

Thrive-Transformation at Work

Financial Statements

December 31, 2020 and 2019



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, 2020, and 2019, 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, 2020, and 2019, 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
May 6, 2021

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THRIVE-TRANSFORMATION AT WORK
STATEMENT OF FINANCIAL POSITION
December 31, 2020 and 2019

ASSETS

	2020	2019
Cash and cash equivalents, unrestricted	\$ 216,514	\$ 151,740
Cash and cash equivalents, restricted	120,000	110,000
Prepaid expenses	5,512	6,946
Promises to give	14,000	20,000
Property and equipment, net	1,761	1,203
Total Assets	\$ 357,786	\$ 289,889

LIABILITIES AND NET ASSETS

LIABILITIES		
Accrued expenses	\$ 4,983	\$ 3,041
PPP Loan	\$ 45,703	\$ -
Taxes payable	9,245	9,381
Total Liabilities	59,930	12,422
NET ASSETS		
Unrestricted	297,856	277,467
Total Net Assets	297,856	277,467
Total Liabilities and Net Assets	\$ 357,786	\$ 289,889

See accompanying notes and independent accountants' report

THRIVE-TRANSFORMATION AT WORK
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the years ended December 31, 2020 and 2019

	2020	2019
UNRESTRICTED NET ASSETS		
Support and revenue		
Donations	\$ 391,443	\$ 444,211
Grants	76,500	88,830
In kind	22,532	22,532
Miscellaneous	112	-
Unrestricted support and revenue	490,587	555,572
Net assets temporarily restricted	(120,000)	(110,000)
Total unrestricted support and revenue	370,587	445,572
 Expenses		
Program service expenses	393,718	397,495
Support services expenses	76,480	55,003
Total expenses	470,198	452,498
 Increase in unrestricted net assets before income tax expense	(99,611)	(6,926)
 Temporarily restricted net assets restricted assets	120,000	110,000
 Federal and state income tax expense	-	-
 Increase in unrestricted net assets	20,389	103,074
 Net assets at beginning of period	277,467	174,393
 Net assets at end of period	\$ 297,856	\$ 277,467

See accompanying notes and independent accountants' report

THRIVE-TRANSFORMATION AT WORK
STATEMENT OF CASH FLOWS
For the years ended December 31, 2019 and 2018

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 20,389	\$ 103,074
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	574	732
Change in accounts receivable	-	(20,000)
Change in promises to give	6,000	-
Change in prepaid assets	1,434	(739)
Change in accrued expenses	1,942	1,739
Change in prepaid dues	-	-
Change in income taxes payable	-	1,795
Change in payroll taxes payable	(136)	-
Change in property taxes payable	-	-
Net cash provided by operating activities	30,203	86,601
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,132)	(1,320)
Net cash (used) by investing activities	(1,132)	(1,320)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan	45,703	(1,320)
Net cash (used) by financing activities	45,703	(1,320)
NET INCREASE IN CASH	74,774	85,281
CASH & CASH EQUIVALENTS-BEGINNING OF PERIOD	261,740	176,459
CASH & CASH EQUIVALENTS-END OF PERIOD	\$ 336,514	\$ 261,740

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, 2020

	<u>Program Service</u>	<u>Support Service</u>	<u>Total Expenses 2020</u>
Salaries, payroll taxes and benefits	\$ 371,334	-	371,334
Food and shelter expense	848	1,849	2,697
Education	-	-	-
Travel	-	1,275	1,275
Fund development	14,399	-	14,399
Community partners	-	-	-
Interest	447	-	447
Giving fees	1,833	-	1,833
Communications	-	5,468	5,468
Office supplies and expense	990	3,270	4,259
Repairs and maintenance	-	-	-
Professional services	-	33,079	33,079
Other	-	3,962	3,962
Fees	-	-	-
Volunteer expense	2,482	-	2,482
Training	811	-	811
Dues and subscriptions	-	7,854	7,854
Marketing	-	925	925
Leases	-	18,432	18,432
Postage	-	367	367
Property taxes	-	-	-
	<u>393,144</u>	<u>76,480</u>	<u>469,624</u>
Depreciation	<u>574</u>	<u>-</u>	<u>574</u>
Total expenses	<u><u>\$ 393,718</u></u>	<u><u>\$ 76,480</u></u>	<u><u>\$ 470,198</u></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, 2019

