THRIVE FOR LIFE PRISON PROJECT, INC.

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEARS ENDED
JUNE 30, 2022 AND 2021

PADILLA & COMPANY, LLP
Certified Public Accountants

THRIVE FOR LIFE PRISON PROJECT, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees and Management of
Thrive for Life Prison Project, Inc.

Opinion

We have audited the accompanying financial statements of Thrive for Life Prison Project, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the periods then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Thrive for Life Prison Project, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Thrive for Life Prison Project, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audits of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audits 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 Thrive for Life Prison Project, Inc.'s internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Thrive for Life Prison Project, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Report on Summarized Comparative Information
We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 12, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Padilla and Company, LLP

Jamaica, New York
February 9, 2023

THRIVE FOR LIFE PRISON PROJECT, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
Current Assets		
Cash (Note 4)	$ 403,451	$ 300,608
Accounts receivable (Note 5)	150,961	13,260
Non-Current Assets		
Investment in stocks	-	7,832
Property and equipment (Note 6)	66,194	71,184
Total Assets	**$ 620,606**	**$ 392,884**
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable (Note 7)	$ 13,125	$ 11,852
Accrued expenses (Note 8)	63,645	33,865
Total Liabilities	76,770	45,717
Net Assets		
Without donor restrictions	241,140	322,192
With donor restrictions (Note 9)	302,696	24,975
Total Net Assets	543,836	347,167
Total Liabilities and Net Assets	**$ 620,606**	**$ 392,884**

The accompanying notes are an integral part of the financial statements.

THRIVE FOR LIFE PRISON PROJECT, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	Without donor restrictions	With donor restrictions	2022	2021
REVENUE				
Individual contributions	$ 181,854	$ -	$ 181,854	$ 143,131
Corporate contributions	75,844	100,000	175,844	145,817
In-kind revenue (Note 10)	121,375	-	121,375	90,285
Membership fees	108,363	-	108,363	85,329
Foundation grants	114,692	330,000	444,692	76,000
Other revenue	2,877	-	2,877	36,485
	605,005	430,000	1,035,005	577,047
Net assets released from restrictions	152,279	(152,279)	-	-
Total Revenue	757,284	277,721	1,035,005	577,047
EXPENSES				
Program services				
Behind the Walls	107,301	-	107,301	31,276
Beyond the Walls	432,662	-	432,662	363,662
Subtotal	539,963	-	539,963	394,938
Support services				
Management and general	127,343	-	127,343	113,805
Fundraising	171,030	-	171,030	92,350
Subtotal	298,373	-	298,373	206,155
Total Expenses	838,336	-	838,336	601,093
Unrealized Gain on Investments	-	-	-	268
Change in Net Assets	(81,052)	277,721	196,669	(23,778)
Net assets at beginning of year	322,192	24,975	347,167	370,945
Net assets at end of year	**$ 241,140**	**$ 302,696**	**$ 543,836**	**$ 347,167**

The accompanying notes are an integral part of the financial statements.

THRIVE FOR LIFE PRISON PROJECT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	Program Services			Supporting Services				
	Behind the Walls	Beyond the Walls	Subtotal	Fundraising	Management and General	Subtotal	**2022**	**2021**
Personnel services								
Salaries and wages	$ 56,500	$ 34,250	$ 90,750	$ 12,750	$ 12,750	$ 25,500	$ 116,250	$ 45,501
Payroll taxes and fringe benefits	7,505	6,528	14,033	3,038	10,884	13,922	27,955	19,266
In-kind staffing costs	25,000	25,000	50,000	25,000	25,000	50,000	100,000	68,910
Total personnel services	89,005	65,778	154,783	40,788	48,634	89,422	244,205	133,677
Other than personnel services (OTPS)								
Occupancy/facilities expenses	-	200,228	200,228	-	-	-	200,228	196,323
Professional fees	7,700	54,904	62,604	64,001	42,296	106,297	168,901	130,234
Printing and office expenses	5,415	11,563	16,978	25,791	13,081	38,872	55,850	28,462
Depreciation (see Note 6)	-	26,984	26,984	-	-	-	26,984	22,068
In-kind rent	-	-	-	-	21,375	21,375	21,375	21,375
Travel and meal expenses	3,362	25,545	28,907	19,066	949	20,015	48,922	18,779
Supplies	1,255	17,545	18,800	1,841	983	2,824	21,624	15,867
Grant writing	-	-	-	19,000	-	19,000	19,000	15,500
Repair and maintenance	-	18,120	18,120	-	-	-	18,120	7,970
Insurance	-	8,813	8,813	-	-	-	8,813	6,464
Educational scholarships	-	1,900	1,900	-	-	-	1,900	2,153
Direct services/aid	564	782	1,346	193	25	218	1,564	1,598
Other expenses	-	500	500	350	-	350	850	623
Total OTPS	18,296	366,884	385,180	130,242	78,709	208,951	594,131	467,416
Total Expenses	**$ 107,301**	**$ 432,662**	**$ 539,963**	**$ 171,030**	**$ 127,343**	**$ 298,373**	**$ 838,336**	**$ 601,093**

The accompanying notes are an integral part of the financial statements.

