

Thrive-Transformation at Work

Financial Statements

December 31, 2018 and 2017



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, 2018, and 2017, 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, 2018, and 2017, 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 28, 2019

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THRIVE-TRANSFORMATION AT WORK
STATEMENT OF FINANCIAL POSITION
December 31, 2018 and 2017

ASSETS

	2018	2017
Cash and cash equivalents	\$ 176,459	\$ 143,795
Prepaid expenses	6,206	6,273
Property and equipment, net	615	1,263
Total Assets	\$ 183,280	\$ 151,331

LIABILITIES AND NET ASSETS

LIABILITIES		
Accrued expenses	\$ 1,302	\$ 2,212
Taxes payable	7,585	7,127
Total Liabilities	8,887	9,340
NET ASSETS		
Unrestricted	174,393	141,991
Total Net Assets	174,393	141,991
Total Liabilities and Net Assets	\$ 183,280	\$ 151,331

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, 2018 and 2017

	2018	2017
UNRESTRICTED NET ASSETS		
Support and revenue		
Program income	\$ 411,037	\$ 337,391
Total support and revenue	411,037	337,391
Expenses		
Program service expenses	317,187	265,075
Support services expenses	61,448	14,183
Total expenses	378,635	279,258
Increase in unrestricted net assets before income tax expense	32,402	58,133
Federal and state income tax expense	-	-
Increase in unrestricted net assets	32,402	58,133
Net assets at beginning of period	141,991	83,858
Net assets at end of period	\$ 174,393	\$ 141,991

See accompanying notes and independent accountants' report

THRIVE-TRANSFORMATION AT WORK
STATEMENT OF CASH FLOWS
For the years ended December 31, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 32,402	\$ 58,116
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	649	718
Change in prepaid assets	-	(2,010)
Change in accrued expenses	-	1,535
Change in prepaid dues	-	-
Change in income taxes payable	-	-
Change in payroll taxes payable	(2)	1,787
Change in property taxes payable	-	-
Net cash provided by operating activities	33,049	60,146
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	-
Net cash (used) by investing activities	-	-
NET INCREASE IN CASH	33,049	60,146
CASH & CASH EQUIVALENTS-BEGINNING OF PERIOD	143,795	83,649
CASH & CASH EQUIVALENTS-END OF PERIOD	\$ 176,844	\$ 143,795

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, 2018

	<u>Program Service</u>	<u>Support Service</u>	<u>Total Expenses 2018</u>
Salaries, payroll taxes and benefits	\$ 303,617	-	\$ 303,617
Food and shelter expense	3,161	3,183	6,344
Education	-	887	887
Travel	-	2,249	2,249
Fund development	4,243	-	4,243
Community partners	1,524	-	1,524
Insurance	-	-	-
Communications	-	5,025	5,025
Office supplies and expense	1,923	3,367	5,290
Repairs and maintenance	-	-	-
Professional services	-	19,811	19,811
Other	-	2,047	2,047
Fees	-	-	-
Volunteer expense	2,013	-	2,013
Training	57	-	57
Dues and subscriptions	-	4,104	4,104
Marketing	-	2,222	2,222
Leases	-	18,432	18,432
Postage	-	121	121
Property taxes	-	-	-
	<u>316,538</u>	<u>61,448</u>	<u>375,764</u>
Depreciation	<u>649</u>	<u>-</u>	<u>649</u>
Total expenses	<u>\$ 317,187</u>	<u>\$ 61,448</u>	<u>\$ 376,413</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, 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
Notes to Financial Statements
For the Years Ended December 31, 2018 and 2017

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, 2018 and 2017 was \$649 and \$718 respectively. 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, 2018 and 2017

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, 2018 and 2017

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2018</u>	<u>2017</u>
Computer equipment	\$ <u>2,879</u>	\$ <u>2,879</u>
Accumulated depreciation	<u>(2,264)</u>	<u>(1,616)</u>
Property and equipment, net	\$ <u><u>615</u></u>	\$ <u><u>1,263</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 2018 and 2017 was \$17,557 and \$14,330, respectively.

.Note 4 – ADVERTISING COSTS

Advertising costs are expensed as incurred. For the years ended December 31, 2018 and 2017, advertising and marketing related costs were \$2,222 and \$-0-, respectively

NOTE 5 – SUBSEQUENT EVENTS

Events subsequent to December 31, 2018 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.