THINK OF US

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

December 31, 2018

HAN GROUP
Certified Public Accountants and Consultants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Think of Us

We have audited the accompanying financial statements of Think of Us (the Organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows the year ended December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 Think of Us as of December 31, 2018, and the changes in its net assets and its cash flows for the year ended December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - *Adoption of New Accounting Standard*

As discussed in Note 2 to the financial statements, Think of US has adopted new accounting guidance, Accounting Standards Update *2016*-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to matter.

HAN GROUP LLC

HAN GROUP LLC
Washington, DC
April 30, 2020

THINK OF US
Statement of Financial Position
December 31, 2018

Assets		
Cash	$	12,350
Contributions receivable		24,986
Prepaid expenses		574
Property and equipment, net		10,893
Total assets	$	48,803
Liabilities and Net Deficit		
Liabilities		
Accounts payable and accrued expenses	$	19,015
Deferred revenue		40,000
Total liabilities		59,015
Net Deficit		
Without donor restrictions		(10,212)
Total net deficit		(10,212)
Total liabilities and net deficit	$	48,803

See accompanying notes.

THINK OF US
Statement of Activities
Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	$ 599,574	$ 5,000	$ 604,574
License fees	101,055	-	101,055
Net assets released from restrictions:			
Satisfaction of purpose restrictions	230,000	(230,000)	-
Total revenue and support	930,629	(225,000)	705,629
Expenses			
Program services	633,251	-	633,251
Supporting services:			
Management and general	309,960	-	309,960
Fundraising	44,980	-	44,980
Total supporting services	354,940	-	354,940
Total expenses	988,191	-	988,191
Change in Net Assets	(57,562)	(225,000)	(282,562)
Net Assets, beginning of year	47,350	225,000	272,350
Net Deficit, end of year	$ (10,212)	$ -	$ (10,212)

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Salaries and related expenses	$ 524,090	$ 224,237	$ 27,960	$ 776,287
Travel and meetings	67,718	23,149	11,917	102,784
Contract services	12,910	37,892	-	50,802
Facility and equipment	17,134	5,739	877	23,750
Office expenses	5,600	8,973	3,991	18,564
Depreciation	4,584	1,535	235	6,354
Other expenses	1,215	8,435	-	9,650
Total Expenses	$ 633,251	$ 309,960	$ 44,980	$ 988,191

THINK OF US
Statement of Cash Flows
Year Ended December 31, 2018

Cash Flows from Operating Activities		
Change in net assets	$	(282,562)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation		6,354
Change in operating assets and liabilities:		
Contributions receivable		211,140
Prepaid expenses		(574)
Accounts payable and accrued expenses		4,167
Deferred revenue		27,500
Net cash used in operating activities		(33,975)
Net Decrease in Cash		(33,975)
Cash, beginning of year		46,325
Cash, end of year	$	12,350

See accompanying notes.

1. Nature of Operations

Think of Us (the Organization), incorporated on April 10, 2017, is a not-for-profit organization whose mission is to leverage innovative technology to improve the lives of youth in foster care. The Organization's ultimate goal is for foster youth to successfully transition into a prosperous adulthood. The Organization sees this process as a communal endeavor that connects employment, education and abilities. The Organization envisions a future where communities are designed to maximize the development and wellness of maturing youth, so that they can transition into healthy, stable and thriving adults. The Organization's work-to-date demonstrated that it is possible to develop a collective impact, not only providing the tools, but also streamlining the systems that help young people utilize the resources at their disposal.

The Organization funds its program and supporting services primarily through contributions and license fees from individuals, corporations and foundations.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned and expenses are recognized when the obligation is incurred.

Contributions Receivable

Contributions receivable represent amounts due from the Organization's various donors. There was no allowance recorded at December 31, 2018 as the entire balance has been deemed by management to be fully collectible within one year. If an amount becomes uncollectible, it is expensed when that determination is made.

Property and Equipment

Property and equipment over $500 with a projected useful life exceeding one year are capitalized and recorded at cost or fair value at date of contribution. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

2. Summary of Significant Accounting Policies (continued)

Classification of Net Assets

- *Net Assets Without Donor Restrictions* represent funds that are not subject to donor-imposed stipulations and are available for support of the Organization's operations.

- *Net Assets With Donor Restrictions* represent funds subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization does not have any donor-imposed restrictions which are perpetual in nature at December 31, 2018.

Revenue Recognition

Unconditional contributions are recognized as revenue when received or promised and are reported support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. 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 to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

License fees are recognized as revenue on a pro-rata basis over the license period. License fees received, which are applicable to the following year, are reported as deferred revenue in the accompanying statement of financial position. There were $40,000 in deferred license fees at December 31, 2018. Revenue from all other sources is recognized when earned.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the accompanying statement of activities. The statement of functional expenses represents expenses by function and natural classification. The Organization incurs expense that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services.

These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management based on the distribution of labor or estimate of time and effort incurred by personnel. Expenses allocated include salaries and related expenses, facility and equipment and depreciation.

