Report of Independent Auditors and
Consolidated Financial Statements

Thrive Networks

December 31, 2014 and 2013

MOSS ADAMS LLP

Certified Public Accountants | Business Consultants

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Thrive Networks

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Thrive Networks, which comprise the consolidated statements of financial position, as of December 31, 2014 and 2013, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Thrive Networks as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Moss Adams LLP

San Francisco, California
April 28, 2015

CONSOLIDATED FINANCIAL STATEMENTS

THRIVE NETWORKS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2014 and 2013

	2014	2013
ASSETS		
Cash and cash equivalents	$ 7,173,533	$ 6,023,448
Grants receivable, net	4,517,709	5,900,137
Investments at fair value	2,002,385	1,997,954
Loans receivable, net	335,488	241,179
Advance to micro-lending partner	-	69,731
Other assets	182,841	100,944
Property and equipment, net	14,656	22,185
Total assets	$ 14,226,612	$ 14,355,578
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 316,397	$ 1,345,328
Accrued payroll and other benefits	295,941	268,776
Deferred revenue	2,796,167	1,561,862
Notes payable	27,778	38,889
Total liabilities	3,436,283	3,214,855
NET ASSETS		
Unrestricted	1,916,259	3,422,716
Temporarily restricted	8,874,070	7,718,007
Total net assets	10,790,329	11,140,723
Total liabilities and net assets	$ 14,226,612	$ 14,355,578

See accompanying notes.

	2014			**2013**		
	Unrestricted	**Temporarily Restricted**	**Total**	**Unrestricted**	**Temporarily Restricted**	**Total**
SUPPORT AND REVENUE						
Grants	$ 4,745,179	$ 4,810,112	$ 9,555,291	$ 2,658,382	$ 1,671,271	$ 4,329,653
Contributions	1,016,117	2,542,306	3,558,423	892,033	2,498,159	3,390,192
In-kind contributions	345,283	-	345,283	609,867	-	609,867
Contract services	88,226	-	88,226	-	-	-
Fee-for-service	51,868	-	51,868	77,036	-	77,036
Investment income	26,495	-	26,495	26,788	-	26,788
Net assets released from restrictions	6,196,355	(6,196,355)	-	10,997,796	(10,997,796)	-
Total support and revenue	12,469,523	1,156,063	13,625,586	15,261,902	(6,828,366)	8,433,536
EXPENSES						
Program services						
Water, sanitation and hygiene	7,153,314	-	7,153,314	2,402,109	-	2,402,109
Health	1,716,021	-	1,716,021	2,168,320	-	2,168,320
Education	1,778,775	-	1,778,775	2,342,052	-	2,342,052
Subtotal	10,648,110	-	10,648,110	6,912,481	-	6,912,481
Large construction	1,562,007	-	1,562,007	7,091,245	-	7,091,245
Total program services	12,210,117	-	12,210,117	14,003,726		14,003,726
Support						
Management and general	1,324,925	-	1,324,925	1,116,708	-	1,116,708
Fundraising	457,546	-	457,546	644,254	-	644,254
Total support	1,782,471	-	1,782,471	1,760,962	-	1,760,962
Total expenses	13,992,588	-	13,992,588	15,764,688	-	15,764,688
Decrease in net asssets from operating activities	(1,523,065)	1,156,063	(367,002)	(502,786)	(6,828,366)	(7,331,152)
NONOPERATING REVENUES						
Acquisition-inherent contribution	16,608	-	16,608	284,555	295,848	580,403
CHANGE IN NET ASSETS	(1,506,457)	1,156,063	(350,394)	(218,231)	(6,532,518)	(6,750,749)
NET ASSETS, at beginning of year	3,422,716	7,718,007	11,140,723	3,640,947	14,250,525	17,891,472
NET ASSETS, at end of year	$ 1,916,259	$ 8,874,070	$ 10,790,329	$ 3,422,716	$ 7,718,007	$ 11,140,723

See accompanying notes.

