

THRIVE ST. LOUIS
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

**THRIVE ST. LOUIS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2017**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF CASH FLOWS	5
STATEMENT OF FUNCTIONAL EXPENSES	6
NOTES TO FINANCIAL STATEMENTS	7

INDEPENDENT AUDITORS' REPORT

Board of Directors
Thrive St. Louis
St. Louis, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Thrive St. Louis which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, cash flows, and functional expenses for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditors' 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 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.

Board of Directors
Thrive St. Louis

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thrive St. Louis as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Thrive St. Louis' 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 9, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
January 26, 2018

THRIVE ST. LOUIS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017
(WITH SUMMARIZED COMPARATIVE TOTAL INFORMATION AS OF JUNE 30, 2016)

ASSETS	2017	2016
CURRENT ASSETS		
Cash	\$ 146,297	\$ 258,624
Prepaid Expenses	60,672	64,093
Contract and Grant Receivables	13,074	-
Miscellaneous Receivables	-	6,679
Total Current Assets	220,043	329,396
PROPERTY AND EQUIPMENT		
Land	147,000	147,000
Building and Improvements	1,055,541	1,047,941
Furniture	74,789	73,364
Equipment	537,011	510,643
Leasehold Improvements	139,985	140,075
Vehicles	314,317	203,714
Total	2,268,643	2,122,737
Less: Accumulated Depreciation and Amortization	(1,226,992)	(1,096,338)
Net Property and Equipment	1,041,651	1,026,399
DEPOSITS	3,539	25,539
Total Assets	\$ 1,265,233	\$ 1,381,334
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Line of Credit	\$ -	\$ 145,000
Capital Lease Obligation - Current Installments	3,682	-
Accounts Payable	59,702	13,007
Accrued Expenses	972	1,198
Total Current Liabilities	64,356	159,205
CAPITAL LEASE OBLIGATION, LESS CURRENT INSTALLMENTS	14,833	-
Total Liabilities	79,189	159,205
NET ASSETS		
Unrestricted	1,186,044	1,222,129
Total Net Assets	1,186,044	1,222,129
Total Liabilities and Net Assets	\$ 1,265,233	\$ 1,381,334

See accompanying Notes to Financial Statements.

THRIVE ST. LOUIS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017
(WITH SUMMARIZED COMPARATIVE TOTAL INFORMATION AS OF JUNE 30, 2016)

	2017	2016
SUPPORT AND REVENUE		
Support:		
Contributions	\$ 1,678,199	\$ 1,687,974
Donated Services and Equipment	304,901	249,593
Total Support	1,983,100	1,937,567
Revenue:		
Contracts and Grants	515,176	282,702
Special Events, Net of Costs of Direct Benefits to Donors of \$122,562 and \$120,246 for 2017 and 2016, Respectively	456,502	429,336
Total Revenue	971,678	712,038
 Total Support and Revenue	 2,954,778	 2,649,605
EXPENSES		
Program Services:		
Counseling, Education, and Client Expenses	2,129,415	1,821,222
Total Program Services	2,129,415	1,821,222
Supporting Services:		
Management and General	335,236	313,444
Fundraising and Advancement	526,212	514,306
Total Supporting Services	861,448	827,750
 Total Expenses	 2,990,863	 2,648,972
CHANGE IN NET ASSETS	(36,085)	633
Net Assets - Beginning of Year	1,222,129	1,221,496
NET ASSETS - END OF YEAR	\$ 1,186,044	\$ 1,222,129

See accompanying Notes to Financial Statements.

