Arlington Thrive

Formerly known as:
Arlingtonians Meeting Emergency Needs, Inc.

Financial Statements

June 30, 2013 and 2012

KOSITZKA, WICKS & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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KOSITZKA, WICKS & COMPANY
Certified Public Accountants

Independent Auditor's Report

The Board of Directors
Arlington Thrive

We have audited the accompanying statements of financial position of **Arlington Thrive** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, 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 of 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 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 **Arlington Thrive**, as of June 30, 2013 and 2012, 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.

Kositzka, Wicks and Company

Alexandria, Virginia
October 29, 2013

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Arlington Thrive

formerly known as Arlingtonians Meeting Emergency Needs, Inc.

Statements of Financial Position

June 30,	2013	2012
Assets		
Current assets		
Cash and cash equivalents	$ 112,603	$ 111,533
Prepaid expenses	1,368	1,276
Grants receivable	-	3,783
	113,971	116,592
Property		
Equipment	5,861	6,101
Less: accumulated depreciation	(5,479)	(5,761)
	382	340
Total assets	$ 114,353	$ 116,932
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	$ 6,468	$ 3,144
Refundable advance	3,025	3,025
Total liabilities	9,493	6,169
Net assets		
Unrestricted	74,728	102,681
Temporarily restricted	30,132	8,082
Total net assets	104,860	110,763
Total liabilities and net assets	$ 114,353	$ 116,932

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Arlington Thrive

formerly known as Arlingtonians Meeting Emergency Needs, Inc.

Statement of Activities
for the year ended June 30, 2013

	Unrestricted	Temporarily restricted	Total
Revenue			
Contributions	$ 207,610	$ 30,000	$ 237,610
Arlington County funds	-	514,565	514,565
EnergyShare grants	-	95,959	95,959
Grants from foundations	32,250	84,000	116,250
United Way and CFC funding	22,032	-	22,032
Interest earned	146	-	146
In-kind contributions	4,500	-	4,500
Net assets released from restrictions	702,474	(702,474)	-
Total revenue	969,012	22,050	991,062
Expenses			
Program services	880,472	-	880,472
Management and general	66,241	-	66,241
Fundraising	50,252	-	50,252
Total expenses	996,965	-	996,965
Change in net assets	(27,953)	22,050	(5,903)
Net assets at beginning of year	102,681	8,082	110,763
Net assets at end of year	$ 74,728	$ 30,132	$ 104,860

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Arlington Thrive

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Statement of Activities
for the year ended June 30, 2012

	Unrestricted	Temporarily restricted	Total
Revenue			
Contributions	$ 228,481	$ 33,000	$ 261,481
Arlington County funds	4,145	480,030	484,175
EnergyShare grants	-	83,438	83,438
Grants from foundations	12,500	66,750	79,250
Grants - other	-	2,275	2,275
United Way and CFC funding	19,024	-	19,024
Interest earned	265	-	265
Other revenue and refunds	14,435	-	14,435
In-kind contributions	4,500	-	4,500
Net assets released from restrictions	662,397	(662,397)	-
Total revenue	945,747	3,096	948,843
Expenses			
Program services	858,098	-	858,098
Management and general	54,379	-	54,379
Fundraising	44,559	-	44,559
Total expenses	957,036	-	957,036
Change in net assets	(11,289)	3,096	(8,193)
Net assets at beginning of year	113,970	4,986	118,956
Net assets at end of year	$ 102,681	$ 8,082	$ 110,763

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Arlington Thrive

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Statement of Functional Expenses
for the year ended June 30, 2013