THRIVE NETWORKS
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (350,394)	$ (6,750,749)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	11,831	8,107
Change in discount on grants receivable	(1,614)	843
Change in allowance on loan receivable	(1,723)	7,460
Acquisition-inherent contribution	(16,608)	(580,403)
(Increase)/decrease in:		
Grants receivable	1,384,042	(425,236)
Other assets	(12,165)	(29,510)
Increase/(decrease) in:		
Accounts payable and accrued expenses	(1,209,919)	1,165,174
Accrued payroll and other benefits	27,165	(30,149)
Deferred revenue	1,234,305	547,501
Net cash provided by (used in) operating activities	1,064,920	(6,086,962)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of securities/investments	(1,007,627)	(1,997,954)
Proceeds from sales of securities/investments	1,003,196	9,217,686
Investment in loans receivable	(150,000)	(287,068)
Repayment of loans receivable	57,414	38,429
Payment to micro-lending partner	(25,175)	(174,556)
Repayment from micro-lending partner	174,577	-
Purchase of fixed assets	(4,302)	(13,500)
Cash acquired from acquisition of Blue Planet Network	-	603,804
Cash acquired from acquisition of Reach Global	13,937	-
Net cash provided by investing activities	62,020	7,386,841
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of notes payable	(11,111)	(11,111)
Proceeds from micro-fund provider	94,906	-
Repayment of micro-fund provider	(60,650)	104,825
Cash flows provided by financing activities	23,145	93,714
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,150,085	1,393,593
CASH AND CASH EQUIVALENTS, beginning of year	6,023,448	4,629,855
CASH AND CASH EQUIVALENTS, end of year	$ 7,173,533	$ 6,023,448
SUPPLEMENTAL DISCLOSURE OF CASH-FLOW INFORMATION		
In-kind contributions	$ 345,283	$ 609,867
Donated securities	547,837	11,241
Assets and liabilities acquired in acquisition		
Current assets	16,608	604,244
Less current liabilities	-	(23,841)
Net assets acquired	16,608	580,403
Contribution inherent in acquisition	$ 16,608	$ 580,403

See accompanying notes.

	2014				2013			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
EXPENSES								
Construction and program expenses	$ 4,439,957	$ -	$ -	$ 4,439,957	$ 9,632,343	$ -	$ -	$ 9,632,343
Personnel costs	2,733,934	580,413	253,432	3,567,779	1,864,531	529,752	469,429	2,863,712
Grants to others	3,466,056	-	-	3,466,056	916,420	-	-	916,420
Professional fees	701,784	385,226	34,406	1,121,416	712,435	386,344	46,681	1,145,460
Travel and meetings	535,337	192,396	56,949	784,682	501,371	74,455	30,062	605,888
Office and other expenses	201,451	125,069	35,392	361,912	260,724	86,386	37,160	384,270
Occupancy	131,598	41,821	77,367	250,786	115,902	39,771	60,922	216,595
	$ 12,210,117	$ 1,324,925	$ 457,546	$ 13,992,588	$ 14,003,726	$ 1,116,708	$ 644,254	$ 15,764,688

See accompanying notes.

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Organization and nature of activities – The consolidated financial statements include the accounts of Thrive Networks Global, Inc. (formerly known as East Meets West Foundation), and its subsidiaries: Reach Vietnam; East Meets West Dental Center ("EMW Dental Center"); East Meets West Foundation, Ghana, and Thrive Networks Foundation, Limited, Hong Kong (collectively "Thrive Networks"). The accounts of these organizations have been consolidated because they are under common management and control. As of November 1, 2014, EMW Dental Center became independent of Thrive Networks and established its own independent board of directors. At that time EMW Dental Center began working under the management of Vietnam Union of Science and Technology Associations ("VUSTA"). As a result, EMW Dental Center was no longer included in the financial results of Thrive Networks as of November 1, 2014.

The organization changed its name to Thrive Networks Global from East Meets West Foundation on August 26, 2014, through a filing with the California Secretary of State.

Thrive Networks' mission is to help the world's most disadvantage people move from survival to potential. Thrive Networks is building an innovation network for social change by supporting pioneering programs around the world in health, water and sanitation, and education that give people the resources they need to transform their lives. Thrive Networks helps experienced, motivated social entrepreneurs collaborate – across disciplines, geographies, and cultures – to create comprehensive, lasting solutions.

Thrive Networks is built on 27 years of experience operating cutting-edge, evidence-based programs in Asia and Africa. Thrive Networks was incorporated in California in 1988 as East Meets West Foundation to help the people of Vietnam, and continues to do so today. Thrive Networks family of innovators has expanded to include Blue Planet Network, Reach Global, Coach for College, and Hands to Hearts International.

