

**THRIVE COUNSELING CENTER**

**FINANCIAL STATEMENTS**

**JUNE 30, 2025**

TABLE OF CONTENTS

---

---

INDEPENDENT AUDITORS' REPORT..... 3-4

FINANCIAL STATEMENTS

Statement of Financial Position..... 5

Statement of Activities ..... 6

Statement of Functional Expenses ..... 7

Statement of Cash Flows..... 8

Notes to Financial Statements..... 9-20

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* ..... 21-22



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Thrive Counseling Center  
Oak Park, Illinois

### **Opinion**

We have audited the accompanying financial statements of THRIVE COUNSELING CENTER (an Illinois nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of THRIVE COUNSELING CENTER as of June 30, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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. 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 COUNSELING CENTER and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter**

As discussed in Note 2 to the financial statements, during the year ended June 30, 2025, the Organization determined that \$499,098 included in investments held by the Oak Park River Forest Community Foundation (the "Foundation") as of June 30, 2024, was incorrectly classified as an agency fund. Instead, the amount represented designated funds owned and controlled by the Foundation, rather than assets held on behalf of the Organization. Accordingly, the Organization recorded a prior-period adjustment to remove these assets and decreased beginning net assets without donor restriction – board designated for endowment by \$499,098 as of July 1, 2024. Our opinion is not modified with respect to this matter.

### **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 COUNSELING CENTER's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit 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 auditors' 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 and *Government 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 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 and *Government 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 audit 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 COUNSELING CENTER'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about THRIVE COUNSELING CENTER'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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of THRIVE COUNSELING CENTER's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 COUNSELING CENTER'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 COUNSELING CENTER's internal control over financial reporting and compliance.

Warady & Davis LLP

December 19, 2025

## STATEMENT OF FINANCIAL POSITION

As of June 30, 2025

**ASSETS****CURRENT ASSETS**

Cash and Cash Equivalents	\$ 1,053,438
Investments	250,000
Beneficial Interest in Assets Held by Community Foundation	1,394,960
Accounts Receivable, net	388,049
Pledges Receivable	15,000
Grants Receivable	225,110
Interest Receivable	8,789
Prepaid Expenses	50,132
Total Current Assets	<u>3,385,478</u>

**NONCURRENT ASSETS**

Noncurrent Pledges Receivable, net	28,172
Property and Equipment, net of Accumulated Depreciation	680,578
Construction In Progress	10,116
Right-of-Use Asset - Finance Lease	20,358
Right-of-Use Asset - Operating Lease net of Accumulated Amortization	<u>177,346</u>
Total Noncurrent Assets	<u>916,570</u>

---



---

\$ 4,302,048

**LIABILITIES AND NET ASSETS****CURRENT LIABILITIES**

Accounts Payable	\$ 110,104
Accrued Expenses	3,337
Accrued Payroll and Related Expenses	208,748
Refundable Advance	34,500
Finance Lease Liability - Current	10,695
Operating Lease Liability - Current	72,808
Total Current Liabilities	<u>440,192</u>

**NONCURRENT LIABILITIES**

Finance Lease Liability - Long Term	19,055
Operating Lease Liability - Long Term	106,609
Total Current Liabilities	<u>125,664</u>

Total Liabilities	<u>565,856</u>
-------------------	----------------

**NET ASSETS**

Without Donor Restriction	
Undesignated	2,292,409
Board-Designated for Endowment	1,394,960
Total Without Donor Restriction	<u>3,687,369</u>
With Donor Restriction	48,823
Total Net Assets	<u>3,736,192</u>