THRIVE ST. LOUIS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2017
(WITH SUMMARIZED COMPARATIVE TOTAL INFORMATION AS OF JUNE 30, 2016)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Contributions	\$ 2,257,263	\$ 2,239,056
Cash Received from Earned Program Services	508,781	276,023
Cash Paid to Suppliers and Employees	(2,617,567)	(2,410,685)
Interest Paid	(11,244)	(6,866)
Other Expense/Income Paid (Received)	831	(2,654)
Net Cash Provided by Operating Activities	138,064	94,874
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Property and Equipment	(104,196)	(34,121)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Capital Lease Obligations	(1,195)	-
Net Proceeds (Payments) on Line of Credit Borrowing	(145,000)	5,000
Net Cash Provided (Used) by Financing Activities	(146,195)	5,000
NET CHANGE IN CASH	(112,327)	65,753
Cash - Beginning of Year	258,624	192,871
CASH - END OF YEAR	\$ 146,297	\$ 258,624
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	\$ (36,085)	\$ 633
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	130,654	119,671
Loss on Disposal of Fixed Assets	-	65
Changes in Assets and Liabilities		
Prepaid Expenses	3,421	(5,742)
Deposits	-	(22,000)
Other Assets	-	1,500
Contract and Grant Receivable	(13,074)	-
Miscellaneous Receivable	6,679	(6,679)
Accounts Payable	46,695	6,228
Accrued Expenses	(226)	1,198
Total Adjustments	174,149	94,241
Net Cash Provided by Operating Activities	\$ 138,064	\$ 94,874
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
Investing Activities - Prior Year Deposit Balance Transferred to Property and Equipment when Placed in Service	\$ 22,000	\$ -
Financing Activities - Purchase of Equipment through Capital Lease Obligation	\$ 19,711	\$ -

See accompanying Notes to Financial Statements.

THRIVE ST. LOUIS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017
(WITH SUMMARIZED COMPARATIVE TOTAL INFORMATION AS OF JUNE 30, 2016)

	2017				2016	
	Program Services	Supporting Services			Total Expenses	Total Expenses
	Counseling, Education and Client Expense	Management and General	Fundraising and Advancement	Total Supporting Services		
SALARIES AND RELATED EXPENSES	\$ 1,210,257	\$ 148,136	\$ 314,990	\$ 463,126	\$ 1,673,383	\$ 1,429,145
OTHER OPERATING EXPENSES						
Insurance	63,871	4,992	2,618	7,610	71,481	68,287
Client Assistance	148,370	-	-	-	148,370	188,765
Supplies	80,333	5,442	2,021	7,463	87,796	68,982
Facility and Equipment Rent	94,110	150	665	815	94,925	83,908
Telephone	15,865	4,484	2,587	7,071	22,936	17,184
Utilities	37,152	1,917	1,917	3,834	40,986	41,283
Volunteer	184,948	-	-	-	184,948	175,868
Advertising and Public Relations	6,561	-	28,994	28,994	35,555	27,090
Repairs and Maintenance	39,922	55,971	24,915	80,886	120,808	103,614
Professional Fees	48,275	12,479	-	12,479	60,754	19,724
Conferences and Travel	45,265	6,307	6,634	12,941	58,206	59,469
Bank Service Charges	-	21,141	-	21,141	21,141	14,591
Postage and Printing	1,386	3,154	3,773	6,927	8,313	17,010
Events and Appeals	-	-	124,578	124,578	124,578	103,514
Membership Fees and Dues	1,670	3,388	1,589	4,977	6,647	4,222
Educational Material	9,873	5,682	322	6,004	15,877	18,114
Taxes and Licenses	5,425	-	-	-	5,425	9,987
Interest	-	11,244	-	11,244	11,244	6,866
Website	5,236	-	-	-	5,236	2,613
Community Education	123	-	10,039	10,039	10,162	15,213
Other and Miscellaneous Expense	34,896	15,972	570	16,542	51,438	53,852
Total Other Operating Expenses	823,281	152,323	211,222	363,545	1,186,826	1,100,156
DEPRECIATION AND AMORTIZATION	95,877	34,777	-	34,777	130,654	119,671
Total Expenses	<u>\$ 2,129,415</u>	<u>\$ 335,236</u>	<u>\$ 526,212</u>	<u>\$ 861,448</u>	<u>\$ 2,990,863</u>	<u>\$ 2,648,972</u>

See accompanying Notes to Financial Statements.