Thrive Networks and Reach Vietnam are both charitable, nonprofit organizations. Thrive Networks and Reach Vietnam were incorporated in California in 1988 and 2001, respectively. EMW Dental Center is a for-profit, fee-for service entity incorporated in Vietnam in 2012 that commenced its business of providing dental services in Da Nang during December of 2012. East Meets West Foundation, Ghana, was incorporated in Ghana in 2013 to provide programmatic services in Ghana. Thrive Networks Foundation, Limited, was incorporated in Hong Kong in 2014 and will accept donations from Hong Kong donors when it receives tax-exempt status from the Hong Kong tax authority – application is pending as of December 31, 2014. Thrive Networks has offices in Oakland, California; Ho Chi Minh City, Hanoi, Ninh Binh, Quang Binh, Tien Giang and Da Nang, Vietnam; Vientiane, Laos; Phnom Penh, Cambodia; Manila, Philippines; New Delhi, India; Dili, Timor-Leste; Yangon, Myanmar; and Accra, Ghana.

During 2014, Thrive Networks received the assets of two programs as contributions. One of these programs is Coach for College, which contributed $178,368 from DukeEngage, a program of Duke University. The other program is Hands to Hearts International, an independent charitable, nonprofit organization, which contributed $53,001. These contributions were included in the consolidated statements of activities as contribution revenue for 2014.

Basis of consolidation – The consolidated financial statements include all the accounts of Thrive Networks and its subsidiaries: Reach Vietnam; EMW Dental Center; East Meets West Foundation, Ghana; and Thrive Networks Foundation, Limited. All significant intercompany transactions and balances have been eliminated in consolidation.

Description of program and supporting services:

Program expenses –

- Water, sanitation, and hygiene includes programs that provide communities with access to lasting clean water, improved sanitation facilities, and stepped up knowledge of hygiene practices by combining implementation expertise, innovative financing approaches, knowledge sharing resources, and rigorous monitoring and evaluation.

    - Blue Planet Network is a network of expert water and sanitation organizations working in many countries around the world by using Blue Planet Network's online platform to collaborate and share insights to improve water and sanitation efforts worldwide.

- Community Water, Sanitation and Hygiene is a community-based program that integrates proven solutions to increase access to clean water – and promote better sanitation and hygiene conditions – for people in poor, rural areas of Vietnam, Cambodia, and Laos by working closely with local partners, using innovative financing and incentives, and supporting community education to stimulate demand of toilets and adoption of hygienic behaviors.

- Health includes programs that target the crucial first decade of a child's life. Early interventions – at the hospital, school, or community level – offer the greatest impact and best chance for a healthy start and productive future.

    - Breath of Life is a healthcare facility-based program to improve newborn care quality by providing low-resource hospitals with durable new medical equipment, training staff in equipment use and newborn care, supporting equipment maintenance, and ensuring effectiveness through monitoring and evaluation.

    - Deworming is an integrated, cross-sector solution to a major public health problem that provides deworming medicine to children and by building latrines in schools and supporting community hygiene education.

    - Oral Health is a school-based, capacity-building program that trains school nurses to provide screening, oral hygiene education, and basic dental care.

- Education includes initiatives designed to unlock potential and improve the life prospects wherever there is a chance for learning to take place: from preschools to secondary schools, summer learning camps to self-help groups.

    - Reach Global is a pioneering social franchise with a range of life skills education programs that have served millions of women and girls living in poverty in India and Africa, empowering them with much needed financial literacy and health knowledge skills to seize new life opportunities.

    - Hands to Hearts International is a community-based program that empowers women and caregivers with the skills and knowledge to nurture children in the most challenging regions of the world.

    - Early Childhood Education is a capacity-building program that partners with key government agencies to deliver a better start in life to thousands of children in need by providing teacher training and classroom supplies to schools that serve disadvantaged children.

    - Scholarship Programs are designed to prevent school dropout by supporting Vietnam's poorest students through high school graduation with scholarships and intensive tutoring.

    - Coach for College is an evidence-based summer-camp program to improve education outcomes and enhance life skills for disadvantaged middle school children by bringing local college students and U.S. scholar athletes together to provide coaching in sports and academics.