---



---

\$ 4,302,048

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

	Without Donor Restriction			With Donor Restriction	Total
	Undesignated	Board-Designated for Endowment	Total		
<b>SUPPORT AND REVENUES</b>					
Grants, Fees, and Other Support From:					
Fees for Services	\$ 2,958,953	\$ —	\$ 2,958,953	\$ —	\$ 2,958,953
Client Fees	7,609	—	7,609	—	7,609
Grants	1,128,043	—	1,128,043	15,000	1,143,043
Contributions	447,842	1,402	449,244	24,967	474,211
Contributions In-Kind	17,495	—	17,495	—	17,495
Special Event Revenue	100,038	—	100,038	—	100,038
<b>Total Grants, Fees, and Other Support</b>	<b>4,659,980</b>	<b>1,402</b>	<b>4,661,382</b>	<b>39,967</b>	<b>4,701,349</b>
Other Revenue					
Distributions From and Change in Value of Beneficial Interest in Assets Held by Community Foundation	78,656	77,710	156,366	—	156,366
Interest Income, net	23,516	—	23,516	—	23,516
Realized Gain on Contributed Securities	1,916	—	1,916	—	1,916
Transfer of Assets	173,604	(173,604)	—	—	—
Miscellaneous Income	885	—	885	—	885
<b>Total Other Revenue</b>	<b>278,577</b>	<b>(95,894)</b>	<b>182,683</b>	<b>—</b>	<b>182,683</b>
<b>Total Support and Revenues</b>	<b>4,938,557</b>	<b>(94,492)</b>	<b>4,844,065</b>	<b>39,967</b>	<b>4,884,032</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>					
Satisfaction of Restrictions	37,360	—	37,360	(37,360)	—
<b>EXPENSES</b>					
Program Services	3,308,535	—	3,308,535	—	3,308,535
Supporting Services					
Management and General	1,065,808	—	1,065,808	—	1,065,808
Fundraising	252,683	—	252,683	—	252,683
Total Supporting Services	1,318,491	—	1,318,491	—	1,318,491
Direct Expenses for Special Events	44,144	—	44,144	—	44,144
<b>Total Expenses</b>	<b>4,671,170</b>	<b>—</b>	<b>4,671,170</b>	<b>—</b>	<b>4,671,170</b>
<b>CHANGE IN NET ASSETS</b>	<b>304,747</b>	<b>(94,492)</b>	<b>210,255</b>	<b>2,607</b>	<b>212,862</b>
Net Assets, Beginning - as Previously Reported	1,987,662	1,988,550	3,976,212	46,216	4,022,428
Prior Period Adjustment	—	(499,098)	(499,098)	—	(499,098)
Net Assets, Beginning - as Adjusted	1,987,662	1,489,452	3,477,114	46,216	3,523,330
<b>NET ASSETS, ENDING</b>	<b>\$ 2,292,409</b>	<b>\$ 1,394,960</b>	<b>\$ 3,687,369</b>	<b>\$ 48,823</b>	<b>\$ 3,736,192</b>

