



Consolidated Financial Statements  
June 30, 2024 and 2023

**Mesa Developmental Services  
dba Strive Colorado**

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## Independent Auditor's Report

To the Board of Directors  
Mesa Developmental Services, dba Strive Colorado  
Grand Junction, Colorado

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of Mesa Developmental Services, dba Strive Colorado (Strive), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, 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 (the financial statements).

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Strive as of June 30, 2024 and 2023, 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.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Strive to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 Strive's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 Strive'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 Strive'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 January 29, 2025 on our consideration of the Strive's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Strive'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 Strive's internal control over financial reporting and compliance.

## Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules on pages 25 to 30 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information on pages 25 to 30 has been subjected to the auditing procedures applied in our audits of the financial statements and certain other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Eide Bailly LLP*

Grand Junction, Colorado  
January 29, 2025

Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statements of Financial Position  
June 30, 2024 and 2023

|   | 2024          | 2023          |
|---|---------------|---------------|
| Assets  |               |               |
| Current Assets                                  |               |               |
| Cash and cash equivalents                       | \$ 7,218,376  | \$ 7,993,216  |
| Accounts receivable                             |               |               |
| Fees and grants from governmental agencies, net | 1,272,718     | 1,467,256     |
| Employee retention credit                       | -             | 89,394        |
| Other   | 203,687       | 123,955       |
| Certificates of deposit                         | 2,042,534     | -             |
| Promises to give, net                           | 67,934        | 67,934        |
| Inventory                                       | 50,571        | 53,195        |
| Prepaid expenses and other assets               | 81,854        | 78,067        |
| Total current assets                            | 10,937,674    | 9,873,017     |
| Restricted cash                                 | 33,398        | 30,432        |
| Promises to give, net                           | 83,482        | 120,435       |
| Long-lived assets held for sale                 | -             | 212,359       |
| Property and equipment, net                     | 9,527,170     | 9,741,571     |
| Operating lease right of use assets             | 71,848        | 128,319       |
| Total assets                                    | \$ 20,653,572 | \$ 20,106,133 |

Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statements of Financial Position  
June 30, 2024 and 2023

|   | 2024          | 2023          |
|---|---------------|---------------|
| Liabilities and Net Assets  |               |               |
| Current Liabilities   |               |               |
| Accounts payable and accrued liabilities                                  | \$ 701,596    | \$ 755,627    |
| Deferred revenue  | 25,768        | 32,711        |
| Current maturities of operating lease liability                           | 60,206        | 56,471        |
| Solar panel purchase, current portion                                     | 146,202       | 146,202       |
| Bonds payable, current portion  | 304,068       | 291,703       |
| Total current liabilities   | 1,237,840     | 1,282,714     |
| Long-Term Liabilities   |               |               |
| Operating lease liability   | 11,642        | 71,848        |
| Bonds payable, net of current portion and unamortized bond issuance costs | 3,521,967     | 3,826,796     |
| Total long-term liabilities   | 3,533,609     | 3,898,644     |
| Total liabilities   | 4,771,449     | 5,181,358     |
| Net Assets  |               |               |
| Without donor restrictions  |               |               |
| Undesignated  | 10,007,416    | 8,858,901     |
| Invested in property and equipment, net of related debt                   | 5,701,135     | 5,835,431     |
|   | 15,708,551    | 14,694,332    |
| With donor restrictions   | 173,572       | 230,443       |
| Total net assets  | 15,882,123    | 14,924,775    |
| Total liabilities and net assets  | \$ 20,653,572 | \$ 20,106,133 |

Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statement of Activities  
Year Ended June 30, 2024