- Large construction includes medical facilities, libraries, and academic buildings. Thrive Networks has no ownership of the buildings. At the end of construction, the buildings are handed over to the Vietnamese government.

Management and general expenses – These include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of Thrive Networks.

Fundraising expenses – Fundraising expenses include the cost of all activities that constitute an appeal for financial support; that is, costs incurred to induce others to contribute money, securities, time, materials, or facilities to Thrive Networks.

Basis of presentation – The consolidated financial statements are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, *Financial Statements of Not-for-Profit Organizations*.

Basis of accounting – The consolidated financial statements are prepared using the accrual basis of accounting.

Interest in Reach Vietnam – Thrive Networks and Reach Vietnam are considered interrelated organizations in that Thrive Networks has the ability to influence the operating and financial decisions of Reach Vietnam.

Interest in East Meets West Dental Center – Thrive Networks and EMW Dental Center are considered interrelated organizations in that Thrive Networks has the ability to influence the operating and financial decisions of EMW Dental Center. As of November 1, 2014, Thrive Networks no longer has an interest in EMW Dental Center.

Interest in East Meets West Foundation, Ghana – Thrive Networks and East Meets West Foundation, Ghana are considered interrelated organizations in that Thrive Networks has the ability to influence the operating and financial decisions of East Meets West Foundation, Ghana.

Cash and cash equivalents – For purposes of the statement of cash flows, all highly liquid investments with an initial purchased maturity of three months or less are considered to be cash equivalents.

Allowance for doubtful accounts – Thrive Networks reviews grants receivable on a periodic basis and reserves against estimated uncollectible amounts as necessary. Management believes that all of its accounts are collectible; accordingly, no allowance for doubtful accounts was required at December 31, 2014 and 2013.

The allowance for loan losses is established through a provision for loan losses charged to expense. Loans are charged against the allowance when the collectability of principal and interest is unlikely. The amount in the allowance is based upon management's evaluation of risk characteristics under current economic conditions.

Investments at fair value – As of December 31, 2014 and 2013, Thrive Networks carried investments in certificates of deposit. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities and represent the change in the fair value of investments from one year to another.

Property and equipment, net – Fixed assets with an estimated useful life in excess of one year are capitalized at cost; donated assets are capitalized at the fair value at date of receipt. Depreciation is computed using the straight-line method with estimated useful lives of three to five years. Thrive Networks capitalizes fixed asset purchases of amounts in excess of $2,500.

Compensated absences – Thrive Networks accrues a liability for earned vacations to which employees are entitled depending on their length of service and other factors. The accompanying consolidated financial statements include accrued vacation benefits of $124,155 and $96,574 as included in accrued payroll and other benefits in the consolidated statements of financial position as of December 31, 2014 and 2013, respectively.

Deferred revenue – Thrive Networks recognizes revenue when expenses are incurred. Deferred revenue represents grant funds received in excess of expenses incurred. This deferred revenue will be recognized as revenue in future periods.

Description of net assets –

Unrestricted net assets – The portion of net assets that is neither temporarily nor permanently restricted by donor imposed restrictions.

Temporarily restricted net assets – Temporarily restricted net assets represent contributions whose use by Thrive Networks is limited by donor-imposed stipulations that can be fulfilled and removed by action of Thrive Networks pursuant to those stipulations or by the passage of time.

Permanently restricted net assets – The portion of net assets used by Thrive Networks that is limited by donor-imposed stipulations that neither expire by passage of time nor can otherwise be removed by actions of Thrive Networks. There were no permanently restricted net assets as of December 31, 2014 and 2013.

In-kind contributions – Donated services are recognized when received if such services (a) create or enhance nonfinancial assets, (b) require specialized skills, and (c) are provided by individuals possessing those skills, and would typically need to be purchased if not donated. Thrive Networks received pro-bono professional services and supplies from volunteer doctors and dentists who support certain programs, legal services as well as various other professional services that were contributed. The established fair value of donated services received was based upon the number of hours contributed at appropriate billing rates, and has been recorded as an in-kind contribution and expense.

Revenue recognition – Contributions received are recorded as unrestricted or temporarily restricted support depending on the existence or nature of any donor restrictions. Restricted contributions, which are expended in the year received, are accounted for as unrestricted.

