



## **FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2017 AND 2016**

THRIVE DC  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

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 .....	11-16



## Independent Auditor's Report

To the Board of Directors  
Thrive DC  
Washington, 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, 2017 and 2016, 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, 2017 and 2016, 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*

July 20, 2018

THRIVE DC  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2017 AND 2016

	2017	2016
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 341,424	\$ 458,705
Grants Receivable	142,304	159,223
Prepaid Expenses	4,133	16,334
Total Current Assets	487,861	634,262
Fixed Assets:		
Leasehold Improvements	144,842	128,549
Furniture and Equipment	62,989	62,164
Vehicles	23,094	23,094
Less: Accumulated Depreciation	(195,552)	(186,807)
Net Fixed Assets	35,373	27,000
Other Assets:		
Security Deposit	13,500	13,500
Total Other Assets	13,500	13,500
Total Assets	\$ 536,734	\$ 674,762
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 18,785	\$ 10,180
Accrued Payroll	34,995	34,789
Deferred Revenue	51,087	13,695
Total Current Liabilities	104,867	58,664
Total Liabilities	104,867	58,664
Net Assets:		
Unrestricted	301,972	409,451
Temporarily Restricted	129,895	206,647
Total Net Assets	431,867	616,098
Total Liabilities and Net Assets	\$ 536,734	\$ 674,762

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>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE</b>			
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
<b>EXPENSES</b>			
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 ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE</b>			
Individual Contributions	\$ 251,755	\$ -	\$ 251,755
Community Organization Contributions	17,219	22,817	40,036
Business Contributions	41,417	20,000	61,417
Foundation Grants	98,542	199,458	298,000
Government Grants	553,349	-	553,349
Events	25,298	-	25,298
Interest Income	471	-	471
Other Revenue	71	-	71
Inkind Donations	<u>1,574,704</u>	<u>-</u>	<u>1,574,704</u>
Total Revenue	2,562,826	242,275	2,805,101
Net Assets Released from Restrictions	<u>169,321</u>	<u>(169,321)</u>	<u>-</u>
Total Revenue	2,732,147	72,954	2,805,101
 <b>EXPENSES</b>			
Program Services:			
Computer Workshop	523	-	523
Daily Bread/Daily Needs	1,977,652	-	1,977,652
Dinner Program	24,500	-	24,500
Links	157,463	-	157,463
Many Hands	53,974	-	53,974
Public Education	64,867	-	64,867
Real Opportunity	97,875	-	97,875
Re-Entry Program	24,156	-	24,156
Total Program Services	<u>2,401,010</u>	<u>-</u>	<u>2,401,010</u>
Support Services:			
Management and General	449,987	-	449,987
Fundraising	<u>91,979</u>	<u>-</u>	<u>91,979</u>
Total Support Services	<u>541,966</u>	<u>-</u>	<u>541,966</u>
Total Expenses	<u>2,942,976</u>	<u>-</u>	<u>2,942,976</u>
Change in Net Assets	(210,829)	72,954	(137,875)
Net Assets at Beginning of Year	<u>620,280</u>	<u>133,693</u>	<u>753,973</u>
Net Assets at End of Year	<u>\$ 409,451</u>	<u>\$ 206,647</u>	<u>\$ 616,098</u>

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
<b>Total Functional Expenses</b>	<b>\$ 1,377</b>	<b>\$ 2,231,213</b>	<b>\$ 30,842</b>	<b>\$ 147,696</b>	<b>\$ 116,901</b>	<b>\$ 26,875</b>	<b>\$ 79,285</b>	<b>\$ 167,338</b>	<b>\$ 2,801,527</b>	<b>\$ 306,333</b>	<b>\$ 108,317</b>	<b>\$ 414,650</b>	<b>\$ 3,216,177</b>