	Program	Management and general	Fundraising	Total
Expenses				
Daily Fund expense	$ 390,734	$ -	$ -	$ 390,734
Carter-Jenkinson fund rent assistance	309,649	-	-	309,649
EnergyShare expense	94,382	-	-	94,382
Administrative support salaries	44,559	25,054	22,280	91,893
Section 8 security deposit loans	14,083	-	-	14,083
PSH emergency fund expense	5,128	-	-	5,128
Bookkeeping	-	11,064	-	11,064
Audit charges	-	10,500	-	10,500
Consulting	-	2,775	5,529	8,304
Printing	2,752	977	2,485	6,214
Payroll taxes	3,721	1,950	1,861	7,532
Mass mailing costs	3,130	-	4,635	7,765
Fundraising	247	15	1,718	1,980
Donated professional services	-	4,500	-	4,500
Dress for work success	3,674	-	-	3,674
Insurance	-	2,707	-	2,707
Telephone	1,664	456	456	2,576
Office supplies and services	618	1,749	8	2,375
Office rent	950	950	-	1,900
Community outreach	1,882	279	6,737	8,898
Dues and subscriptions	557	537	182	1,276
Postage and freight	233	117	247	597
Depreciation	234	34	-	268
Computer-related expense	-	155	-	155
Miscellaneous	-	307	25	332
Rebranding	1,939	1,974	3,878	7,791
Website	336	133	211	680
Bank charges	-	8	-	8
Total functional expenses	$ 880,472	$ 66,241	$ 50,252	$ 996,965

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Arlington Thrive

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Statement of Functional Expenses
for the year ended June 30, 2012

	Program	Management and general	Fundraising	Total
Expenses				
Daily Fund expense	$ 345,155	$ -	$ -	$ 345,155
Carter-Jenkinson fund rent assistance	329,280	-	-	329,280
EnergyShare expense	83,105	-	-	83,105
Administrative support salaries	38,004	18,858	18,858	75,720
Section 8 security deposit loans	17,231	-	-	17,231
PSH emergency fund expense	16,737	-	-	16,737
Bookkeeping	-	10,749	-	10,749
Audit charges	-	10,500	-	10,500
Client support	10,458	-	-	10,458
Consulting	-	1,000	8,416	9,416
Printing	4,641	79	4,452	9,172
Payroll taxes	3,711	1,901	1,825	7,437
Mass mailing costs	1,407	-	4,784	6,191
Fundraising	-	-	4,796	4,796
Donated professional fees	-	4,500	-	4,500
Dress for work success	4,129	-	-	4,129
Insurance	-	2,659	-	2,659
Telephone	1,601	421	421	2,443
Office supplies and services	717	1,286	357	2,360
Office rent	950	950	-	1,900
Community outreach	294	134	305	733
Dues and subscriptions	320	375	17	712
Postage and freight	249	72	225	546
Depreciation	-	481	-	481
Computer-related expense	-	205	-	205
Miscellaneous	25	162	-	187
Website	84	-	103	187
Bank charges	-	47	-	47
Total functional expenses	$ 858,098	$ 54,379	$ 44,559	$ 957,036

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Arlington Thrive

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Statements of Cash Flows
for the years ended June 30,

	2013	2012
Cash flows from operating activities		
Change in net assets	$ (5,903)	$ (8,193)
Adjustments to reconcile change in net assets to cash		
provided (used) by operating activities		
Depreciation expense	268	481
(Increase) decrease in operating assets		
Prepaid expenses	(92)	(460)
Grants receivable	3,783	(3,783)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	3,324	(575)
Refundable advance	-	(2,100)
Net cash provided (used) by operating activities	1,380	(14,630)
Cash flows from investing activities		
Purchase of equipment	(310)	-
Net cash used by investing activities	(310)	-
Net increase (decrease) in cash and cash equivalents	1,070	(14,630)
Cash and cash equivalents, beginning of year	111,533	126,163
Cash and cash equivalents, end of year	$ 112,603	$ 111,533
Supplemental cash flow information		
Interest paid	$ -	$ -
Incomes taxes paid	$ -	$ -

The accompanying independent auditor's report and notes are an integral part of the financial statements.