Revenue associated with substantive performance milestones are recognized based on the achievement of milestones, as defined in the respective agreements.

Use of estimates – The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates include depreciation, allowance for loan loss and discounts on grants receivable. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses – Expenses are charged to programs and supporting services on the basis of periodic time and expense studies as well as estimates made by Thrive Networks' management. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of Thrive Networks.

Foreign currency transactions – Receipts and disbursements in foreign currencies are converted into U.S. dollars at the exchange rates approximating those at the transaction dates. The cash balances denoted in foreign currencies are translated into U.S. currency at the exchange rate approximating the rate at the closing date. Foreign currency exchange losses were $4,267 and $5,162 in December 31, 2014 and 2013.

Fair value measurements – Thrive Networks determines the fair value of assets and liabilities consistent with a fair value framework that establishes a hierarchy for measuring fair value, and requires disclosures about the use of fair value measurements.

Fair value measurement reporting provides a consistent definition of fair value that focuses on an exit price, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement reporting also prioritizes the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date.

The three-level hierarchy for fair value measurements is defined as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

In certain cases, inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Thrive Networks' assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

Reclassifications – Certain reclassifications have been made to the 2013 consolidated financial statements to conform to the current year presentation. Such reclassifications did not change total assets, liabilities, revenues, expenses, or changes in net assets, as reflected in the 2013 consolidated financial statements.

NOTE 2 – CONCENTRATIONS

Thrive Networks maintains its cash balances at various banks and brokerage houses in the United States, and at VID Public Bank and Vietcom Bank in Vietnam, Cambodia Public Bank in Cambodia, Bank of the Philippine Islands in Philippines, ANZ Royal in Laos, Ecobank in Ghana and Kanbawza Bank in Myanmar. Cash held by VID Public Bank in Vietnam is fully secured by the Vietnam State Bank. As of December 31, 2014 and 2013, cash balances at Vietnam banks (primarily in U.S. dollar accounts) amounted to $595,696 and $1,419,682, respectively. At December 31, 2014 and 2013, Thrive Networks held $108,515 and $62,742, respectively, in foreign currency. The Federal Deposit Insurance Corporation ("FDIC") insures account balances at U.S. banks up to $250,000. Under the FDIC's Transaction Account Guarantee Program ("TAGP") all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Coverage under TAGP is in addition to and separate from the coverage available under the FDIC's general deposit insurance rules. At December 31, 2014 and 2013, Thrive Networks had uninsured bank balances and certificates of deposit of $7,059,026 and $5,075,808, respectively.

Thrive Networks recognized $4,689,750 or 35% and $674,250 or 8% of its consolidated revenue from the Bill & Melinda Gates Foundation for the years ended December 31, 2014 and 2013, respectively.

Thrive Networks recognized $1,695,269 or 13% and $2,475,436 or 29% of its consolidated revenue from the Australian Department of Foreign Affairs and Trade for the years ended December 31, 2014 and 2013, respectively.

NOTE 3 – GRANTS RECEIVABLE

Grants receivable are as follows:

	2014	2013
Receivable in less than one year	$ 3,761,869	$ 4,588,769
Receivable in one to five years	758,358	1,315,500
Total grants receivable	4,520,227	5,904,269
Less discount to net present value	(2,518)	(4,132)
Net grants receivable	$ 4,517,709	$ 5,900,137

The grants receivable in one to five years have been discounted using discount of 0.3% in 2014 and 2013.

NOTE 4 – INVESTMENTS

Investments are stated at fair value and consisted primarily of the following:

	2014		2013	
	Cost	Fair Value	Cost	Fair Value
Certificate of deposit	$ 2,002,385	$ 2,002,385	$ 1,997,954	$ 1,997,954

Investment income was $3,771 and $10,135 in 2014 and 2013, respectively, which is included in investment income on the consolidated statements of activities.