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|---|-------------------------------|----------------------------|----------------------|
| <b>Revenue, Support and Gains</b>                         |                               |                            |                      |
| Fees for services from governmental agencies              |                               |                            |                      |
| Medicaid  | \$ 10,948,193                 | \$ -                       | \$ 10,948,193        |
| State of Colorado   | 1,436,795                     | -                          | 1,436,795            |
| Part C  | 235,492                       | -                          | 235,492              |
| Grants from governmental agencies                         |                               |                            |                      |
| Mesa County   | 602,883                       | -                          | 602,883              |
| City of Grand Junction                                    | 88,981                        | -                          | 88,981               |
| American rescue plan                                      | 35,315                        | -                          | 35,315               |
| State of Colorado - Division of Vocational Rehabilitation | 117,240                       | -                          | 117,240              |
| Total from governmental agencies                          | <u>13,464,899</u>             | <u>-</u>                   | <u>13,464,899</u>    |
| Residential room and board                                | 659,879                       | -                          | 659,879              |
| Public support - contributions                            | 748,957                       | 62,854                     | 811,811              |
| Retail and service contract                               | 386,849                       | -                          | 386,849              |
| Net investment return                                     | 42,534                        | -                          | 42,534               |
| Other revenue   | 1,200,225                     | -                          | 1,200,225            |
| Net assets released from restrictions                     | 119,725                       | (119,725)                  | -                    |
| Total revenue, support and gains                          | <u>16,623,068</u>             | <u>(56,871)</u>            | <u>16,566,197</u>    |
| <b>Expenses</b>   |                               |                            |                      |
| Program services  | 12,974,576                    | -                          | 12,974,576           |
| Supporting services                                       |                               |                            |                      |
| Management and general                                    | 2,438,141                     | -                          | 2,438,141            |
| Public relations and fundraising                          | 196,132                       | -                          | 196,132              |
| Total expenses  | <u>15,608,849</u>             | <u>-</u>                   | <u>15,608,849</u>    |
| Change in Net Assets                                      | 1,014,219                     | (56,871)                   | 957,348              |
| Net Assets, Beginning of Year                             | <u>14,694,332</u>             | <u>230,443</u>             | <u>14,924,775</u>    |
| Net Assets, End of Year                                   | <u>\$ 15,708,551</u>          | <u>\$ 173,572</u>          | <u>\$ 15,882,123</u> |

Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statement of Activities  
Year Ended June 30, 2023

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|--|-------------------------------|----------------------------|----------------------|
| <b>Revenue, Support and Gains</b>            |                               |                            |                      |
| Fees for services from governmental agencies |                               |                            |                      |
| Medicaid                                     | \$ 12,130,174                 | \$ -                       | \$ 12,130,174        |
| State of Colorado                            | 1,426,796                     | -                          | 1,426,796            |
| Part C                                       | 166,509                       | -                          | 166,509              |
| Grants from governmental agencies            |                               |                            |                      |
| Mesa County                                  | 602,883                       | -                          | 602,883              |
| State of Colorado                            | 76,221                        | -                          | 76,221               |
| City of Grand Junction                       | -                             | -                          | -                    |
| Employee retention credit                    | 19,199                        | -                          | 19,199               |
| Total from governmental agencies             | <u>14,421,782</u>             | <u>-</u>                   | <u>14,421,782</u>    |
| Residential room and board                   | 755,476                       | -                          | 755,476              |
| Public support - contributions               | 383,726                       | 150,301                    | 534,027              |
| Retail and service contract                  | 458,329                       | -                          | 458,329              |
| Other revenue                                | 531,668                       | -                          | 531,668              |
| Net assets released from restrictions        | 162,263                       | (162,263)                  | -                    |
| Total revenue, support and gains             | <u>16,713,244</u>             | <u>(11,962)</u>            | <u>16,701,282</u>    |
| <b>Expenses</b>                              |                               |                            |                      |
| Program services                             | 13,394,484                    | -                          | 13,394,484           |
| Supporting services                          |                               |                            |                      |
| Management and general                       | 2,440,913                     | -                          | 2,440,913            |
| Public relations and fundraising             | 145,091                       | -                          | 145,091              |
| Total expenses                               | <u>15,980,488</u>             | <u>-</u>                   | <u>15,980,488</u>    |
| Change in Net Assets                         | 732,756                       | (11,962)                   | 720,794              |
| Net Assets, Beginning of Year                | <u>13,961,576</u>             | <u>242,405</u>             | <u>14,203,981</u>    |
| Net Assets, End of Year                      | <u>\$ 14,694,332</u>          | <u>\$ 230,443</u>          | <u>\$ 14,924,775</u> |

Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statement of Functional Expenses  
Year Ended June 30, 2024

|   | Program Services                |                                   |   |                    |                              | Management<br>and General | Public<br>Relations and<br>Fundraising | Total                |
|---|---------------------------------|-----------------------------------|---|--------------------|------------------------------|---------------------------|--|----------------------|
|   | Child and<br>Family<br>Services | Employment<br>Related<br>Services | Residential and<br>Supported<br>Living Services | Case<br>Management | Total<br>Program<br>Services |                           |  |                      |
| Personnel costs                           |                                 |                                   |   |                    |                              |                           |  |                      |
| Salaries and wages                        | \$ 980,997                      | \$ 2,163,860                      | \$ 1,167,919                                    | \$ 625,891         | \$ 4,938,667                 | \$ 821,973                | \$ 61,609                              | \$ 5,822,249         |
| Payroll taxes                             | 81,616                          | 215,078                           | 108,927   | 57,438             | 463,059                      | 119,288                   | 4,792                                  | 587,139              |
| Employee benefits                         | 97,814                          | 161,251                           | 161,411   | 110,011            | 530,487                      | 144,805                   | 11,615                                 | 686,907              |
| <b>Total personnel costs</b>              | <b>1,160,427</b>                | <b>2,540,189</b>                  | <b>1,438,257</b>                                | <b>793,340</b>     | <b>5,932,213</b>             | <b>1,086,066</b>          | <b>78,016</b>                          | <b>7,096,295</b>     |
| Host homes                                | -                               | -                                 | 4,841,902                                       | -                  | 4,841,902                    | -                         | -                                      | 4,841,902            |
| Professional services                     | 182,609                         | 36,373                            | 110,179   | 6,887              | 336,048                      | 482,127                   | 63,032                                 | 881,207              |
| Occupancy/overhead allocation             | -                               | 291,075                           | 152,733   | -                  | 443,808                      | 127,147                   | -                                      | 570,955              |
| Depreciation and amortization             | -                               | 73,679                            | 134,296   | -                  | 207,975                      | 268,626                   | -                                      | 476,601              |
| Supplies                                  | 6,508                           | 337,323                           | 43,387  | 4,589              | 391,807                      | 48,091                    | 16,483                                 | 456,381              |
| Medical professional services             | 266,755                         | -                                 | 75,538  | -                  | 342,293                      | -                         | -                                      | 342,293              |
| Other                                     | 1,935                           | 29,988                            | 114,680   | 3,443              | 150,046                      | 116,208                   | 37,720                                 | 303,974              |
| Interest                                  | -                               | 2,259                             | -   | -                  | 2,259                        | 168,144                   | -                                      | 170,403              |
| Insurance                                 | -                               | 7,017                             | 7,529   | -                  | 14,546                       | 114,264                   | -                                      | 128,810              |
| Vehicles                                  | -                               | 16                                | 119,763   | -                  | 119,779                      | -                         | -                                      | 119,779              |
| Travel                                    | 28,277                          | 3,313                             | 17,818  | 4,550              | 53,958                       | 4,454                     | 75                                     | 58,487               |
| Telephone                                 | 4,761                           | 11,330                            | 14,999  | 6,754              | 37,844                       | 16,247                    | 417                                    | 54,508               |
| Training and development                  | 2,922                           | 2,452                             | 38,966  | 478                | 44,818                       | 6,767                     | 389                                    | 51,974               |
| Purchased services                        | -                               | -                                 | 25,368  | -                  | 25,368                       | -                         | -                                      | 25,368               |
| Assistive technology<br>and modifications | 22,036                          | -                                 | -   | -                  | 22,036                       | -                         | -                                      | 22,036               |
| Food                                      | -                               | -                                 | 7,876   | -                  | 7,876                        | -                         | -                                      | 7,876                |
| <b>Total expenses</b>                     | <b>\$ 1,676,230</b>             | <b>\$ 3,335,014</b>               | <b>\$ 7,143,291</b>                             | <b>\$ 820,041</b>  | <b>\$ 12,974,576</b>         | <b>\$ 2,438,141</b>       | <b>\$ 196,132</b>                      | <b>\$ 15,608,849</b> |