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2025

	Program Services					Total Program Services	Supporting Services			Direct Expenses for Special Events	Total Expenses
	Adult	Youth	Psych	Crisis	Other Program		Management and General	Fundraising	Total Supporting Services		
Salaries	\$ 832,721	\$ 441,816	\$ 385,395	\$ 498,150	\$ 269,428	\$ 2,427,510	\$ 571,254	\$ 172,261	\$ 743,515	\$ —	\$ 3,171,025
Payroll Taxes	66,723	35,401	30,880	39,915	21,588	194,507	45,772	13,803	59,575	—	254,082
Employee Benefits	106,596	58,513	16,365	42,161	34,772	258,407	49,636	17,970	67,606	—	326,013
Professional Fees	3,749	1,875	625	7,588	625	14,462	199,152	391	199,543	7,670	221,675
Insurance	14,913	8,023	2,713	8,434	4,222	38,305	17,723	1,829	19,552	—	57,857
Rent	—	—	—	—	—	—	45,178	7,973	53,151	—	53,151
Utilities	4,026	3,383	1,220	3,211	4,869	16,709	9,909	561	10,470	—	27,179
Supplies	1,177	1,015	175	3,555	329	6,251	3,033	1,317	4,350	—	10,601
Maintenance	11,472	9,639	3,477	8,666	13,873	47,127	25,836	49	25,885	—	73,012
Leased Equipment	1,791	1,505	543	1,689	2,166	7,694	2,310	995	3,305	—	10,999
Technology	71,143	35,644	12,122	39,284	11,978	170,171	35,955	10,732	46,687	—	216,858
Consulting	3,000	2,000	16,540	1,000	2,000	24,540	19,181	1,682	20,863	—	45,403
Public Relations and Marketing	—	—	1,773	—	3,481	5,254	450	5,100	5,550	—	10,804
Event Venue, Food, and Beverage	—	—	—	—	—	—	—	—	—	27,113	27,113
Training and Professional Development	7,466	9,094	500	6,498	2,483	26,041	379	—	379	—	26,420
Transportation	—	—	—	40	30	70	8,749	—	8,749	—	8,819
Miscellaneous	7,741	2,549	2,204	4,356	1,019	17,869	17,285	12,165	29,450	9,361	56,680
	<u>1,132,518</u>	<u>610,457</u>	<u>474,532</u>	<u>664,547</u>	<u>372,863</u>	<u>3,254,917</u>	<u>1,051,802</u>	<u>246,828</u>	<u>1,298,630</u>	<u>44,144</u>	<u>4,597,691</u>
Depreciation and Amortization	18,209	11,141	3,851	11,142	9,275	53,618	14,006	5,855	19,861	—	73,479
	<u>\$ 1,150,727</u>	<u>\$ 621,598</u>	<u>\$ 478,383</u>	<u>\$ 675,689</u>	<u>\$ 382,138</u>	<u>\$ 3,308,535</u>	<u>\$ 1,065,808</u>	<u>\$ 252,683</u>	<u>\$ 1,318,491</u>	<u>\$ 44,144</u>	<u>\$ 4,671,170</u>

## STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2025

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ 212,862
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation and Amortization	73,479
Amortization of Finance Lease Right-of-Use Asset	6,951
Amortization of Operating Lease Right-of-Use Asset	47,612
Noncash Contribution of Securities	(112,648)
Proceeds from Sales of Contributed Securities	114,564
Realized Gain on Contributed Securities	(1,916)
Change in Present Value of Pledge Discount	(1,668)
Change in Allowance for Uncollectible Accounts	16,113
Change in Value of Beneficial Interest in Assets Held by Community Foundation	(79,111)
(Increase) Decrease in Assets	
Accounts Receivables	(41,282)
Grants Receivable	131,417
Pledges Receivable	12,574
Interest Receivable	(8,789)
Prepaid Expenses	4,976
Right-of-Use Asset - Operating Lease	(224,958)
Increase (Decrease) in Liabilities	
Accounts Payable	32,644
Accrued Expenses	(13,025)
Accrued Payroll and Related Expenses	39,858
Operating Lease Liability	179,417
Refundable Advance	34,500
Total Adjustments	210,708
Net Cash Provided by Operating Activities	423,570
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of Investments	(250,000)
Purchases of Property and Equipment	(148,556)
Net Cash Used by Investing Activities	(398,556)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Principal Payments Under Finance Lease	(10,176)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	14,838
Cash and Cash Equivalents, Beginning	1,038,600
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b>\$ 1,053,438</b>

## SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Noncash Activities	
Donated Supplies	\$ 2,620
Donated Auction Items	\$ 14,875
Right-of-Use Asset Obtained in Exchange for Operating Lease Liability	\$ 224,958

NOTES TO FINANCIAL STATEMENTS

---

**NATURE OF ORGANIZATION**

Thrive Counseling Center (the “Organization”) was organized in 1898 as an Illinois Not-For-Profit Corporation. The current mission of the Organization is to provide community-centered mental health services that empower individuals and families to build resilience and lead lives filled with meaning, connection, and hope. Serving individuals from age six through adulthood, the Organization delivers mental health care to residents of West Cook County and surrounding communities, ensuring support is accessible and affordable. The Organization envisions a world where mental health is valued, proactively nurtured, and in reach of everyone. The majority of the Organization’s revenue is derived from program fees, grants, contributions, and investment income.

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies is presented to assist in understanding the Organization’s financial statements. The financial statements and notes are representations of management who is responsible for their integrity and objectivity. These accounting policies conform to U.S. generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

**BASIS OF ACCOUNTING**

The Organization prepares its financial statements on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP) applicable to not-for-profit organizations.