THRIVE ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 NATURE OF ORGANIZATION

Thrive St. Louis (the Organization) is a nonprofit organization which provides assistance and counseling for women faced with unexpected pregnancies in the St. Louis, Missouri region and educates youth about making best and healthiest choices regarding sex. Revenue is generated primarily through donations and grants to the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Basis of Presentation

The Organization reports its information regarding financial position and activities according to three classes of net assets depending upon the existence or nature of any donor-imposed restrictions. The following is a description of these classes of net assets:

Unrestricted – Those resources over which the board of directors has discretionary control. Designated amounts represent those resources that the board has set aside for a particular purpose.

Temporarily Restricted – Those resources subject to donor-imposed restrictions that will be satisfied by actions of the Organization or the passage of time. No temporarily restricted net assets existed at June 30, 2017.

Permanently Restricted – Those resources subject to donor-imposed restrictions that will be maintained permanently by the Organization. The donors of these resources permit the Organization to use all or part of the income earned, including capital appreciation, on related investments for unrestricted or temporarily restricted purposes. No permanently restricted assets were held during the year ended June 30, 2017; and, accordingly, these financial statements do not reflect any activity related to this class of net assets.

Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

THRIVE ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements.

Program Services

Counseling, Education, and Client Services – For women facing unexpected pregnancies, the Organization provides counseling and assistance, including providing maternity home facilities to give mothers an opportunity to focus on pregnancy and personal needs. Additionally, brick and mortar and mobile locations provide pregnancy and women’s health related services to college students and the underserved. The Organization also educates youth at high schools, middle schools, youth groups, and churches about making best and healthiest choices and includes information on sexual integrity, sexually transmitted diseases, brain function, premarital, and marital sex.

Supporting Services

Management and General – These expenses include the functions necessary to maintain the execution of the program strategy, secure proper administrative functioning of the board of directors, and manage the financial and budgetary responsibilities of the Organization.

Fundraising and Advancement – These expenses provide the structure necessary to encourage and secure financial support for the Organization through contributions.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

Contract and Grant Receivables

Contract and grant receivables are stated at the amount management expects to collect from outstanding balances. This balance consists of billings to another nonprofit organization for contract revenues as well as grant billings to government granting agencies. At June 30, 2017, the contract and grant receivable balance was \$13,074. No allowance for doubtful accounts was deemed necessary by management.

Property and Equipment

The Organization capitalizes all expenditures in excess of \$500 for property and equipment at cost. Property and equipment received by donation is recorded at the fair market value at the date of donation. Expenditures for normal repairs and maintenance are charged to expense as incurred. Major repairs that significantly extend the life of an asset are capitalized. Depreciation and amortization is provided on the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years. Leasehold improvements are amortized over the lesser of the estimated useful life or the term of the lease.

THRIVE ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Restricted and Unrestricted Support and Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose of the restrictions. Current unrestricted funds are the operating funds of the Organization and are currently expendable. They consist of current funds which have not been restricted in any manner by the donors and are available for any purpose of the Organization. These unrestricted gifts include gifts of cash, securities, and property. Pledges are recorded as gift revenue when the related cash is received. Pledges are obtained as an intention to give by the donor and not as an unconditional promise to give.

Contributed Services and Materials

Certain professional services are donated to the Organization by various individuals. Since these donated services meet the criteria for recognition under ASC 958-605, *Accounting for Contributions Received and Contributions Made*, they are recorded at fair value at the date of donation and are described in more detail at Note 5. In addition, a substantial number of volunteers have donated a significant amount of their time to the Organization's programs. However, certain donated services have not been recorded because they do not meet the criteria under ASC 958-605.

Various materials, supplies, and equipment are donated to the Organization. These items are recorded as contributions at their respective estimated fair values at the date of the donation.

Revenue Recognition – Grants and Contracts

Grants and contracts are generally recognized as revenue in the period the specific services are performed. However, certain grants may qualify as contributions and, accordingly, they are recognized as support when made.

THRIVE ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense Allocation

The costs of providing the Organization's program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited, as shown in the statement of functional expenses based on management's estimate of resources devoted to the identified service area.