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



THRIVE DC  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Services								Support Services			Total Expenses	
	Computer Workshop	Daily Bread/Daily Needs	Dinner Program	Links	Many Hands	Public Education	Real Opportunity	Re-Entry Program	Total Program Services	Management and General	Fundraising		Total Support Services
Personnel	\$ 134	\$ 230,506	\$ 16,902	\$ 88,544	\$ 31,554	\$ 41,396	\$ 50,897	\$ 14,374	\$ 474,307	\$ 253,162	\$ 40,858	\$ 294,020	\$ 768,327
Trainee Wages and Stipends	-	-	-	(110)	-	-	15,070	995	15,955	3,269	-	3,269	19,224
Fringe Benefits	193	46,604	3,450	18,488	6,508	5,884	11,593	3,377	96,097	59,259	8,740	67,999	164,096
Advertising	-	57	4	24	17	8	22	5	137	116	51	167	304
Client Assistance	-	20,102	-	3,370	65	-	1,368	28	24,933	98	-	98	25,031
Client Transportation Assistance	-	-	-	11,781	-	-	4,188	-	15,969	-	-	-	15,969
Depreciation	-	5,165	464	940	622	306	810	712	9,019	2,292	772	3,064	12,083
Event Rental	-	-	-	-	-	-	-	-	-	466	13,777	14,243	14,243
Food/Groceries	-	52,016	-	-	-	-	-	-	52,016	-	-	-	52,016
Food and Supplies - Inkind	-	1,523,105	-	-	-	-	-	-	1,523,105	-	-	-	1,523,105
Insurance	27	10,312	573	3,973	1,729	2,103	2,078	572	21,367	10,463	2,172	12,635	34,002
Kitchen Supplies	-	28,515	-	-	-	-	-	-	28,515	37	-	37	28,552
Maintenance	-	5,723	45	405	214	141	215	49	6,792	1,983	205	2,188	8,980
Office Supplies	37	9,771	561	3,778	3,448	1,747	1,945	826	22,113	10,786	10,886	21,672	43,785
Professional Fees and Contractual Services	21	8,230	504	3,032	1,363	7,536	1,865	593	23,144	70,594	1,693	72,287	95,431
Program Supplies	-	3,788	-	10,833	-	-	586	451	15,658	3,142	-	3,142	18,800
Rent	90	29,237	1,725	11,037	4,530	5,049	6,248	1,866	59,782	29,077	5,849	34,926	94,708
Subscriptions and Dues	12	531	28	147	84	34	70	34	940	988	2,372	3,360	4,300
Telephone and Internet	9	3,990	244	1,221	797	663	920	274	8,118	3,882	1,498	5,380	13,498
Volunteer and Donor Cultivation	-	-	-	-	3,043	-	-	-	3,043	373	3,106	3,479	6,522
<b>Total Functional Expenses</b>	<b>\$ 523</b>	<b>\$ 1,977,652</b>	<b>\$ 24,500</b>	<b>\$ 157,463</b>	<b>\$ 53,974</b>	<b>\$ 64,867</b>	<b>\$ 97,875</b>	<b>\$ 24,156</b>	<b>\$ 2,401,010</b>	<b>\$ 449,987</b>	<b>\$ 91,979</b>	<b>\$ 541,966</b>	<b>\$ 2,942,976</b>

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

THRIVE DC  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (184,231)	\$ (137,875)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation and Amortization	10,365	12,083
(Increase) Decrease in:		
Accounts Receivable	16,919	(5,387)
Prepaid Expenses	12,201	(1,846)
Increase (Decrease) in:		
Accounts Payable	8,605	(7,132)
Accrued Payroll	206	5,639
Deferred Revenue	<u>37,392</u>	<u>13,695</u>
Net Cash Used by Operating Activities	(98,543)	(120,823)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment and Leasehold Improvements	<u>(18,738)</u>	<u>(4,615)</u>
Net Cash Used by Investing Activities	(18,738)	(4,615)
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(117,281)	(125,438)
Cash and Cash Equivalents, Beginning of Year	<u>458,705</u>	<u>584,143</u>
Cash and Cash Equivalents, End of Year	<u>\$ 341,424</u>	<u>\$ 458,705</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, 2017 AND 2016

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, 2017 AND 2016

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.

Basis of Presentation

The Organization's financial reporting classifies resources, for accounting and reporting purposes, into three net asset categories according to externally (donor) imposed restrictions. The Organization records unconditional promises to give (pledges) as receivables and revenues and distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. A description of the three net asset categories follows.

- Permanently Restricted - the portion of the net assets resulting from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled and removed by actions of the Organization pursuant to those stipulations.
- Temporarily Restricted - the portion of the net assets resulting from contributions or other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.
- Unrestricted - the portion of the net assets that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions. There were no permanently restricted net assets as of December 31, 2017.

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.

THRIVE DC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2017 and 2016 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.

Allocation of Expenses

Expenses are allocated between program services, management and general support, and fundraising, in accordance with generally accepted accounting principles, and have been summarized on a functional basis in the statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising

The Organization expenses advertising costs as they are incurred.

THRIVE DC  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 July 20, 2018 that would have a material impact on the financial statements.

NOTE 2 - 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 cash balances on deposit at December 31, 2017 that exceeded the balance insured by the FDIC by approximately \$226,000. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents and has not experienced any losses on such accounts.

NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2017</u>	<u>2016</u>
Helping Children Grow	\$ 10,000	\$ ---
Client Assistance	28,965	27,229
Funeral Assistance	4,750	5,000
Kitchen Equipment	1,200	800
Music Therapy	18,526	---
Technology and Upgrades	35,932	40,000
Time	<u>30,522</u>	<u>133,618</u>
Total	\$ <u>129,895</u>	\$ <u>206,647</u>

THRIVE DC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 4 - 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.

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 \$330,563 and \$330,563 for the years ended December 31, 2017 and 2016, 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>2017</u>	<u>2016</u>
Food	\$ 1,508,253	\$ 1,270,095
Clothing, Toiletries, and Program Supplies	183,780	253,008
Professional Services	<u>101,840</u>	<u>51,600</u>
Total	\$ <u>1,793,873</u>	\$ <u>1,574,703</u>

NOTE 5 - OPERATING LEASES

In 2010, Thrive DC entered into a 5 year facility lease that was extended for an additional five years on January 31, 2015, the lease 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, 2017 are as follows:

Year ending December 31,

2018	\$ 92,449
2019	95,150
2020	<u>8,322</u>
Total	\$ <u>195,921</u>

THRIVE DC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 6 - 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, 2017 and 2016.