**FINANCIAL STATEMENT PRESENTATION**

The financial statement presentation follows the provisions of the Financial Accounting Standards Board (FASB) Codification topic related to “Financial Statements of Not-for-Profit Organizations.” This guidance requires the Organization to report information regarding its financial position and activities, based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Without donor restriction - Net assets that are not subject to donor-imposed stipulations plus those resources for which donor-imposed stipulations have been satisfied. Net assets without donor restriction may be designated by action of the Board of Directors.

With donor restriction - Net assets are subject to donor-imposed stipulations that may or will be met either by actions of the Organization (purpose restrictions) and/or the passage of time (time restrictions). As the restrictions are satisfied, net assets with donor restriction are reclassified to net assets without donor restriction and are reported in the accompanying financial statements as net assets released from restriction. Under the Organization’s simultaneous release policy, donor-imposed restrictions on conditional grants and contribution that are satisfied in the same period as the revenues are recognized are reported as unrestricted support.

Revenues are reported as increases in net assets without donor restriction unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction.

## NOTES TO FINANCIAL STATEMENTS

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

## 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 the 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 the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

## CASH AND CASH EQUIVALENTS

The Organization considers all highly-liquid investments purchased with a maturity of three months or less to be cash equivalents. The carrying amount approximates fair value because of the short maturity of those instruments. The Organization considers its money market account to be cash equivalents.

## ACCOUNTS RECEIVABLE

Receivables are stated at the amount management expects to collect from outstanding balances. The Organization uses an aging analysis to estimate expected credit losses, with different loss rates applied to various aging buckets. The Organization's allowance for credit losses includes an allowance for self-pay patients, co-payments, and balances from private insurance companies.

Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. Management has established an allowance of \$30,000 on accounts receivable as of June 30, 2025.

## PLEDGES AND CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are recorded as revenues when the promises are received. Long-term pledge receivables are discounted to their net present value and presented as noncurrent pledges receivable, net of the discount to present value on the statement of financial position. Management analyzed the outstanding receivable balances and believes they are fully collectable, thus no allowance for doubtful accounts is deemed necessary. Amounts deemed uncollectible, if any, are recorded as bad debt loss.

## PROPERTY AND EQUIPMENT

Property and equipment purchases of \$5,000 or more are recorded at cost when purchased or constructed, or at fair value at the date of donation when received as a contribution and are depreciated on the straight-line basis over their estimated useful lives. Leasehold improvements, if any, are amortized over the lesser of their estimated useful lives, or the term of the lease. Major renewals and betterments which extend the useful life of an asset are capitalized while routine maintenance and repairs are expensed as incurred. The estimated useful lives range from 5 to 39 years.

## NOTES TO FINANCIAL STATEMENTS

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

## CONCENTRATIONS

The accounts receivable balance is made up entirely of third-party payers as of June 30, 2025. Approximately 98% of the Organization's grants and pledge receivable balances as of June 30, 2025 consist of amounts due from four funders. A grant from the Illinois Department of Human Services provided over 12% of total support and revenues for the year.

## REVENUE RECOGNITION

The Organization records revenue according to the following accounting policies:

*Contributions and Grants:* The Organization recognizes contributions and grants when cash, securities or other assets, or an unconditional promise to give (pledge) is received. The Organization considers a contribution conditional if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributions received are recorded as without or with donor restrictions depending on the existence and/or nature of the restrictions.

*Contributions In-Kind* - The Organization recognizes contributed services as revenue and related expense for specialized services provided that would typically need to be purchased. Contributions of assets other than cash are reported at their estimated fair value. Contributed income that must be used to acquire long-lived assets are recorded as grants or contributions with donor restrictions until the assets are acquired and placed in service.

*Fees for Services and Client Fees:* The Organization generally measures exchange revenue based on the amount of consideration the Organization expects to be entitled for the transferred services to a customer, then recognizes this revenue when or as the Organization satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance.

