



FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017**

THRIVE DC
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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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, 2018 and 2017, 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, 2018 and 2017, 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

April 9, 2019

THRIVE DC
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	2018	2017
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 138,128	\$ 341,424
Grants Receivable	126,784	142,304
Prepaid Expenses	4,841	4,133
Total Current Assets	269,753	487,861
Fixed Assets:		
Leasehold Improvements	144,842	144,842
Furniture and Equipment	40,611	62,989
Vehicles	23,094	23,094
Less: Accumulated Depreciation	(183,354)	(195,552)
Net Fixed Assets	25,193	35,373
Other Assets:		
Security Deposit	5,000	13,500
Total Other Assets	5,000	13,500
Total Assets	\$ 299,946	\$ 536,734
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 29,915	\$ 18,785
Accrued Payroll	49,391	34,995
Line of Credit	25,000	-
Deferred Revenue	-	51,087
Total Current Liabilities	104,306	104,867
Total Liabilities	104,306	104,867
Net Assets:		
Without Donor Restrictions	114,374	301,972
With Donor Restrictions	81,266	129,895
Total Net Assets	195,640	431,867
Total Liabilities and Net Assets	\$ 299,946	\$ 536,734

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>
REVENUE			
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	<u>1,334,164</u>	<u>-</u>	<u>1,334,164</u>
Total Revenue	2,378,961	100,422	2,479,383
 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
EXPENSES			
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	<u>157,327</u>	<u>-</u>	<u>157,327</u>
Total Program Services	2,280,208	-	2,280,208
Support Services:			
Management and General	241,454	-	241,454
Fundraising	<u>193,948</u>	<u>-</u>	<u>193,948</u>
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 ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE			
Individual Contributions	\$ 293,240	\$ 4,194	\$ 297,434
Community Organization Contributions	38,605	33,000	71,605
Business Contributions	59,453	-	59,453
Foundation Grants	193,911	109,328	303,239
Government Grants	497,282	8,219	505,501
Interest Income	304	-	304
Other Revenue	537	-	537
Inkind Donations	1,793,873	-	1,793,873
Total Revenue	<u>2,877,205</u>	<u>154,741</u>	<u>3,031,946</u>
Net Assets Released from Restrictions	<u>231,493</u>	<u>(231,493)</u>	<u>-</u>
Total Revenue	3,108,698	(76,752)	3,031,946
EXPENSES			
Program Services:			
Computer Workshop	1,377	-	1,377
Daily Bread/Daily Needs	2,231,213	-	2,231,213
Dinner Program	30,842	-	30,842
Links	147,696	-	147,696
Many Hands	116,901	-	116,901
Public Education	26,875	-	26,875
Re-Entry Program	79,285	-	79,285
Workforce Development	167,338	-	167,338
Total Program Services	<u>2,801,527</u>	<u>-</u>	<u>2,801,527</u>
Support Services:			
Management and General	306,333	-	306,333
Fundraising	108,317	-	108,317
Total Support Services	<u>414,650</u>	<u>-</u>	<u>414,650</u>
Total Expenses	<u>3,216,177</u>	<u>-</u>	<u>3,216,177</u>
Change in Net Assets	(107,479)	(76,752)	(184,231)
Net Assets at Beginning of Year	<u>409,451</u>	<u>206,647</u>	<u>616,098</u>
Net Assets at End of Year	<u>\$ 301,972</u>	<u>\$ 129,895</u>	<u>\$ 431,867</u>

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
Total Functional Expenses	\$ 311	\$ 1,571,192	\$ 26,075	\$ 125,360	\$ 110,344	\$ 49,264	\$ 19,767	\$ 220,568	\$ 157,327	\$ 2,280,208	\$ 241,454	\$ 193,948	\$ 435,402	\$ 2,715,610

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

THRIVE DC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services									Support Services			Total Expenses
	Computer Workshop	Daily Bread/Daily Needs	Dinner Program	Links	Many Hands	Public Education	Re-Entry Program	Workforce Development	Total Program Services	Management and General	Fundraising	Total Support Services	
Personnel	\$ 93	\$ 285,190	\$ 21,263	\$ 93,446	\$ 76,344	\$ 18,151	\$ 46,899	\$ 102,352	\$ 643,738	\$ 117,864	\$ 66,694	\$ 184,558	\$ 828,296
Trainee Wages and Stipends	-	-	-	-	-	-	1,345	10,838	12,183	1,154	-	1,154	13,337
Fringe Benefits	22	50,568	3,321	15,823	13,096	3,203	8,878	18,685	113,596	30,656	11,579	42,235	155,831
Advertising	-	-	-	-	10	-	-	-	10	-	10	10	20
Client Assistance	-	25,643	18	1,491	-	-	-	2,080	29,232	894	6	900	30,132
Client Transportation Assistance	-	-	-	8,466	-	-	4,820	3,801	17,087	-	-	-	17,087
Depreciation	-	1,846	41	1,192	1,628	435	896	1,653	7,691	1,525	1,149	2,674	10,365
Event Rental	-	-	-	-	-	-	-	-	-	-	682	682	682
Food/Groceries	-	52,393	-	-	-	-	-	9	52,402	-	-	-	52,402
Food and Supplies - Inkind	-	1,692,033	-	-	-	-	-	-	1,692,033	-	-	-	1,692,033
Insurance	3	8,926	724	2,560	2,152	522	1,222	2,831	18,940	3,844	1,892	5,736	24,676
Kitchen Supplies	-	29,371	-	6	-	-	-	-	29,377	-	-	-	29,377
Maintenance	-	3,776	-	6	5	2	4	7	3,800	221	6	227	4,027
Office Supplies	6	23,134	1,729	7,525	8,268	1,527	4,243	8,498	54,930	10,734	12,965	23,699	78,629
Professional Fees and Contractual Services	2	9,966	797	3,214	2,451	583	4,712	3,117	24,842	120,347	2,160	122,507	147,349
Program Supplies	1,242	7,640	34	1,632	-	-	150	208	10,906	1,175	-	1,175	12,081
Rent	8	35,720	2,583	10,829	8,844	2,124	5,293	11,566	76,967	15,084	7,795	22,879	99,846
Subscriptions and Dues	-	(37)	1	37	16	4	10	18	49	499	1,483	1,982	2,031
Telephone and Internet	1	4,524	331	1,469	1,345	324	795	1,675	10,464	2,016	1,216	3,232	13,696
Volunteer and Donor Cultivation	-	520	-	-	2,742	-	18	-	3,280	320	680	1,000	4,280
Total Functional Expenses	\$ 1,377	\$ 2,231,213	\$ 30,842	\$ 147,696	\$ 116,901	\$ 26,875	\$ 79,285	\$ 167,338	\$ 2,801,527	\$ 306,333	\$ 108,317	\$ 414,650	\$ 3,216,177

