THRIVE FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

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DAIGREPONT & BRIAN

A Professional Accounting Corporation *Certified Public Accountants*

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Thrive Foundation
Baton Rouge, LA

Report on the Financial Statements
We have audited the accompanying financial statements of Thrive Foundation (a non-profit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, 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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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, the financial statements referred to above present fairly, in all material respects, the financial position of Thrive Foundation as of June 30, 2019 and 2018, 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.

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Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Compensation, Benefits and Other Payments to the School Leader, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated April 20, 2020, on our consideration of Thrive Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Thrive Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Thrive Foundation's internal control over financial reporting and compliance.

Daigrepont & Brian, APAC

Daigrepont & Brian, APAC
Baton Rouge, LA

April 20, 2020

THRIVE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Current Assets		
Cash	$ 37,338	$ 238,087
Accounts receivable	-	38,175
Interest receivable	53,130	-
Note receivable, current portion	56,221	-
Due from Thrive Baton Rouge, a related organization	-	219,276
Total Current Assets	146,689	495,538
Property and Equipment		
Land	1,200,000	1,200,000
Building	8,634,206	8,626,334
Equipment	201,360	110,497
Software	10,966	7,666
Furniture & fixtures	3,767	1,329
Construction in progress	-	58,370
Accumulated depreciation	(729,571)	(415,750)
Total Property and Equipment	9,320,728	9,588,446
Other Assets		
Prepaids	16,343	17,480
Total Other Assets	16,343	17,480
Long Term Assets		
Note receivable, net of current	5,482,979	-
Total Long Term Assets	5,482,979	-
Total Assets	$ 14,966,739	$ 10,101,464
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 85,740	$ 95,870
Accrued Interest	48,442	-
Short term portion of long term debt	291,379	225,928
Due to Thrive Baton Rouge, a related organization	-	143,856
Total Current Liabilities	425,561	465,654
Long Term Liabilities		
Long term debt, net of current portion	11,534,902	6,285,517
Total Long Term Liabilities	11,534,902	6,285,517
Total Liabilities	11,960,463	6,751,171
Net Assets Without Donor Restrictions	3,006,276	3,350,293
Total Liabilities and Net Assets	$ 14,966,739	$ 10,101,464

See accompanying notes and independent auditors' report.

THRIVE FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	$ 93,288	$ 114,500	$ 207,788
Rental Income	1,129,034	-	1,129,034
Interest Income	152,830		152,830
State Funding	232,001	-	232,001
Other Income	4,310	-	4,310
Net assets released from restriction	114,500	(114,500)	-
Total Revenues	1,725,963	-	1,725,963
EXPENSES			
Program services	1,539,058	-	1,539,058
Management and general	530,922	-	530,922
Total Expenses	2,069,980	-	2,069,980
CHANGE IN NET ASSETS	(344,017)	-	(344,017)
Net assets - beginning of year	3,350,293	-	3,350,293
Net assets - end of year	$ 3,006,276	$ -	$ 3,006,276

See accompanying notes and independent auditors' report.

THRIVE FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	$ 611,089	$ 107,000	$ 718,089
Rental Income	1,125,434	-	1,125,434
State Funding	1,840	-	1,840
Other Income	6,150	-	6,150
Other Income	107,000	(107,000)	-
Total Revenues	1,851,513	-	1,851,513
EXPENSES			
Program services	903,139	-	903,139
Management and general	449,508	-	449,508
Total Expenses	1,352,647	-	1,352,647
CHANGE IN NET ASSETS	498,866	-	498,866
Net assets - beginning of year	2,851,427	-	2,851,427
Net assets - end of year	$ 3,350,293	$ -	$ 3,350,293

See accompanying notes and independent auditors' report.

THRIVE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Management & General	Total
Banking fees	$ 23,050	$ 5,762	$ 28,812
Contributions	461,430	-	461,430
Depreciation	235,366	78,455	313,821
Employee benefits	7,210	21,631	28,841
Equipment & furniture	1,066	267	1,333
Facility expenses	50,552	50,551	101,103
Food service	4,743	-	4,743
Insurance	43,091	10,773	53,864
Interest expense	399,247	133,082	532,329
Materials and software	18,401	-	18,401
Miscellaneous	4,042	1,010	5,052
Payroll Taxes	3,412	10,237	13,649
Rent	2,196	732	2,928
Repairs & maintenance	74,957	24,986	99,943
Salaries & wages	42,512	127,536	170,048
Supplies	28,783	9,594	38,377
Technical & Professional	29,254	30,314	59,568
Transportation	31,770	-	31,770
Utilities	77,976	25,992	103,968
	$ 1,539,058	$ 530,922	$ 2,069,980

See accompanying notes and independent auditors' report.