Net program service revenue consists of gross charges for mental health counseling services provided to clients less deductions for estimated provisions for contractual adjustments (on services provided to enrollees of Medicaid and other third-party payers, including private insurance), uninsured discounts, bad debts, and other administrative adjustments. Contractual adjustments arising from various reimbursements arrangements with third-party payers are accrued on an estimated basis in the period in which the services are rendered.

The Organization has agreements with third-party payers (principally Medicaid and commercial insurance carriers) that provide for payments to the Organization at amounts different from its established rates. A significant portion of the Organization's operating revenues is derived from these third-party payer programs. Medicaid rates are based on clinical, diagnostic, and other factors and the reimbursement methodology is subject to various limitations and adjustment. The determination of these rates is partially based on the Organization's clinical assessment of its clients. Laws and regulations governing Medicare and Medicaid programs are complex and subject to interpretation and change.

NOTES TO FINANCIAL STATEMENTS

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

REVENUE RECOGNITION (Continued)

Payment is due after services are rendered. Billing of third-party payors occurs within one month of the service date and payment is generally collected within a thirty-to-ninety-day period.

Net patient service revenue is recognized as performance obligations are satisfied, at a point in time. The Organization has elected to use the portfolio approach practical expedient in Accounting Standards Codification (ASC) 606 for contracts related to net patient service revenue.

The Organization accounts for the contracts within each portfolio as a collective group, rather than recognizing net patient service revenue on an individual contract basis.

*Special Event Revenues:* Special event revenues consist of both a contribution and exchange transaction. Any payments received in advance of the event are treated as a conditional contribution or unearned exchange revenue, and are recorded as deferred revenue when received. Both the contribution and exchange portion are recognized as revenue when the underlying event occurs.

Special event revenue and directly related expenses, consists of the following as of June 30, 2025:

Special Event Revenue .....	<u>\$ 100,038</u>
Direct Special Event Expenses	
Event Venue, Food and Beverage .....	(27,113)
Professional Fees .....	(7,670)
Miscellaneous .....	<u>(9,361)</u>
	<u>44,144</u>
Special Event Revenue, net .....	<u>\$ 55,894</u>

The following table shows the Organization’s exchange transaction revenue disaggregated according to the timing of the transfer of goods and services for the year ending June 30, 2025:

Revenue recognized at a point in time:	
Fees for Services .....	\$ 2,958,953
Client Fees .....	7,609
Special Event Revenue .....	<u>100,038</u>
	<u>\$ 3,066,600</u>

INVESTMENTS

The Organization follows the provisions of the FASB Codification for accounting for investments held by not-for-profit organizations. This standard requires that investments in marketable securities be accounted for at fair value. Fair value is based on inputs from quoted market prices. Realized gains and losses are the differences between the proceeds received and the cost of investments sold. Unrealized gains and losses, if any, are the differences between the fair value and the cost of investments and are included in net investment income (loss) in the statement of activities.

## NOTES TO FINANCIAL STATEMENTS

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

## INCOME TAX STATUS

The Organization is exempt from federal income taxes under the provisions of the Internal Revenue Code Section 501(c)(3). The Organization is similarly classified by the State of Illinois. However, organizations which are exempt may be subject to unrelated business income taxes when an organization generates revenues from activities which are unrelated to the exempt purpose of the organization. Management believes the Organization has no unrelated business income for the year ended June 30, 2025. The Organization's Forms 990, Return of Organization Exempt from Income Tax, is subject to examination by the IRS, generally for three years after it is filed.

## FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses are charged directly to program services or supporting services categories based upon specific identification where possible. Expenses which are not directly identifiable by program or supporting services are allocated among the programs and supporting services benefited based on appropriate methods determined by management. These allocation methods include allocation of personnel and any other costs deemed to be related to time and efforts expended by employees on the different functional categories and allocation of occupancy and related costs using space utilization percentages occupied by the various functions.