1. Organization and purpose

Arlington Thrive, formerly known as Arlingtonians Meetings Emergency Needs, Inc., is a nonprofit organization incorporated in 1975 to provide emergency financial help to residents of Arlington, Virginia. Arlington Thrive makes grants for rent, utility bills, medical and dental bills, prescriptions, and transportation.

Arlington Thrive's main sources of revenue include a grant from Arlington County and contributions from individuals, churches, businesses, and foundations.

2. Significant accounting policies

Basis of accounting

The financial statements of Arlington Thrive are prepared using the accrual method of accounting. In accordance with this method of accounting, revenue is recognized in the period in which it is earned and expenses are recognized in the period in which they are incurred. All revenue and expenses, which are applicable to future periods, have been presented as deferred revenue or prepaid expenses on the accompanying statements of financial position.

Financial statement presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At June 30, 2013 and 2012 the Organization had no permanently restricted net assets.

Revenue recognition

Contributions received and unconditional promises to give are measured at their fair values and are reported as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. A contribution is classified as temporarily restricted when the donor has designated it for future use or specified an event that must transpire before it is available for use. When a donor 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 statement of activities as net assets released from restrictions. Other revenue is recognized when earned.

Cash and cash equivalents

For purposes of the statements of cash flows, Arlington Thrive considers all cash and unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Arlington Thrive maintains its cash in bank deposit accounts which, at times, may exceed Federal Deposit Insurance Corporation (FDIC) limits. FDIC insurance is $250,000 per depositor, per insured bank. Arlington Thrive has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk. At June 30, 2013 and 2012, there were no amounts that exceeded FDIC insurance coverage.

2. Significant accounting policies (continued)

Property and equipment

Property and equipment is recorded at cost. Arlington Thrive's policy is to capitalize purchases of property and equipment with a cost of $1,000 or more. Depreciation is computed on a straight-line basis over the estimated useful lives of the property and equipment, generally three years to seven years.

Accrued vacation

Vacation and sick pay are expenditures in the year paid. Upon termination, an employee is compensated for any accrued but unpaid vacation pay. Accrued vacation balances were $1,252 and $1,008 as of June 30, 2013 and 2012, respectively, and are included with accounts payable and accrued expenses on the accompanying statements of financial position.

Donated services

Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized.

Functional classification of expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among program, management and general and fundraising, based on estimates of personnel time.

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts 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.

Other financial assets and liabilities

Financial assets with carrying values approximating fair value include cash and cash equivalents, prepaid expenses and grants receivable. Financial liabilities with carrying values approximating fair value include accounts payable and accrued expenses and refundable advance. The carrying value of these financial assets and liabilities approximates fair value due to their short maturities.

3. Property and equipment

Property and equipment and related depreciation are as follows as of June 30, 2013 and 2012:

	Useful life (years)	Depreciation expense 2013	Depreciation expense 2012	Accumulated depreciation 2013	Accumulated depreciation 2012
Equipment	5-7	$ 268	$ 481	$ 3,867	$ 4,149
Software	3	-	-	1,612	1,612
		$ 268	$ 481	$ 5,479	$ 5,761

4. Arlington County contract

According to the provisions of the contract received from Arlington County, funds received must be matched by $170,000 in private funding for the years ended June 30, 2013 and 2012. Arlington Thrive met this requirement during both years.

5. Security deposit program

The Section 8 Security Deposit Program was initiated to assist Section 8 housing clients by providing loans for security deposits. Arlington County provides Arlington Thrive with funds to implement this program. Individuals repay the loans over a period of time through monthly payments to the County Section 8 program. For the years ended June 30, 2013 and 2012, Arlington Thrive disbursed $14,083 and $17,231, respectively in new loans. No receivable or allowance has been recorded for the years ended June 30, 2013 and 2012 as Arlington County holds the promissory notes with these individuals and pursues collection. For the year ended June 30, 2012, Arlington Thrive received $4,145 from Arlington County for Section 8 repayments. There were no repayments during the year ended June 30, 2013.

