Thrive DC has elected to make a discretionary match (if any) at each plan year end, which is December 31. If the discretionary match is made, all participants are 100% vested if they are eligible to participate in the plan at year end. No employer contributions were made to the plan for the years ended December 31, 2019 and 2018.



THRIVE DC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 8 - OPERATING LEASES

Subsequent to year end, Thrive DC entered into a five year facility lease extension for an additional five years through January 31, 2025.

The lease agreement requires base monthly rental payments of \$9,706 with a 3% increase each year. Subsequent to lease signing, the space utilized was reduced, and the monthly payment was accordingly reduced..

At the current payment rate, future minimum rental payments for the lease at December 31, 2019 are as follows:

Year ending December 31,

2020	\$ 106,539
2021	109,725
2022	113,017
2023	116,405
2024	119,900
Thereafter	<u>10,016</u>
Total	\$ <u>575,602</u>

NOTE 9 – SUBSEQUENT EVENTS

The Organization evaluated subsequent events through August 6, 2020, the date that the financial statements were available to be issued.

On December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020 the World Health Organization characterized COVID-19 as a pandemic. Future potential impacts may include continued disruptions or restrictions on our employees' ability to work and impairment of our ability to obtain contributions and volunteers. The future effects of these issues are unknown. Subsequent to year end, the Organization applied for and was approved for a loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for 24-weeks after funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the principal, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization also applied for and received a Economic Disaster Impact Loan from the Small Business Administration, which has deferred payments for one year then is repayable over up to 30 years at 2.75% interest.