## LEASES

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the minimum future lease payments over the lease term at the commencement date. If a lease does not provide an implicit rate, the Organization uses a risk-free rate of return available at commencement date in determining the present value of future payments. The operating and finance lease ROU assets also include any lease payments made and excludes lease incentives and initial direct costs incurred. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

**NOTE 2—PRIOR PERIOD ADJUSTMENT**

During the year ended June 30, 2025, the Organization determined that \$499,098 included in investments held by the Oak Park River Forest Community Foundation (the "Foundation") as of June 30, 2024, represented designated funds rather than agency funds. The assets of a designated fund are owned by the Foundation and the Foundation retains control and variance power over which organization(s) the fund will support. In an agency fund, the Foundation holds assets on behalf of the Organization, which has the variance power, and the Foundation only manages the investments, but does not own them. Under U.S. GAAP, only the assets of the agency fund should be reported on the Organization's financial statements. This classification error resulted in an overstatement of the balance of Beneficial Interest in Assets Held by Community Foundation and net assets without donor restriction – board-designated for endowment as of June 30, 2024.

Accordingly, the Organization recorded a prior period adjustment to decrease beginning net assets without donor restriction – board-designated for endowment by \$499,098 as of July 1, 2024.

NOTES TO FINANCIAL STATEMENTS

**NOTE 2—PRIOR PERIOD ADJUSTMENT (Continued)**

The effect of this correction on the beginning net asset balances is summarized as follows:

	As Previously Reported	Prior Period Adjustment	Restated Balances
Beneficial Interest in Assets Held by Community Foundation as of June 30, 2024 .....	\$ 1,814,947	\$ (499,098)	\$ 1,315,849
Net Assets Without Donor Restriction – Board Designated for Endowment as of June 30, 2024 .....	1,988,550	(499,098)	1,489,452
Net Assets Without Donor Restriction as of June 30, 2024.....	3,976,212	(499,098)	3,477,114
Total Net Assets as of June 30, 2024.....	4,022,428	(499,098)	3,523,330

**NOTE 3—LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following at June 30, 2025:

Cash and Cash Equivalents.....	\$ 1,053,438
Investments.....	250,000
Beneficial Interest in Assets Held by Community Foundation.....	1,394,960
Accounts Receivable, net.....	388,049
Grants Receivable, net .....	225,110
Pledges Receivable, net .....	43,172
Interest Receivable .....	8,789
Less: Board-Designated Net Assets.....	(1,394,960)
Less: Donor Restricted Net Assets .....	(48,823)
	<u>\$ 1,919,735</u>

**NOTE 4—PLEDGES RECEIVABLE**

Pledges Receivables at June 30, 2025 consist of the following:

Less Than One Year .....	\$ 15,000
One To Five Years .....	<u>30,000</u>
Total .....	45,000
Less: Discount to Net Present Value.....	<u>(1,828)</u>
Net Pledge Receivable.....	43,172
Less: Current Portion.....	<u>15,000</u>
Long-Term Portion .....	<u>\$ 28,172</u>

The discount rate used in determining the net present value of long-term unconditional promises to give is 4.5% for pledges during the year ended June 30, 2025.

NOTES TO FINANCIAL STATEMENTS

**NOTE 5—CONDITIONAL GRANTS RECEIVABLE**

Conditional promises to give or grants are recognized when the conditions on which they depend are substantially met, generally, when expenditures are incurred. The Organization has conditional grants to be recognized during future periods as qualified expenditures are incurred, of approximately \$921,000.

**NOTE 6—CONCENTRATIONS OF RISK**

CONCENTRATION OF CREDIT RISK

The Organization maintains cash with financial institutions, which at times, may exceed federally insured limits. The Organization may also maintain temporary cash investments in financial institutions with high credit standings and has not experienced any losses in such accounts. Thus, management believes the Organization is not exposed to any significant credit risk on cash.

Credit risk associated with accounts, pledges, interest and grants receivable is considered to be limited due to high historical collection rates and because a significant portion of the outstanding amounts are due from program participants, Board members, grantors and contributors supportive of the Organization’s mission.

Investments, including those reported under beneficial interest in assets held by community foundation, are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with investments, it is at least reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the financial statements.