THRIVE FOR LIFE PRISON PROJECT, INC.
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 196,669	$ (23,778)
Adjustments to reconcile change in net assets to net cash flows provided by (used in) operating activities:		
Depreciation	26,984	22,068
Unrealized gain on investment in stocks	-	(268)
In-kind donations (vehicle)	(21,994)	-
Cash flows from operating activities		
Decrease (Increase) in accounts receivable	(137,701)	89,340
Increase (Decrease) in accounts payable	1,273	(7,420)
Increase (Decrease) in accrued expenses	29,780	(21,700)
Net cash flow provided by operating activities	95,011	58,242
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale (Purchase) of investment in stocks	7,832	(7,564)
Purchase of property and equipment	-	(4,002)
Net cash flow provided by (used in) investing activities	7,832	(11,566)
Net increase in cash	102,843	46,676
CASH, BEGINNING OF YEAR	300,608	253,932
CASH, END OF YEAR	**$ 403,451**	**$ 300,608**

The accompanying notes are an integral part of the financial statements.

1. ORGANIZATION AND OPERATIONS

Thrive for Life Prison Project, Inc. (the "Organization") is a not-for-profit organization under the laws of the State of New York. The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been designed as a Not-for-Profit Corporation, which is not a private foundation.

The Organization was formed on February 10, 2017 to create opportunities for spiritual development and provide educational resources for incarcerated and formerly incarcerated individuals while partnering with local universities and local employers. The Organization envisions a world where spiritual and educational services empower incarcerated individuals.

Management and general activities include function necessary to provide support for the Organization’s program activities. This includes activities that provide governance, oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar functions that ensure an adequate working environment and equitable employment program.

Fundraising expenses include publicizing and conducting corporate sponsorship outreach, writing grant proposals, soliciting individuals, and conducting other activities involved with soliciting contributions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on an accrual basis of accounting in conformity with generally accepted accounting principles for not-for-profit organizations.

Financial statement presentation follows the recommendations of the Accounting Standards Codification (ASC) in its Statement No. 958-205, Financial Statements of Not-for-Profit Organizations, as updated by Accounting Standards Update (ASU) 2016-14. Under ASU 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Net Assets without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets with Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Organization's unspent contributions are classified in this class if the donor limited their use. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

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 disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenues

In accordance with ASC 606, the Organization recognizes revenue when control of the promised goods or services are transferred to the customers or outside parties in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

ASC 606 also requires new and expanded disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Grants and Contributions

Transactions where the Organization often receives value indirectly by providing societal benefit, although the societal benefit is not considered to be of commensurate value, are deemed to be contributions. Grants and contributions are classified as either conditional or unconditional. A conditional grant or contribution is a transaction where the Organization has overcome a barrier or hurdle to be entitled to the resource and the Organization is released from the obligation to fund or has the right of return of any advanced funding. The Organization recognizes the contribution revenue upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as refundable advance. Unconditional grants or contributions are recognized as revenue and receivable when the commitment to contribute is received.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and Contributions (continued)

Conditional and unconditional grants and contributions are recorded as either with donor restrictions or without donor restrictions. Grants and contributions are recognized as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. Grants and contributions received with no donor stipulations are recorded as contributions without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities and changes in net assets as net assets released from restriction.

Gifts-in-Kind Contributions

The Organization receives contributions in a form other than cash or investments. Some are donated supplies, which are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. If the Organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that value of the asset and its estimated useful life meets the organization's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contributions is reported as a contribution and an unconditional promise to give at the date of the gift, and the expense is reported over the term of use.

The Organization benefits from services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization's program operations and in its fund-raising campaigns. Generally Accepted Accounting Principles (GAAP) allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

Concentration of credit risk

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist of cash. At June 30, 2022, the Organization's cash maintained in a large financial institution exceeds the Federal Deposits Insurance Corporation (FDIC) insurance limit of $250,000. The Organization monitors its financial institutions and concentration of credit risk on a regular basis and does not anticipate nonperformance by the financial institution. The Organization has not experienced any losses in such accounts to date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment to which the Organization retains title and that benefit future periods are capitalized at cost, or if donated, at the estimated fair value at the time of donation. Expenditures over $1,000 are capitalized. Maintenance and repairs are expensed as incurred.

Depreciation is provided for in amount sufficient to relate the cost of depreciable assets to operations over their estimated services lives. The estimated services lives of the assets for depreciation purposes may be different than their actual economic useful lives.