2. Summary of Significant Accounting Policies (continued)

Change in Accounting Principles

Effective January 1, 2018, the Organization adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities.* ASU 2016-14 amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. ASU 2016-14 is effective for financial statements issued for fiscal years beginning after December 15, 2017.

Implementation of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the period presented. The Organization’s net assets previously reported as temporarily restricted are now reported as net assets with donor restrictions. Likewise, the Organization’s net assets previously reported as unrestricted are now reported as net assets without donor restrictions. The Organization did not have any permanently restricted net assets.

Pending Accounting Pronouncements

In May 2014, the Financial Accounting Standard Board (FASB) issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606).* The core principle of ASU 2014-09 requires the recognition of revenue to depict the transfer of goods or services to customers at an amount that reflects the consideration for what an organization expects it will receive in association with this exchange. ASU 2014-09 is effective for fiscal years beginning after December 15, 2018. Management is currently evaluating the impact of ASU 2014-09 on the Organization's financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and related liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU 2016-02 is effective for non-public entities for fiscal years beginning after December 15, 2020. Management is currently evaluating the impact of ASU 2016-02 on the Organization's financial statements.

2. Summary of Significant Accounting Policies (continued)

Pending Accounting Pronouncements (continued)

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958)*: *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. ASU 2018-08 is effective for the Organization for annual reporting periods beginning after December 15, 2018. Management is currently evaluating the impact of ASU 2018-08 on the Organization's financial statements.

Use of Estimates

The preparation of financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Concentrations

During the year ended December 31, 2018, the Organization received 52% of its revenue from three sources. At December 31, 2018, approximately 93% of contributions receivable were due from two entities.

4. Property and Equipment

The Organization held the following property and equipment at December 31, 2018:

Office equipment	$ 18,393
Total property and equipment	18,393
Less: accumulated depreciation	(7,500)
Property and equipment, net	$ 10,893

5. Operating Leases

On May 15, 2017, the Organization entered into a non-cancellable sublease agreement for an office space commenced on May 15, 2017 and terminated in November 2019. The terms of the sublease required monthly payments of $2,300 with periodic rent increases based on scheduled increases provided for in the lease. Beginning in December 2019, the Organization has been provided contributed office space.

5. Operating Leases (Continued)

Rent expense was $23,750 for the year ended December 31, 2018. Deferred rent is not recorded due to its immateriality. At December 31, 2018, future minimum lease payments totaling $26,906 were due in the year ending December 31, 2019.

6. Net Assets With Donor Restrictions

There were no net assets with donor restrictions at December 31, 2018.

During the year ended December 31, 2018, releases from net assets with donor restrictions were for the following:

Subject to expenditures for specific purposes:		
Santa Clara	$	200,000
Nebraska		25,000
LA Hackathons		5,000
Total net assets released from donor restrictions	$	230,000

7. Management Plans

During the year ended December 31, 2018, the Organization experienced a decrease in net assets of $282,562, resulting in an ending net deficit of $10,212 as of December 31, 2018. Management expects to meet future cash needs by reducing expenditures, including rent and salaries, and to simultaneously bring in new sources of revenue, both in the form of contributions and from license agreements. Although, there can be no assurance that the Organization will be successful in fully implementing these plans, management believes that the reductions of expenditures and raise of new funds are probable.

8. Related Party Transactions

The Organization received cash contributions from board members and from organizations controlled by board members. The total of such contributions was $269,600 in cash contributions for the year ended December 31, 2018. These contributions are included in contributions in the accompanying statement of activities.

9. Liquidity and Availability of Resources

The following schedule reflects the Organization's financial assets at December 31, 2018, reduced by amounts not available for general use within one year. All financial assets listed below are considered to be convertible to cash within one year:

Cash	$	12,350
Contributions receivable		24,986
Total financial assets		37,336
Less those unavailable for general expenditures within one year		(-)
Financial assets available to meet cash needs for general expenditures within one year	$	37,336

The Organization's policy is to structure its financial assets to become available as general expenditure, liabilities, and other obligations become due, operating within a prudent range of financial soundness and stability. In addition, the Organization operates with a balanced budget and without any short or long-term non-operating debt.

10. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Organization is a nonprofit organization and is exempt from federal taxes on income other than net unrelated business income. No provision for federal or state income taxes is required for the year ended December 31, 2018, as the Organization had no taxable net unrelated business income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in Accounting Standards Codification Topic 740-10, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expenses.

The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2018 and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. The statute of limitations for tax years generally remains open with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns for three years after the respective filing deadlines for those returns.

11. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 30, 2020, the date the financial statements were available to be issued. There were no subsequent events, that require recognition of, or disclosure in the financial statements, other than those in, the paragraphs below.

Beginning in December 2019, the Organization has received contributed office space, as described in Note 6.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses including cancellations of events and meetings in early 2020. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the restrictions on gatherings. At this time the related financial impact and duration cannot be reasonably estimated.