THRIVE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	Program Services	Management & General	Total
Banking fees	$ 6,103	$ 1,526	$ 7,629
Depreciation	191,620	63,873	255,493
Employee benefits	4,452	13,356	17,808
Equipment & furniture	4,483	1,121	5,604
Facility expenses	37,233	37,232	74,465
Food service	11,104	-	11,104
Insurance	54,521	13,630	68,151
Interest expense	249,066	83,022	332,088
Materials and software	29,587	-	29,587
Miscellaneous	4,416	1,104	5,520
Payroll Taxes	3,208	9,623	12,831
Repairs & maintenance	70,194	23,398	93,592
Salaries & wages	38,288	114,864	153,152
Supplies	39,641	13,214	52,855
Technical & Professional	35,651	38,204	73,855
Transportation	17,547	-	17,547
Utilities	106,025	35,341	141,366
	$ 903,139	$ 449,508	$ 1,352,647

See accompanying notes and independent auditors' report.

THRIVE FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ (344,017)	$ 498,866
Adjustments to reconcile net revenues over expenses to net cash provided by (used in) operating activities:		
Depreciation	313,821	255,493
(Increase) decrease in accounts receivable	38,175	(38,175)
(Increase) decrease in note receivable, current portion	(56,221)	150,000
Increase in note receivable, net of current portion	(5,482,979)	-
Increase in interest receivable	(53,130)	-
(Increase) decrease in due from Thrive Baton Rouge, a related organization	219,276	(168,504)
(Increase) decrease in prepaids	1,137	(17,480)
Decrease in accounts payable	(10,130)	(314,753)
Increase in interest payable	48,442	-
Increase (decrease) in due to Thrive Baton Rouge, a related organization	(143,856)	143,856
Net cash provided by (used in) operating activities	(5,469,482)	509,303
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment purchases	(104,473)	(257,079)
Net cash used in investing activities	(104,473)	(257,079)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(235,921)	(138,355)
Payments on short-term debt	(225,928)	(185,000)
Proceeds from long-term debt	5,485,306	270,317
Proceeds from short-term debt	291,379	35,000
Increase in organizational costs	58,370	-
Net cash provided by (used in) financing activities	5,373,206	(18,038)
INCREASE (DECREASE) IN CASH	(200,749)	234,186
CASH, BEGINNING OF YEAR	238,087	3,901
CASH, END OF YEAR	$ 37,338	$ 238,087
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	$ 483,887	$ 332,088

See accompanying notes and independent auditors' report.

THRIVE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

1. Summary of Significant Accounting Policies

Nature of Operations

Thrive Foundation (the Foundation) was formed as a non-profit Foundation in October of 2013. The Foundation provides support to a local charter school, Thrive Academy chiefly in the areas of facilities, fundraising, and facilitating financing. Currently, the main source of support for the Foundation is rent collections from the Louisiana Department of Education (LDOE). The LDOE submits payments to the Foundation using school funding that would have been paid to Thrive Academy, which is the entity current renting the school building.

The Foundation is also active in the community in efforts to help raise additional capital for Thrive Academy in the form of philanthropic donations. Instead of remitting these funds when collected, The Foundation will often pay expenses for the benefit of Thrive Academy.

Basis of Accounting

The financial statements of Thrive Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Net Assets

The Foundation reports information regarding its financial position and activities according to two classes of net assets.

Net Assets Without Donor Restrictions are net assets that are not subject to donor-imposed restrictions and are available for use at the organization's discretion.

Net Assets With Donor Restrictions are net assets subject to donor-imposed restrictions that may or will be met, either by actions of the organization, and/or the passage of time. Once the restrictions are met, they are reclassified to net assets without donor restrictions. The Foundation does not have any net assets with donor restrictions for the year ended June 30, 2019 or 2018.

Use of 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.

Cash

Cash includes all funds in checking and savings accounts.

Income Taxes

The Foundation accounts for income taxes in accordance with FASB ASC 740-10, Accounting for *Uncertainty in Income Taxes*. Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

The Foundation is a non-profit Foundation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Foundation files Form 990 in the U.S. federal jurisdiction. The Foundation is no longer subject to federal information return examinations by tax authorities for years before 2016.

1. Summary of Significant Accounting Policies (continued)

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through April 20, 2020, which is the date the financial statements were available to be issued.

Functional Expenses

The Foundation allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program, such as curriculum supplies, are allocated directly according to their natural expense classification. Other expenses that are attributable to both the program and supporting functions are allocated based on management's estimates of time and effort.