	Program Service	Support Service	Total Expenses 2019
Salaries, payroll taxes and benefits	\$ 348,799	-	\$ 348,799
Food and shelter expense	7,366	840	8,206
Education	-	815	815
Travel	-	1,954	1,954
Fund development	19,708	-	19,708
Community partners	-	-	-
Insurance	-	-	-
Communications	-	5,157	5,157
Office supplies and expense	-	7,744	7,744
Repairs and maintenance	-	-	-
Professional services	-	27,195	27,195
Other	-	2,799	2,799
Fees	-	-	-
Volunteer expense	1,942	-	1,942
Training	516	-	516
Dues and subscriptions	-	6,824	6,824
Marketing	-	914	914
Leases	18,432	-	18,432
Postage	-	762	762
Property taxes	-	-	-
	<u>396,762</u>	<u>55,003</u>	<u>451,766</u>
Depreciation	<u>732</u>	<u>-</u>	<u>732</u>
Total expenses	<u>\$ 397,495</u>	<u>\$ 55,003</u>	<u>\$ 452,498</u>

See accompanying notes and independent accountants' report

THRIVE-TRANSFORMATION AT WORK
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Thrive-Transformation at Work (the Organization) 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.

Risks and Uncertainties

In December 2019, a novel strain of coronavirus surfaced in China, which has and is continuing to spread throughout the world, including the United States. On January 30, 2020, the World Health Organization declared the outbreak of the coronavirus disease (COVID-19) a “Public Health Emergency of International Concern,” and on March 11, 2020, the World Health Organization characterized the outbreak as a “pandemic”. The governors of New York, California and several other states, as well as mayors on many cities, have ordered their residents to cease traveling to non-essential jobs and to curtail all unnecessary travel, and to stay in their homes as much as possible in the coming weeks, as the nation confronts the escalating coronavirus outbreak, and similar restrictions have been recommended by the federal authorities and authorities in many other states and cities. Since the beginning of 2020 and the spread of COVID-19, companies have increasingly been negatively impacted. As Americans practice social distancing and self-isolation, companies have seen a steep decline in revenues and demand for goods and services, as a result. The Organization is not able to predict the ultimate impact that COVID -19 will have on its business and donations received.; The Organization cannot at this time estimate the long-term effect of this unprecedented situation on the economy in general or the Organization in particular.

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.

THRIVE-TRANSFORMATION AT WORK
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

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

Property and Equipment

Property and equipment are 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, 2020 and 2019 was \$687 and \$732 respectively. The cost of maintenance and repairs is charged to expense when incurred; significant renewals and betterments are capitalized.

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.

THRIVE-TRANSFORMATION AT WORK
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

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

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.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2020</u>	<u>2019</u>
Computer equipment	\$ <u>5,332</u>	\$ <u>4,200</u>
Accumulated depreciation	<u>(3,684)</u>	<u>(2,997)</u>
Property and equipment, net	\$ <u>1,648</u>	\$ <u>1,203</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 2020 and 2019 was \$23,977 and \$22,193, respectively.

NOTE 4 – ADVERTISING COSTS

Advertising costs are expensed as incurred. For the years ended December 31, 2020 and 2019, advertising and marketing related costs were \$125 and \$-114-, respectively

NOTE 5 Prepays

Prepays consist of long -term disability, dental and health insurance or January 2021.

THRIVE-TRANSFORMATION AT WORK
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

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NOTE 6 – PROMISES TO GIVE

Unconditional promises to give consist of the following:

	2020	2019
Private company assistance	<u>\$ 14,000</u>	<u>\$ 20,000</u>

NOTE 7 – IN KIND CONTRIBUTIONS

The Organization has an agreement with a local Organization to receive in kind donations for the office space and office supplies, coping, etc. used during the year. During the years ended 2020 and 2019 the rent expense was \$18,432 and \$18,432, respectively. During the years ended 2020 and 2019 the office expense was \$4,100 and \$4,100, respectively.

8. SBA Loan

During the year The Organization got a Paycheck Protection Program loan to use to pay employee salaries. The loan is payable within two years and has an interest rate of .50%, The loan can be forgiven if The Organization can show that the funds were used to pay employees salaries. The balance of the loan at year end was \$45,703. All funds received from this loan were used to pay salaries in the Organization.

NOTE 9 – SUBSEQUENT EVENTS

Events subsequent to December 31, 2020 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.

While the COVID-19 coronavirus pandemic effect on the economy and joblessness created economic uncertainties which negatively impacted contributions, the Organization saw decreasing 2020 revenues over 2019. The Organization implemented cost cutting procedures with the overall goal of reducing expenses to keep the Organization support positive.

Any ongoing impact is expected to be temporary, but uncertainty around the duration remains. The financial impact to the Organization cannot be reasonably estimated at this time.