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table represents Thrive Networks' fair value hierarchy for its financial assets measured at fair value on a recurring basis as of December 31, 2014:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	$ -	$ 2,002,385	$ -	$ 2,002,385

The following table represents Thrive Networks' fair value hierarchy for its financial assets measured at fair value on a recurring basis as of December 31, 2013:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	$ -	$ 1,997,954	$ -	$ 1,997,954

NOTE 6 – LOANS RECEIVABLE

Micro-lending program – On May 4, 2012, Thrive Networks entered into a loan agreement with the Hai Duong Women's Union of Vietnam ("HDWU"), for 4 billion Vietnamese Dong ("VND"), equivalent to $192,146 USD. Thrive Networks provided funding to the HDWU who then loaned the funds to low income families for construction of new or improved sanitation facilities. The loan matures in 60 months with principal repaid in ten 400 million VND installments every 6 months including interest at 6% per annum beginning January 2013. Interest income amounted to $7,644 and $9,862 in 2014 and 2013, respectively, and is included in investment income on the consolidated statements of activities. Accrued interest receivable was $2,916 and $3,797 for the years ended December 31, 2014 and 2013, respectively, and is included in other assets on the consolidated statements of financial position. As of December 31, 2014 and 2013, the net loan receivable balance was $111,829 and $149,105, respectively.

On September 15, 2013, Thrive Networks entered into a loan agreement with the Ninh Binh Women's Union of Vietnam ("NBWU"), for 2 billion VND, equivalent to $94,922 USD. Thrive Networks provided funding to the NBWU who then loaned the funds to low income families for construction of new or improved sanitation facilities. The loan matures in 60 months with principal to be paid in ten 200 million VND installments every 6 months beginning March 2014. The interest rate is 6% per annum paid every 6 months beginning March 2014. Interest income amounted to $5,108 and $1,661 in 2014 and 2013, respectively included in investment income in the consolidated statement of activities. Accrued interest receivable was $1,380 and $1,661 for the years ended December 31, 2014 and 2013, respectively, and is included in other assets on the consolidated statements of financial position. As of December 31, 2014 and 2013, the net loan receivable balance was $73,659 and $92,074, respectively.

Firetree Asia Foundation, a 501(c)(3) public charity in the United States, granted $150,000 to Thrive Networks on June 1, 2014. The grant specifies that the proceeds will be used to secure a loan used to finance Breath of Life related purposes through Medical Technology Transfer and Services Hong Kong ("MTTS"). MTTS, a company incorporated in Hong Kong with limited liability, is Thrive Networks' social enterprise partner that delivers innovative, cost-effective solutions for newborns in need of intensive medical care. MTTS offers a comprehensive suite of technologies for neonatal care, from Continuous Positive Airway Pressure ("CPAP") machines that treat respiratory distress syndrome and other common newborn respiratory illnesses to phototherapy machines that treat jaundice. On May, 31, 2014, Thrive Networks entered into a loan agreement with MTTS for $150,000. The purpose of the loan is to provide working capital to MTTS. Each principal payment will be greater than $10,000 and repayment will be determined by MTTS. The interest rate is 2% per annum and the loan matures on May 31, 2016. Interest income for 2014 was $468 and accrued interest was $468. As of December 31, 2014, the net loan receivable balance was $150,000.

	2014	2013
Loan receivable - Hai Duong Women's Union	$ 115,288	$ 153,717
Loan receivable - Ninh Binh Women's Union	75,937	94,922
Loan receivable - Medical Technology Transfer and Services	150,000	-
Total loans receivable	341,225	248,639
Less allowance for loan losses	(5,737)	(7,460)
Total loan receivable, net	$ 335,488	$ 241,179

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	2014	2013
Furniture and equipment	$ 68,617	$ 63,421
Less accumulated depreciation	(53,961)	(41,236)
Total property and equipment, net	$ 14,656	$ 22,185

Depreciation expense amounted to $11,831 and $8,107 in 2014 and 2013, respectively.

NOTE 8 – LEASE COMMITMENTS

Thrive Networks leases office space in Oakland, California, under an operating lease that expires in October 2017. Thrive Networks also leases office space in Vietnam, Cambodia, Laos, Myanmar, and the Philippines under various operating leases. The Vietnamese leases expire in July 2015 for the Quang Binh office, in October 2015 for the Ninh Binh office, in December 2015 for the Da Nang office, in August 2015 for the Tien Giang office, in February 2016 for the Ho Chi Minh City office, in May 2019 for the Hanoi office and in April 2022 for the Dental Center (in Da Nang). The Cambodia, Laos, Myanmar, and Philippines leases are either on a month-to-month basis or the term is one year. Presented below is a schedule of minimum future lease obligations as of December 31, 2014.