Recently Issued Accounting Standards

On August 18, 2016 the FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Top 958): Presentation of Financial Statements of Not-for-Profit Entities*. Among other provisions, ASU 2016-14 reduces the number of classes of net assets from three to two, requires the presentation of expenses in both natural and functional classifications, and requires the disclosure of both quantitative and qualitative information about the availability of and how the organization manages its liquid available resources to meet cash needs for general expenditures within on year of the balance sheet date.

2. Property and Equipment

All acquisitions of property and equipment in excess of $500 and all expenditures for betterments that materially prolong the useful lives of assets are capitalized and are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives ranging from 5-39 years.

Depreciation expense was $313,821 and $255,493 for the years ended June 30, 2019 and 2018, respectively.

3. Commitments and Contingencies

Beginning in October of 2017 and on, the majority of the Foundation's funding comes in form of rent collected from LDOE, as discussed above. The rental agreement is renewable annually therefore it is possible that this source of revenue could be reduced or eliminated based on whether LDOE and Thrive Academy agrees to the terms of the agreement.

4. Concentrations

Beginning in October of 2017 and going forward, the majority of the Foundation's revenue comes in the form of rent collections received from Thrive Academy and LDOE as they are renting the facilities constructed by the Foundation.

For the years ended June 30, 2019 and 2018 approximately 10% and 40%, respectively, of total revenue consist of philanthropic donations collected from various entities throughout the year.

At various times during the year, the Foundation maintained cash balances in its bank accounts in excess of FDIC insurable limits. In evaluating this credit risk, the Foundation periodically evaluated the stability of this financial institution.

5. Mortgage Loan

In October of 2016 the Foundation converted a construction loan into a traditional mortgage, which is due in 48 monthly principal and interest payments of $43,648. The balance due as of June 30, 2019 and 2018 was $6,049,089 and $6,261,193, respectively.

Future maturities for the mortgage loan are as follows:

2020	$	224,600
2021		236,088
2022		5,588,401
	$	6,049,089

6. Promissory Note

The Foundation has a note with a local bank dated August 28, 2017 with an original balance of $260,000 due in 59 monthly payments of $2,087. This note bears interest at 5.15% which is payable in regular monthly installments. This note is collateralized by the building owned by the Foundation. The balance due as of June 30, 2019 and 2018 was $237,992 and $250,254, respectively.

Future maturities for this note are as follows:

2020	$	12,885
2021		13,608
2022		14,336
2023		197,163
	$	237,992

Interest expense for the years ending June 30, 2019 and 2018 was $532,329 and $332,088, respectively.

7. Related Party Transactions

The Foundation was originally formed to support Thrive Baton Rouge (Thrive), a local area charter school. This purpose has remained consistent with the exception of the Foundation providing support services for Thrive Academy, the school as of July 2017. However, the Foundation and Thrive are actively engaged in multiple transactions in regards to leases, donor contributions, and reimbursements in their support of Thrive Academy. As of June 30, 2019 management entered into an agreement with Thrive to forgive all related party balances.

Transactions between Thrive and the Foundation during 2019 are as follows:

Balance as of December 31, 2018	$	219,276
Expenses paid by the Foundation on behalf of Thrive		20,649
Less: contributions made by Thrive to the Foundation		(239,925)
Due from Thrive, a related organization	$	-

Balance as of December 31, 2018	$	143,856
Fixed asset payments made by Thrive on behalf of the Foundation		80,000
Contributions made to the Foundation to be remitted to Thrive		100,000
Capital lease payments made by Thrive on behalf of the Foundation		15,554
Less: amounts remitted from the Foundation to Thrive		(115,554)
Less: extinguishment of related party debt		(223,856)
Due to Thrive, a related organization	$	-

8. State Capital Outlay Funding

In 2015, the Foundation submitted a request for a four million dollar appropriation of capital outlay funding by the State Bond Commission. The terms of the funding state that one million would be issued from the state general fund and another three million from future general obligation bond proceeds. The Foundation requested and received $232,001 and $0 for fiscal years ended June 30, 2019 and 2018 respectively, for the purpose of the property purchase and resulting construction of the new facilities to be rented to Thrive Academy.

9. New Market Tax Credit

On October 12, 2018 the Foundation entered into a New Market Tax Credit financing arrangement with Thrive and other financial institutions and investment firms for the purpose of constructing a new academic facility for Thrive Academy. Pursuant to the terms of detailed in the agreement, the Foundation is to act as the leveraged lender for Thrive. In fulfillment of this function the Foundation has recorded a corresponding note receivable and note payable in the amount of $5,539,200. Additional details are as follows:

Note Receivable:
Quarterly interest only payments at a fixed interest rate of 3.8341% beginning January 10, 2019 will be received until January 1, 2020, at which time principal and interest payments will be received quarterly at the same interest rate. A final balloon payment will be received on October 12, 2025. The balance at June 30, 2019 and 2018 was $5,539,200 and $0, respectively.