Estimated Life Method

IT Equipment – 3 years Straight Line
Furniture and Equipment – 5 Years Straight Line
Leasehold Improvements – 5 Years Straight Line or Term of Lease whichever is lower
Vehicles – 5 Years Straight Line

The Organization reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net discounted cash flow expected to be generated. There were no impairment losses recognized for the years ended June 30, 2022 and 2021.

Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2018 and later are subject to examination by applicable taxing authorities.

Accounting Standards Issued but Not Yet Adopted

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statements of financial position for leases with terms exceeding 12 months. ASU 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Standards Issued but Not Yet Adopted (continued)

Leases (continued)
In June 2020, the FASB issued ASU 2020-05, which delayed the provisions of Topic 842 for one year. Topic 842 is, therefore, effective for the Organization for interim period after December 15, 2021. Early adoption is permitted. The Organization is in the process of evaluating the impact this standard will have on the financial statements.

3. METHODS USED FOR ALLOCATION OF EXPENSES AMONG PROGRAM AND SUPPORTING SERVICES

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting services of the Organization. Supporting services are related to management and general administration of Organization. Those expenses include:

a. Payroll – allocated based on time and cost study
b. Payroll taxes and fringe benefits – allocated based on payroll allocation
c. Occupancy – allocated based on staff usage
d. Professional fees – allocated based on nature of service
e. Printing and office expenses – allocated based on purpose of expense
f. Travel and meal expenses – allocated based on purpose of trip or staff usage
g. Supplies – allocated based on staff usage or nature of expense
h. Direct services/aid – allocated based on purpose of service
i. Educational scholarships – allocated based on purpose of education
j. In-kind goods and services – allocated based on purpose of donation

Administration expenses include those costs that are not directly identifiable with any specific program, but which provides for the overall support and direction of the organization.

4. CASH

This account consists of the following:

	2022	2021
Cash in Bank	$ 402,429	$ 299,586
Petty Cash	1,022	1,022
	$ 403,451	**$ 300,608**

5. ACCOUNTS RECEIVABLE

This account consists of the following:

	2022	2021
Foundation grants	$ 140,000	$ -
Other receivables	10,961	13,260
Total	**$ 150,961**	**$ 13,260**

As of audit report date, $21,659 of accounts receivable was collected.

6. PROPERTY AND EQUIPMENT

This account consists of the following:

	IT Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicle	Total
Cost					
At June 30, 2021	$ 2,780	$ 32,068	$ 76,224	$ -	$ 111,072
Additions	-	-	-	21,994	21,994
At June 30, 2022	**2,780**	**32,068**	**76,224**	**21,994**	**133,066**
Accumulated Depreciation					
At June 30, 2021	750	11,137	28,001	-	39,888
Depreciation	927	6,414	15,244	4,399	26,984
At June 30, 2022	**1,677**	**17,551**	**43,245**	**4,399**	**66,872**
Net Book Value					
At June 30, 2021	$ 2,030	$ 20,931	$ 48,223	$ -	$ 71,184
At June 30, 2022	**$ 1,103**	**$ 14,517**	**$ 32,979**	**$ 17,595**	**$ 66,194**

7. ACCOUNTS PAYABLE

This account consists of amounts due to vendors and consultants for materials, goods and services as follows:

	2022	2021
American Express	$ 6,505	$ 7,135
Other expenses	6,620	4,717
Total	**$ 13,125**	**$ 11,852**

As of audit report date, all accounts payable was subsequently paid.

8. ACCRUED EXPENSES

This account consists of the following:

	2022	2021
Accrued payroll	$ 39,170	$ 13,785
Other expenses	24,475	20,080
	$ 63,645	**$ 33,865**

Accrued payroll was subsequently paid.

9. NET ASSETS (with donor restrictions)

This account consists of the following:

	2022	2021
Social media project	$ 15,000	$ 12,500
Capacity building and other purposes	287,696	7,649
Scholarships	-	3,181
Garden project	-	1,645
Total	**$ 302,696**	**$ 24,975**

10. IN-KIND REVENUE

This account consists of the following:

	2022	2021
Staff-costs	$ 100,000	$ 68,910
Rent	21,375	21,375
Total	**$ 121,375**	**$ 90,285**

11. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As part of the Organization's liquidity management, management has a policy to structure its financial assets to be available for use as its general expenditures, liabilities, and other obligations come due. They receive grants from private foundations, online donations and other sources throughout the year. Those funds may also be used for general expenses.

Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year from June 30, 2022 and 2021 are as follows:

	2022	2021
Cash	$ 403,451	$ 300,608
Accounts Receivable	150,961	13,260
Total Current Financial Assets	554,412	313,868
Less: Net assets with donor restrictions	(302,696)	(24,975)
Financial assets available to meet cash needs for general expenditures within one year	**$ 251,716**	**$ 288,893**

12. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events occurring after the statement of financial position date through February 9, 2023, which is the date the financial statements were available to be issued. Based on this evaluation, the Organization has determined subsequent events which would require disclosure in the financial statements.