Year-ending December 31,	
2015	$ 168,514
2016	129,889
2017	114,436
2018	28,293
2019	20,493
Thereafter	38,079
Total	$ 499,704

Rent expense amounted to $231,371 in 2014 and $201,139 in 2013.

NOTE 9 – 401(K) PLAN

Thrive Networks has a 401(k) plan for all eligible U.S. based employees who have completed one month of service. Pension expense in 2014 and 2013 amounted to $24,926 and $26,006, respectively. Management believes the organization is in compliance internationally with local laws in providing employer contributions for employees via government-run retirement plans, where applicable.

NOTE 10 – TAX STATUS

Thrive Networks was incorporated under the laws of the State of California and granted tax exempt status by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code and by the California Franchise Tax Board under Section 23701d of the Revenue and Taxation Code. Accordingly, no provision for income taxes has been included in these consolidated financial statements. With few exceptions, Thrive Networks is no longer subject to United States federal or state/local income tax examinations by tax authorities for fiscal years before 2010. EMW Dental Center is a for-profit entity subject to income taxation laws in Vietnam.

Thrive Networks assesses its accounting for uncertainties in income taxes recognized in its consolidated financial statements and prescribes a threshold of “more likely than not” for recognition and derecognition of tax positions taken or expected to be taken in the tax returns. There was no material impact on Thrive Networks’ consolidated financial statements as a result of assessing these uncertainties.

NOTE 11 – NOTES PAYABLE

Microfinance investment loan – On May 26, 2012, Thrive Networks entered into a loan agreement with Money In Motion, LLC. The purpose of this loan was to support micro-investments for rural sanitation improvements in the Hai Duong Province of Vietnam. As part of this program, Thrive Networks provided funding to the Hai Duong Women's Union who then loaned the funds to low income families for construction of new or improved sanitation facilities. The entire loan proceeds of $50,000 were released soon after the loan agreement became effective. The term is sixty months with principal paid in nine equal installments commencing one year after release of funds by lender and every six months thereafter. Interest rate is 6% per annum. Accrued interest is due at every principal payment date. There is no prepayment penalty with sixty day notice to lender. The interest expense amounted to $704 and $1,009 in 2014 and 2013, respectively. As of December 31, 2014 and 2013, Thrive Networks had outstanding notes payable of $27,778 and $38,889, respectively.

Line of credit – On September 15, 2014, Thrive Networks obtained a secured revolving line of credit with Wells Fargo Bank, National Association of $250,000. The line of credit matures on September 10, 2015 and bears interest at the greater of a floating rate equal to the prime rate set by the lender plus 2%, or 5%. The sole purpose of the line of credit was to implement corporate credit cards. There was no borrowing against the line of credit as of December 31, 2014.

NOTE 12 – KIVA AGREEMENT

Kiva Microfunds ("Kiva"), a micro-fund provider, operates a web-based business that allows website users throughout the world (Kiva lenders) to connect with organizations that provide small loans to individuals or groups in developing countries called micro-finance institutions (MFI). Thrive Networks sought to increase the ability for their program beneficiaries to obtain loans from Kiva lenders to improve their living conditions. Kiva's business model works with intermediaries that can contract directly with entities like the HDWU, therefore it was necessary for Kiva to enter into a contract with Thrive Networks dated August 22, 2013. In turn, Thrive Networks entered into an agreement with the HDWU for 4 billion VND (approximately $200,000) so that the HDWU would lend funds to low income families for construction of new improved sanitation facilities. The Kiva arrangement was entered into in October 2013 with the first borrower profiles approved for funding by Kiva in November 2013. Thrive Networks was approved for a $1,000,000 credit line. The entirety of this first $200,000 tranche of Kiva lending was for latrine construction in HDWU. Thrive Networks earns 0.45% per month interest as a fee for its services in this process. Interest income amounted to $9,504 and $331 in 2014 and 2013, respectively. Thrive Networks and the HDWU bear no risk for non-payment of principal. As of December 31, 2014 and 2013, As of December 31, 2013, $104,825 was approved by Kiva and transferred to Thrive Networks and then to HDWU. There were $69,731 of borrower profiles approved by Kiva but not yet funded by Kiva in December 2013 so Thrive Networks prefunded that amount to the HDWU. That amount prefunded as of December 31, 2014 and 2013 was $0 and $69,731, respectively. As of December 31, 2014, Thrive Networks had an outstanding balance of $113,927 to Kiva, which is included in accounts payable and accrued expenses on the consolidated statements of financial position.