Advertising Costs

Advertising costs are expensed as incurred.

Tax Status

The Organization constitutes a qualified, nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and is, therefore, exempt from all federal and state income taxes.

Prior Year Summarized Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

NOTE 3 LINE OF CREDIT

During the year ended June 30, 2017, the Organization maintained a revolving loan agreement with its bank with a maximum credit limit of \$300,000. The line of credit is secured by a lien on the Organization's real estate. The line of credit is payable on demand and bears interest at the effective interest rate of 5.25% (index of 4.25% plus 1%) at June 30, 2017. There was \$-0- outstanding balance on this revolving loan agreement at June 30, 2017.

NOTE 4 REVENUE AND RESTRICTED NET ASSETS

Net assets are released from donor restrictions by incurring expenses or capital expenditures satisfying the restricted purposes or by occurrence of other events specified by donors. It is the Organization's policy to recognize the release of donor restrictions for gifts received for long-lived assets when the long-lived asset is received or placed in service. If restricted revenue is received in the same reporting period in which it is spent, the revenue is shown as an increase in unrestricted net assets. For the year ended June 30, 2017, the Organization received restricted contributions totaling \$188,395 which are included within unrestricted revenue, as expenses were incurred during the year ended June 30, 2017, that satisfied the restricted purposes.

THRIVE ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5 DONATED SERVICES

Donated services of \$145,002 have been reflected in the financial statements at June 30, 2017 as support and revenue and program service expense, since volunteers who have undergone specialized training in medicine, counseling, and other professional services have donated significant amounts of their time in the Organization's program services. The value of these services was determined by using an established hourly wage which is deemed to be a fair estimate. In total, the Organization received over 11,457 of specialized and nonspecialized volunteer hours during the year ended June 30, 2017.

In addition, donated gifts in kind, including items such as diapers, baby wipes, supplies, clothing, delivery services, advertising, etc., totaled \$159,899 for the year ended June 30, 2017.

NOTE 6 LEASE OBLIGATIONS

Operating Leases

The Organization has operating leases expiring at various dates through 2022 for buildings and equipment at its various locations used for community service programs and administrative facilities. Total rent expense for the year ended June 30, 2017 was \$94,925.

The future minimum rental payments as of June 30, 2017, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 60,525
2019	36,315
2020	29,643
2021	30,450
2022	22,838
Total	<u>\$ 179,771</u>

Capital Leases

The Organization has a capital lease obligation which was obtained to finance the purchase of office equipment. The following is a summary of property held under the capital lease obligation as of June 30, 2017:

Office Equipment	\$ 19,711
Accumulated Amortization and Expense	(1,643)
Net Capitalized Office Equipment	<u>\$ 18,068</u>

THRIVE ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 LEASE OBLIGATIONS (CONTINUED)

The future minimum lease payments for this capital lease as of June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 4,356
2019	4,356
2020	4,356
2021	4,356
2022	<u>2,904</u>
Total Minimum Lease Payments	20,328
Less Amount Representing Interest	<u>(1,813)</u>
Present Value of Minimum Lease Payments	18,515
Less Current Installments	<u>(3,682)</u>
Long-Term Portion	<u><u>\$ 14,833</u></u>

Interest expense relating to this lease amounted to \$256 for the year ended June 30, 2017.

NOTE 7 RETIREMENT PLAN

The Organization maintains a tax-qualified 401(k) deferred retirement plan. The Plan provides for employer matching contributions up to 3% of employee compensation. Expenses related to the plan totaled \$10,455 for the year ended June 30, 2017.

NOTE 8 INCOME TAXES

The Organization has adopted ASC 740-10, *Income Taxes*, as it relates to uncertain tax positions and has evaluated their tax positions taken for all open tax years. The Organization is not currently under audit nor has it been contacted by the Internal Revenue Service.

Based on the evaluation of the Organization's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded as of June 30, 2017.

NOTE 9 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 26, 2018, the date which the financial statements were available to be issued.