**NOTE 7—PROPERTY AND EQUIPMENT**

Land.....	\$ 100,000
Building and Improvements .....	2,764,393
Furniture and Fixtures .....	351,431
Equipment.....	207,317
Software .....	<u>34,650</u>
Total Cost.....	3,457,791
Less: Accumulated Depreciation and Amortization.....	<u>2,777,213</u>
	<u>\$ 680,578</u>
Depreciation and Amortization .....	<u>\$ 73,479</u>

**NOTE 8—BOARD-DESIGNATED ENDOWMENT**

The Organization has established an endowment fund with the Oak Park River Forest Community Foundation to ensure the long-term financial stability of the Organization and of various other programs that it provides. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization’s endowment consists entirely of funds designated by the Board of Trustees (Trustees) to function as endowment.

## NOTES TO FINANCIAL STATEMENTS

**NOTE 8—BOARD DESIGNATED ENDOWMENT (Continued)**

*Investment Return Objectives, Risk Parameters and Strategies:* The Organization has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4.25%, while growing the funds if possible. Therefore, the Organization expects its endowment assets, over time, to produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

*Spending Policy:* The Organization has a policy of appropriating for distribution each year 4.25% of its endowment fund's average fair value of the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 3% annually, which is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

The amount distributed was \$78,656 for the year ended June 30, 2025. See Note 9 further detailing all changes to the endowment net assets for the year. The endowment fund is managed by an external investment manager that provides investment advisory and administrative services to the Oak Park River Forest Community Foundation.

**NOTE 9—FAIR VALUE MEASUREMENTS**

The FASB Codification provides a framework for measuring fair value using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

NOTES TO FINANCIAL STATEMENTS

**NOTE 9—FAIR VALUE MEASUREMENTS (Continued)**

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025.

*Level 1 Fair Value Measurements*

The Organization has no level 1 fair value measurements.

*Level 2 Fair Value Measurements*

The fair value of certificates of deposit are based on significant other observable quoted prices for similar assets in active markets.

*Level 3 Fair Value Measurements*

The fair value of Beneficial Interest in Assets Held by Community Foundation is based on unobservable inputs, including the net asset value of the underlying investments, which are not readily marketable and are determined by the community foundation's management.

Fair values of assets measured on a recurring basis at June 30, 2025 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Certificate of Deposit.....	\$ 250,000	\$ —	\$ 250,000	\$ —
Assets Held by Community Foundation	\$ 1,394,960	\$ —	\$ —	\$ 1,394,960

NOTES TO FINANCIAL STATEMENTS

**NOTE 9—FAIR VALUE MEASUREMENTS (Continued)**

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2025. It also represents the changes in the endowment net assets for the year:

	Fair Value Measurements at Report Date Using <u>Significant Unobservable Inputs (Level 3)</u>
	<u>Beneficial Interests in Assets Held by Community Foundation / Endowment Net Assets</u>
Balance at June 30, 2024 .....	\$ 1,315,849
Contributions .....	1,402
Investment Income, net .....	156,365
Distributions .....	<u>(78,656)</u>
Balance at June 30, 2025 .....	<u>\$ 1,394,960</u>

Investment income (including interest earned on money market accounts and certificate of deposit outside of the endowment), net of investment management fees, consists of the following components for the year ended June 30, 2025:

Interest and Dividends .....	\$ 35,984
Realized and Unrealized Gains .....	171,932
Investment Management Fees .....	<u>(25,460)</u>
	<u>\$ 182,456</u>

**NOTE 10—RETIREMENT PLAN**

The Organization sponsors a defined contribution plan under Internal Revenue Code Section 401(k). Employees that completed twelve consecutive months of service and worked at least 1,000 hours for the employer are eligible for the plan. The Organization matches 100% of employees' contributions, up to 3% of the employee's salary. Employer contributions totaled \$51,978 for the year ended June 30, 2025.

**NOTE 11—LEASES**

The Organization has an operating lease agreement for office space in Oak Park, Illinois. The lease commenced on November 1, 2024 and expires October 31, 2027. Under the lease agreement, the Organization pays base rent of \$6,385 per month with 4% annual increases, plus a security deposit of \$6,385.

