

Thrive-Transformation at Work

Financial Statements

December 31, 2017 and 2016



Edward Hamilton, CPA

Terri L. Hamilton, CPA

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors and Management
Thrive-Transformation at Work
400 W. South Boulder Rd., Suite 1700
Lafayette, CO 80226

We have audited the accompanying financial statements of Thrive -Transformation at Work (a nonprofit organization), which comprise the financial position as of December 31, 2017, and 2016, and the related statements of activities, cash flows and functional expense 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 presentations 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 of the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, financial statements referred to above, present fairly, in all material respects, the financial position of Thrive-Transformation at Work as of December 31, 2017, and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ Source CPAs, LLC
Denver, Colorado
February 23, 2018

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THRIVE-TRANSFORMATION AT WORK
STATEMENT OF FINANCIAL POSITION
December 31, 2017 and 2016

ASSETS

	2017	2016
Cash and cash equivalents	\$ 143,795	\$ 83,649
Prepaid expenses	6,273	4,263
Property and equipment, net	1,263	1,982
Total Assets	\$ 151,331	\$ 89,894

LIABILITIES AND NET ASSETS

LIABILITIES		
Accrued expenses	\$ 2,212	\$ 677
Taxes payable	7,144	5,358
Total Liabilities	9,357	6,035
NET ASSETS		
Unrestricted	141,974	83,858
Total Net Assets	141,974	83,858
Total Liabilities and Net Assets	\$ 151,331	\$ 89,894

See accompanying notes and independent accountants' report

THRIVE-TRANSFORMATION AT WORK
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended December 31, 2017

	2017	2016
UNRESTRICTED NET ASSETS		
Support and revenue		
Program income	\$ 337,374	\$ 307,697
 Total support and revenue	 337,374	 307,697
Expenses		
Program service expenses	265,075	223,890
Support services expenses	14,183	25,830
Total expenses	279,258	249,720
 Increase in unrestricted net assets before income tax expense	 58,116	 57,978
 Federal and state income tax expense	 	 -
 Increase in unrestricted net assets	 58,116	 57,978
Net assets at beginning of period	83,858	25,881
Net assets at end of period	\$ 141,974	\$ 83,858

See accompanying notes and independent accountants' report

THRIVE-TRANSFORMATION AT WORK
STATEMENT OF CASH FLOWS
For the year ended December 31, 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 58,116	\$ 57,978
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	718	718
Change in prepaid assets	(2,010)	-
Change in accrued expenses	1,535	239
Change in prepaid dues	-	(1,350)
Change in income taxes payable	-	-
Change in payroll taxes payable	1,787	(10)
Change in property taxes payable	-	-
Net cash provided by operating activities	60,146	57,575
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	-
Net cash (used) by investing activities	-	-
NET INCREASE IN CASH	60,146	57,575
CASH & CASH EQUIVALENTS-BEGINNING OF PERIOD	83,649	26,074
CASH & CASH EQUIVALENTS-END OF PERIOD	\$ 143,795	\$ 83,649

See accompanying notes and independent accountants' report

THRIVE-TRANSFORMATION AT WORK
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended December 31, 2017

	<u>Program Service</u>	<u>Support Service</u>	<u>Total Expenses 2017</u>
Salaries, payroll taxes and benefits	\$ 238,506	8,593	\$ 247,099
Food and shelter expense	-	2,566	2,566
Education	-	3,024	3,024
Travel	661		661
Entertainment	1,427	-	1,427
Equipment expense	-	-	-
Insurance	5,603	-	5,603
Communications	825	-	825
Office supplies and expense	994	-	994
Repairs and maintenance	-	-	-
Professional services	11,514	-	11,514
Other	225	-	225
Fees	307	-	307
Volunteer expense	205	-	205
Training	890	-	890
Dues and subscriptions	3,112	-	3,112
Postage	88	-	88
Property taxes	-	-	-
	<u>264,357</u>	<u>14,183</u>	<u>278,540</u>
Depreciation	<u>718</u>	<u>-</u>	<u>718</u>
Total expenses	<u>\$ 265,075</u>	<u>\$ 14,183</u>	<u>\$ 279,258</u>