6. EnergyShare program

Arlington Thrive participates in EnergyShare, a Dominion Virginia Power program which collects donations from electric company customers to assist other customers in paying utility bills. Arlington Thrive uses EnergyShare grants to pay electric, gas, and oil bills. For the years ended June 30, 2013 and 2012, Arlington Thrive received a total of $95,959 and $83,438, respectively and provided $94,382 and $83,105 expenditures for assistance, respectively.

7. Temporarily restricted net assets

The organization received contributions in support of specific programs for the years ended June 30, 2013 and 2012. These contributions have been reflected in the statements of activities as temporarily restricted contributions. To the extent those funds have been disbursed in support of these programs, amounts have been recorded as net assets released from restrictions. Any funds that have not been expended are included as net assets - temporarily restricted as of June 30, 2013 and 2012. Additional expenditures to maintain these programs are provided from the unrestricted current asset balance.

Temporarily restricted net assets consisted of the following as of June 30,

	2013	2012
Restricted grants	$ 1,910	$ 333
Carter-Jenkinson Fund	21,066	-
Permanent Supportive Housing Emergency Fund	7,156	7,749
	$ 30,132	$ 8,082

Net assets were released from donor restrictions during the years ended June 30, 2013 and 2012 by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors. Net assets released from restrictions consisted of the following for the years ended June 30,

	2013	2012
Arlington County funds	$ 514,565	$ 460,030
EnergyShare grants	94,382	83,105
Restricted grants and contributions	88,399	102,525
Permanent Supportive Housing Emergency Fund	5,128	16,737
	$ 702,474	$ 662,397

8. Contributed services

Arlington Thrive received substantial benefit from services provided by members of the local community. These services included fund-raising and publicity, record-keeping, and processing of requests for assistance. The value of the volunteer hours was estimated by management to be $25,213 and $23,617 for the years ended June 30, 2013 and 2012, respectively. The value of the donated local community services is not reflected in the accompanying financial statements.

For the years ended June 30, 2013 and 2012, Arlington Thrive received donated professional information technology service fees of $4,500. The total donated professional service fees of $4,500 for the years ended June 30, 2013 and 2012, respectively, are reflected in the financial statements on the accompanying Statements of Activities.

9. Related party transaction

The former program director, also a member of the Arlington Thrive board of directors, was paid a monthly stipend for coordinating and processing requests for assistance services related to the Arlington County grant. He was also reimbursed for expenses incurred on Arlington Thrive's behalf. For the year ended June 30, 2012, payments for these services were $6,880. There were no payments during the year ended June 30, 2013.

10. Commitments

Arlington Thrive entered into an operating lease for office space with a church in Arlington. The facility agreement began March 1, 2011 and shall continue until terminated by either party. The agreement provides for payment of a base rent amount of $475 per quarter plus operating expenses. Rental expense was $1,900 for both of the years ended June 30, 2013 and 2012.

11. Concentration

Arlington County funds accounted for 52% and 51% respectively, of revenue for the years ended June 30, 2013 and 2012.

12. Income taxes

Arlington Thrive is exempt from federal income tax as a nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code and is classified as an organization other than a private foundation. For the years ended June 30, 2013 and 2012, Arlington Thrive did not have any "unrelated business income" subject to income taxes. Accordingly, no provision for income taxes has been included in these financial statements.

Arlington Thrive is subject to taxation in the U.S. and a small number of state and local jurisdictions. The material jurisdictions subject to potential examination by taxing authorities include the United States and Virginia. Management does not believe that the ultimate outcome of any future examinations of open tax years will have a material impact on Arlington Thrive's results of operations. Tax years that remain subject to examination by the IRS are for the years ended June 30, 2010 through June 30, 2013.

13. Subsequent events

Arlington Thrive assessed events occurring subsequent to June 30, 2013 through October 29, 2013, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to or disclosure in the financial statements.