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

THRIVE DC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (236,227)	\$ (184,231)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation and Amortization	10,179	10,365
(Increase) Decrease in:		
Accounts Receivable	15,520	16,919
Prepaid Expenses	(708)	12,201
Increase (Decrease) in:		
Accounts Payable	11,130	8,605
Accrued Payroll	14,396	206
Deferred Revenue	<u>(51,087)</u>	<u>37,392</u>
Net Cash Used by Operating Activities	(236,797)	(98,543)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment and Leasehold Improvements	<u>-</u>	<u>(18,738)</u>
Net Cash Used by Investing Activities	-	(18,738)
CASH FLOWS FROM FINANCING ACTIVITIES		
Draws on Line of Credit	25,001	-
Security Deposit Refund	<u>8,500</u>	<u>-</u>
Net Cash Provided by Financing Activities	33,501	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(203,296)	(117,281)
Cash and Cash Equivalents, Beginning of Year	<u>341,424</u>	<u>458,705</u>
Cash and Cash Equivalents, End of Year	<u>\$ 138,128</u>	<u>\$ 341,424</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest Paid	<u>\$ -</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, 2018 AND 2017

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, 2018 AND 2017

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

In August 2016, the FASB issued Accounting Standards Update ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, quantitative and qualitative information about the liquidity and availability of resources, consistency in the presentation of expenses and investment return, and other financial statement reporting

THRIVE DC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle (Continued)

requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU has been applied retrospectively to all periods presented. The Organization has changed its presentation of net asset classes, expanded the footnote disclosures required by ASU 2016-14, and reclassified certain expense items to conform to the requirements of the ASU.

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, 2018 and 2017 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, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 estimates of 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.

Subsequent Events

The Organization evaluated subsequent events through the date that the financial statements were available to be issued. The Organization is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to April 9, 2019 that would have a material impact on the financial statements.

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.

THRIVE DC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 2 - LIQUIDITY AND AVAILABILITY (CONTINUED)

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>2018</u>	<u>2017</u>
Cash and Cash Equivalents	\$ 138,128	\$ 341,424
Accounts Receivable	<u>126,912</u>	<u>142,304</u>
Total Current Financial Assets at Year End	264,912	483,728
Amounts Unavailable for General Expenditures Within One Year, Due to:		
Restricted by Donors With Time Restrictions	(50,422)	(30,522)
Restricted by Donors for a Specific Purpose	<u>(30,844)</u>	<u>(99,373)</u>
Total Financial Assets Available for General Expenditure Within One Year	\$ <u>183,646</u>	\$ <u>353,833</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, 2018 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>2018</u>	<u>2017</u>
Client Assistance	\$ 2,670	\$ 28,965
Funeral Assistance	---	4,750
Helping Children Grow	---	10,000
Kitchen Equipment	---	1,200
Links	25,174	---
Music Therapy	---	18,526
Technology and Upgrades	3,000	35,932
Time	<u>50,422</u>	<u>30,522</u>
Total	\$ <u>81,266</u>	\$ <u>129,895</u>

THRIVE DC
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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 unrestricted revenue 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 \$103,404 and \$330,563 for the years ended December 31, 2018 and 2017, 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>2018</u>	<u>2017</u>
Food	\$ 1,099,291	\$ 1,508,253
Clothing and Toiletries	199,389	183,780
Professional Services	<u>35,484</u>	<u>101,840</u>
Total	\$ <u>1,334,164</u>	\$ <u>1,793,873</u>

NOTE 6 - OPERATING LEASES

In 2010, Thrive DC entered into a five year facility lease that was extended for an additional five years on January 31, 2015. The lease now expires on January 31, 2020.

The lease agreement requires base monthly rental payments of \$6,884; rent may increase annually at the discretion of the lessor, but such increase will not exceed 10% per annum.

Future minimum rental payments for the lease at December 31, 2018 are as follows:

Year ending December 31,

2019	\$ 95,150
2020	<u>8,322</u>
Total	\$ <u>103,472</u>

THRIVE DC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 7 - LINE OF CREDIT

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

NOTE 8 - 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, 2018 and 2017.