See accompanying notes and independent accountants' report

THRIVE-TRANSFORMATION AT WORK
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended December 31, 2016

	<u>Program Service</u>	<u>Support Service</u>	<u>Total Expenses 2016</u>
Salaries, payroll taxes and benefits	\$ 199,014	15,600	\$ 214,614
Food and shelter expense	-	3,033	3,033
Education	-	6,572	6,572
Travel	2,223		2,223
Entertainment	1,090	-	1,090
Equipment expense	558	-	558
Insurance	3,458	-	3,458
Communications	625	-	625
Office supplies and expense	1,175	625	1,800
Repairs and maintenance	209	-	209
Professional services	10,330	-	10,330
Other	1,048	-	1,048
Fees	1,435	-	1,435
Volunteer expense	164	-	164
Training	743	-	743
Dues and subscriptions	1,043	-	1,043
Postage	56	-	56
Property taxes	-	-	-
	<u>223,172</u>	<u>25,830</u>	<u>249,002</u>
Depreciation	<u>718</u>	<u>-</u>	<u>718</u>
Total expenses	<u>\$ 223,890</u>	<u>\$ 25,830</u>	<u>\$ 249,720</u>

See accompanying notes and independent accountants' report

THRIVE-TRANSFORMATION AT WORK
Notes to Financial Statements
For the Years Ended December 31, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Thrive-Transformation at Work is a charitable organization within the meaning of section 501(c)(3) of the Internal Revenue Code located in Lafayette, Colorado. Thrive helps people overcome barriers and work their way to self-sufficiency and stability through employment. Thrive was created to offer a holistic approach to eliminating poverty through relationships, employment support services, skills development, and education. Thrive partners with willing and capable people to work toward the goal of economic self-sufficiency and stability through employment by helping members overcome barriers to gaining, maintaining and advancing at work.

Basis of Accounting

The Organization is recording and reporting all transactions on the accrual basis (i.e., revenues are recorded when earned and expenses are recorded when incurred).

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Property and equipment is recorded at cost if purchased. Donations of property and equipment are recorded as support at their estimated fair value. 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 those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is computed using the straight-line method over the estimated useful lives for assets purchased prior to 2016. Depreciation expense for the years ended December 31, 2017 and 2016 is \$718 each. The cost of maintenance and repairs is charged to expense when incurred; significant renewals and betterments are capitalized.

THRIVE-TRANSFORMATION AT WORK
Notes to Financial Statements
For the Years Ended December 31, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Financial Statement Presentation

Under FASB SFAS 958, *Not for Profit Entities*, the Organization is required to report information regarding its financial position and activities per three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Currently, all net assets are classified as unrestricted.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of one year or less to be cash equivalents.

Contributions

Under FASB SFAS 958, *Not for Profit Entities*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the absence or existence or nature of any donor restrictions.

Compensated Absences

It is impracticable to estimate the amount of compensation for future absences, and, accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when paid to employees.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2016 and 2015 are subject to examination by the IRS, generally for three years after they were filed.

THRIVE-TRANSFORMATION AT WORK
Notes to Financial Statements
For the Years Ended December 31, 2017 and 2016

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2017</u>	<u>2016</u>
Computer equipment	\$ <u>2,879</u>	\$ <u>2,879</u>
Accumulated depreciation	<u>(1,616)</u>	<u>(898)</u>
Property and equipment, net	\$ <u><u>1,263</u></u>	\$ <u><u>1,981</u></u>

NOTE 3 – RETIREMENT PLAN

The Organization has established a cash or deferred profit sharing 401(k) retirement plan for all employees who have attained age 21 and have one year of employment. The Plan is with the employees' elective salary deferrals, both pre-tax or after tax or a combination, and employer safe harbor matching contributions. The Organization is required to contribute a safe harbor matching contribution equal to 100% of the participant's elective deferrals up to 10% of the participant's compensation. Additional employer discretionary contributions are permitted. Pension expense for 2017 and 2016 was \$14,330 and \$11,970, respectively.

NOTE 4 – SUBSEQUENT EVENTS

Events subsequent to December 31, 2017 have been evaluated through the date these statements were available to be issued, to determine whether they should be disclosed to keep the financial statements from being misleading. Management found no subsequent events to be disclosed.