NOTE 13 – ACQUISITIONS

On June 30, 2014, Thrive Networks completed the acquisition of Reach Global, a California public benefit corporation. Reach Global merged into Thrive Networks with Thrive Networks continuing as the surviving entity. Reach Global is an addition to the education program equipping millions of very poor girls and women with the knowledge and skills to activate their most powerful asset—themselves. There were no noncash contributions received or transferred in relation to the acquisition. Of the net assets acquired in the Reach Global acquisition, $16,608 was recorded as unrestricted net assets. The following table summarizes the estimated value of the assets acquired:

Cash	$ 13,937
Other current assets	2,671
Inherent contribution	$ 16,608

On September 6, 2013, Thrive Networks completed the acquisition of Blue Planet Network, a California public benefit corporation. Blue Planet Network ("BPN"), merged into Thrive Networks with Thrive Networks continuing as the surviving entity. This brought together Thrive Networks' market-leading "pay for performance" water and sanitation programs and BPN's unique online collaboration and impact analysis platform. The purposes of the acquisition was to accelerate innovation across the water and sanitation sector, drive learning and visibility, and deliver improved clean water and sanitation solutions to more people around the globe. BPN's operations were predominantly supported by contributions and this was expected to continue. BPN had substantial temporarily restricted and unrestricted net assets at the acquisition date because of contributions received for its online collaboration platform, water projects, and general operations. There were no noncash contributions received or transferred in relation to the acquisition. Of the net assets acquired in BPN acquisition, $295,848 was recorded as temporarily restricted net assets and $284,555 was recorded as unrestricted net assets in 2013.

The following table summarizes the estimated value of the assets acquired and liabilities assumed:

Cash	$	603,804
Other current assets		440
Less: accounts payable		(22,626)
Less: other current liabilities		(1,215)
Inherent contribution	$	580,403

NOTE 14 – TEMPORARILY RESTRICTED NET ASSETS

Support that is restricted by a grantor agency or a donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

All other donor-restricted support is reported as an increase in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Temporarily restricted net assets were available for the following purposes:

	2014		2013	
Water, sanitation, and hygiene	$	4,166,802	$	3,943,238
Health		3,033,839		649,546
Large construction projects		1,032,715		2,622,939
Education		640,714		502,284
Total	$	8,874,070	$	7,718,007

Temporarily restricted net assets released from restrictions by incurring expenses were as follows:

	2014		2013	
Water, sanitation, and hygiene	$	2,357,176	$	650,972
Health		745,861		1,196,829
Large construction projects		1,590,995		7,939,381
Education		1,502,323		1,210,614
Total	$	6,196,355	$	10,997,796

NOTE 15 – IN-KIND CONTRIBUTIONS

Contributions of donated assets are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. Donated goods and services received are as follows:

	2014	2013
Water, sanitation, and hygiene services	$ 120,340	$ 138,517
Program supplies	90,482	77,204
Legal services	78,961	202,440
Health professional services	50,000	39,200
Other professional services	5,500	-
Dental professional services	-	98,080
Dental equipment and supplies	-	54,426
	$ 345,283	$ 609,867

NOTE 16 – FEE-FOR-SERVICE

Thrive Networks recognized fee-for-service revenue from the EMW Dental Center and the Global Partnership on Output-Based Aid dissemination grant. For the years ended December 31, 2014 and 2013, fee-for-service revenue amounted to $51,868 and $77,036, respectively.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

At December 31, 2014, there were no significant outstanding legal actions or claims against Thrive Networks. Thrive Networks maintains various forms of insurance that its management believes are adequate to reduce the exposure to these risks to an acceptable level.

NOTE 18 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the consolidated statement of financial position date but before the consolidated financial statements are issued. Thrive Networks recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statements of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. Thrive Networks' consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statements of financial position but arose after the consolidated statements of financial position date and before the consolidated financial statements were available to be issued.

Thrive Networks has evaluated subsequent events through April 28, 2015, which is the date the consolidated financial statements were available to be issued.