The Organization has a finance lease agreement for five copiers. The five year lease expires on February 27, 2028 and calls for monthly rentals of \$995 over the term of the lease. The lessor paid the Organization \$16,831 as a lease incentive to offset the loss incurred for termination of the prior equipment lease.

NOTES TO FINANCIAL STATEMENTS

**NOTE 11—LEASES (Continued)**

The lease ROU assets and liabilities were calculated utilizing a risk-free discount rate for the operating lease (4.18%), and an estimated incremental borrowing rate on the finance lease (5%) at their inception. The latter approximated the implicit rate per the finance lease agreement. The ROU assets and the lease liabilities as of June 30, 2025 are as follows:

Operating Lease Right-of-Use Asset .....	\$	177,346
Finance Lease Right-of-Use Asset.....		<u>20,358</u>
	\$	<u>197,704</u>
Operating Lease Liability .....	\$	179,417
Finance Lease Liability .....		<u>29,750</u>
		209,167
Less: Current Portion .....		<u>83,503</u>
Long-Term Portion .....	\$	<u>125,664</u>

Future minimum lease payments of the operating and finance lease liabilities are as follows:

Year Ending June 30:		
2026 .....	\$	90,603
2027 .....		93,750
2028 .....		<u>35,584</u>
		219,937
Less: Discount to net Present Value.....		<u>(10,770)</u>
Present Value of Lease Liabilities.....	\$	<u>209,167</u>

The components of lease expense included in operating and finance expenses are comprised of the following:

Fixed Operating Lease Cost (Rent) .....	\$	53,151
Finance Lease Costs – Amortization of Right-of-Use Asset .....		6,951
Finance Lease Costs – Interest on Lease Liability .....		<u>1,765</u>
Net Lease Cost .....	\$	<u>61,867</u>

Other Information as of June 30, 2025:

Supplemental Cash Flows Information

Cash Paid for Amounts Included in Measuring of

Lease Liabilities:

Operating Cash Flows from Operating Lease.....	\$	51,080
Operating Cash Flows for Interest Portion of Finance Lease.....		1,765
Operating Cash Flows from Finance Lease .....		10,176

Weighted-Average Remaining Lease Term (Years) .....	2.39
Weighted Average Discount Rate.....	4.30%

NOTES TO FINANCIAL STATEMENTS

---

**NOTE 12—NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes, as of June 30, 2025:

Austin Schools.....	\$	24,967
Clinical Training Program .....		70
Teen Suicide Prevention .....		<u>23,786</u>
 Total.....	 \$	 <u>48,823</u>

**NOTE 13—CONTRIBUTIONS IN-KIND**

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Organization did not receive any donated services that meet the above recognition criteria for the year ended June 30, 2025.

During the year ended June 30, 2025, the Organization received donated used furniture valued at \$2,620 and consisting of items below the Organization’s capitalization threshold. The amount is included in supplies on the statement of functional expenses. There are no donor-imposed restrictions associated with the donated goods and they are utilized in the Organization’s supporting activities.

Donated special event auction items are initially reported at their estimated fair value with subsequent adjustment to report them on the financial statements at the gross selling price received at the special event and totaled \$14,875 for the year ended June 30, 2025. All donated auction items had no donor-imposed restriction and were monetized.

**NOTE 14—RELATED PARTY TRANSACTIONS**

Contributions from board members amounted to \$61,785 for the year ended June 30, 2025.

**NOTE 15—SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 19, 2025, the date on which the financial statements were available for issuance. Other than as disclosed elsewhere in the financial statement, there were no subsequent events, which require disclosure.



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 Counseling Center  
Oak Park, Illinois

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 COUNSELING CENTER (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered THRIVE COUNSELING CENTER'S internal control over financial reporting (internal control) as a basis for designing 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 COUNSELING CENTER'S internal control. Accordingly, we do not express an opinion on the effectiveness of THRIVE COUNSELING CENTER'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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in 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 or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether THRIVE COUNSELING CENTER'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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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.

Warady & Davis LLP

December 19, 2025