Note Payable:
Quarterly interest only payments at a fixed interest rate of 5.25% beginning January 10, 2019 will be made until January 10, 2020, at which time $99,791 principal and interest payments will be made quarterly at the same interest rate. A final balloon payment will be paid on October 12, 2025. The balance at June 30, 2019 and 2018 was $5,539,200 and $0, respectively.

Future maturities for this note are as follows:

2020	$	53,894
2021		112,116
2022		118,146
2023		124,500
2024		131,196
Thereafter		4,999,348
	$	5,539,200

10. Rental Income

The Foundation rents its recently constructed facilities to Thrive Academy. The lease agreement is automatically renewable on an annual basis unless notification of termination is given by Thrive Academy at least sixty days prior to the expiration of the initial or renewal term. As a result of this arrangement, the Foundation earned rent of $1,129,034 and $1,125,434 in 2019 and 2018, respectively.

11. Reclassification

Certain amounts included in the prior year financial statements have been reclassified to conform to the current year presentation.

12. Liquidity and Availability of Financial Assets

The following reflects the School's financial assets as of the statement of financial position date within one year of the statement of financial position date.

Financial Assets at Year End:		
Cash	$	37,338
Notes Receivable, Current Portion		56,221
Interest Receivable		53,130
Financial Assets Available for General Expenditures	$	146,689

As part of the Foundation's liquidity management, cash is kept in a checking account that can be accessed to meet daily needs of the organization or in the event of an unanticipated liquidity need.

THRIVE FOUNDATION
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE PERIOD ENDED JUNE 30, 2019

Agency Head	D. Larry
Salary	$ 39,333
Benefits - insurance	5,275
	$ 44,608

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Thrive Foundation
Baton Rouge, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Thrive Foundation (a non-profit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated April 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Thrive Foundation internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Thrive Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Thrive Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned cost as items 2019-1.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document. This report is intended solely for the information and use of the audit committee, management, and others within the organization, the Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daigrepont & Brian, APAC

Daigrepont & Brian, APAC
Baton Rouge, LA

April 20, 2020

THRIVE FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE PERIOD ENDED JUNE 30, 2019

We have audited the financial statements of Thrive Foundation, as of June 30, 2019, and for the year then ended, and have issued our report thereon dated April 20, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Summary of Auditors' Reports

Financial Statements

Type of auditors' report issued:	Unqualified
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Findings - Financial Statement Audit

Finding 2019-1 - Filing with the Louisiana Legislative Auditor

Condition:
The Foundation failed to submit their audit report to the Louisiana Legislative Auditor's office within six months of their fiscal year end.

Cause:
Foundation management was not aware that, based on new activity in the fiscal year audited, it had reporting requirements to the Louisiana Legislative Auditor for the fiscal year ended June 30, 2019.

Effect:
Due to delays in providing the information to the auditor the engagement was not able to be completed and filed with the Louisiana Legislative Auditor by the due date.

Criteria:
The Foundation's accounting policies should include procedures to allow for timely year end reporting. This would include annual review of reporting requirements and timely requests for extension of the report due date, if necessary.

Management's Response:
Management acknowledges the condition noted above and will take these recommendations under advisement. Management has adjusted its policies and procedures to ensure an understanding of current period reporting requirements are obtained within a reasonable time after year end.

Questioned Costs

There are no questioned costs for the year ended June 30, 2019

THRIVE FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE PERIOD ENDED JUNE 30, 2018

Summary of Prior Audit Findings

There are no findings for the year ended June 30, 2018.

Questioned Costs

There are no questioned costs for the year ended June 30, 2018.

See accompanying notes and independent auditors' report.

DAIGREPONT & BRIAN

A Professional Accounting Corporation Certified Public Accountants

April 20, 2020

To the Board of Directors
Thrive Foundation

We have audited the financial statements of Thrive Foundation for the year ended June 30, 2019 and 2018, and have issued our report thereon dated April 20, 2020. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our letter to you dated January 25, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Thrive Foundation are described in Note 1 to the financial statements. The organization adopted ASU 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities* during the year, see footnote 1 for more information regarding this new standard. The application of existing policies was not changed during 2019. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were a total of five adjustments that decreased net assets by $13,290 which management has corrected. Management has determined that the effects of all uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

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Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 20, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The results of audit testing disclosed one audit finding which is described in the Schedule of Findings and Questioned Costs as item 2019-1.

<u>Other Matters</u>

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods or preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the board of directors and management of Thrive Foundation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Daigrepont & Brian, APAC

Daigrepont & Brian, APAC
Baton Rouge, LA