See Notes to Consolidated Financial Statements

Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statement of Functional Expenses  
Year Ended June 30, 2023

|   | Program Services                |                                   |   |                     |                              | Management<br>and General | Public<br>Relations and<br>Fundraising | Total                |
|---|---------------------------------|-----------------------------------|---|---------------------|------------------------------|---------------------------|--|----------------------|
|   | Child and<br>Family<br>Services | Employment<br>Related<br>Services | Residential and<br>Supported<br>Living Services | Case<br>Management  | Total<br>Program<br>Services |                           |  |                      |
| Personnel costs                           |                                 |                                   |   |                     |                              |                           |  |                      |
| Salaries and wages                        | \$ 767,814                      | \$ 1,871,065                      | \$ 1,391,389                                    | \$ 1,139,364        | \$ 5,169,632                 | \$ 734,332                | \$ 30,671                              | \$ 5,934,635         |
| Payroll taxes                             | 61,642                          | 183,737                           | 130,709   | 90,035              | 466,123                      | 83,108                    | 3,159                                  | 552,390              |
| Employee benefits                         | 50,190                          | 87,440                            | 106,713   | 121,921             | 366,264                      | 79,755                    | 3,861                                  | 449,880              |
| <b>Total personnel costs</b>              | <b>879,646</b>                  | <b>2,142,242</b>                  | <b>1,628,811</b>                                | <b>1,351,320</b>    | <b>6,002,019</b>             | <b>897,195</b>            | <b>37,691</b>                          | <b>6,936,905</b>     |
| Host homes                                | -                               | -                                 | 4,753,876                                       | -                   | 4,753,876                    | -                         | -                                      | 4,753,876            |
| Professional services                     | 268,577                         | 33,862                            | 95,035  | -                   | 397,474                      | 600,630                   | 65,575                                 | 1,063,679            |
| Occupancy/overhead allocation             | -                               | 263,414                           | 192,457   | 150                 | 456,021                      | 125,278                   | 40                                     | 581,339              |
| Depreciation and amortization             | -                               | 70,401                            | 131,372   | -                   | 201,773                      | 278,930                   | -                                      | 480,703              |
| Supplies                                  | 11,916                          | 289,961                           | 60,779  | 15,103              | 377,759                      | 77,598                    | 15,436                                 | 470,793              |
| Medical professional services             | 428,913                         | -                                 | 153,110   | -                   | 582,023                      | -                         | -                                      | 582,023              |
| Other                                     | 7,392                           | 24,352                            | 193,495   | 5,221               | 230,460                      | 149,859                   | 26,172                                 | 406,491              |
| Interest                                  | -                               | 3,003                             | -   | -                   | 3,003                        | 180,516                   | -                                      | 183,519              |
| Insurance                                 | -                               | 15,636                            | 11,603  | -                   | 27,239                       | 102,635                   | -                                      | 129,874              |
| Vehicles                                  | -                               | -                                 | 116,787   | -                   | 116,787                      | -                         | -                                      | 116,787              |
| Travel                                    | 18,530                          | 1,593                             | 18,639  | 7,468               | 46,230                       | 4,089                     | 110                                    | 50,429               |
| Telephone                                 | 3,803                           | 8,109                             | 13,301  | 10,211              | 35,424                       | 14,285                    | 67                                     | 49,776               |
| Training and development                  | 976                             | 871                               | 28,723  | 1,960               | 32,530                       | 9,898                     | -                                      | 42,428               |
| Purchased services                        | -                               | -                                 | 71,538  | -                   | 71,538                       | -                         | -                                      | 71,538               |
| Assistive technology<br>and modifications | 36,870                          | -                                 | 216   | 551                 | 37,637                       | -                         | -                                      | 37,637               |
| Food                                      | -                               | -                                 | 22,691  | -                   | 22,691                       | -                         | -                                      | 22,691               |
| <b>Total expenses</b>                     | <b>\$ 1,656,623</b>             | <b>\$ 2,853,444</b>               | <b>\$ 7,492,433</b>                             | <b>\$ 1,391,984</b> | <b>\$ 13,394,484</b>         | <b>\$ 2,440,913</b>       | <b>\$ 145,091</b>                      | <b>\$ 15,980,488</b> |

Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statements of Cash Flows  
Years Ended June 30, 2024 and 2023

|  | 2024          | 2023          |
|--|---------------|---------------|
| Operating Activities   |               |               |
| Cash received from services                                    | \$ 14,344,014 | \$ 15,312,402 |
| Cash received from contributions and grants                    | 1,693,183     | 1,284,240     |
| Cash received from employee retention tax credit               | 89,394        | 3,067,607     |
| Cash paid for salaries, benefits and taxes                     | (7,096,295)   | (6,936,905)   |
| Cash paid to vendors   | (7,913,489)   | (8,611,000)   |
| Cash paid for interest   | (170,403)     | (183,519)     |
| Net Cash from Operating Activities                             | 946,404       | 3,932,825     |
| Investing Activities   |               |               |
| Purchases of property and equipment                            | (262,200)     | (227,887)     |
| Proceeds from sale of property and equipment                   | 843,641       | 3,000         |
| Purchase of investments  | (2,000,000)   | -             |
| Net Cash used for Investing Activities                         | (1,418,559)   | (224,887)     |
| Financing Activities   |               |               |
| Principal payments on debt                                     | (299,719)     | (280,163)     |
| Net Cash used for Financing Activities                         | (299,719)     | (280,163)     |
| Net Change in Cash, Cash Equivalents, and Restricted Cash      | (771,874)     | 3,427,775     |
| Cash, Cash Equivalents, and Restricted Cash, Beginning of year | 8,023,648     | 4,595,873     |
| Cash, Cash Equivalents, and Restricted Cash, End of year       | \$ 7,251,774  | \$ 8,023,648  |
| Reconciliation of Cash, Cash Equivalents, and Restricted Cash  |               |               |
| Cash and cash equivalents                                      | 7,218,376     | 7,993,216     |
| Restricted cash  | 33,398        | 30,432        |
| Total cash, cash equivalents, and restricted cash              | \$ 7,251,774  | \$ 8,023,648  |

## **Note 1 - Principal Activity and Significant Accounting Policies**

### **Organization**

Mesa Developmental Services, dba Strive Colorado (Strive) is a nonprofit corporation whose purpose is to operate as a community center board to coordinate programs through interagency cooperation and local agencies to provide services to individuals with developmental disabilities in Mesa County.

DD Housing, Inc. (DDH) is a nonprofit corporation whose purpose is to hold assets purchased and constructed pursuant to grants received from the U.S. Department of Housing and Urban Development (HUD). Under HUD regulations, these assets are required to be held in a separate corporation for a period of not less than forty years.

### **Principles of Consolidation**

The consolidated financial statements include the accounts of Strive and DDH because Strive has both control and an economic interest in DDH. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as "Strive."

### **Program Services**

Child and Family Services are designed around the child and family needs, concerns and priorities related to the development of the child. Early intervention serves children ages 0-3 years old and offers services such as occupational therapy, speech therapy, developmental intervention, and physical therapy. Family support services is a program aimed at offering support to households with children with developmental disabilities. Services include respite care, adaptive equipment, medical services, and home modifications.

Employment Related Services include a number of supported community small group opportunities. Pre-vocational skills focus on four main skills including community business, community employment, community integration and life skills. Specialized habilitation services and supports are offered in five distinct settings which enable an individual to attain the maximum functioning level or to be supported in such a manner that allows an individual to gain an increased level of self-sufficiency.

Residential and Supported Living Services offers community-based living arrangements that are catered to the needs of each individual. Options include host homes and individual apartments. Minimal support staff is also available for clients living independently in homes or apartments. Supported Living Services is for clients 18 years and older and living in their own homes or with their families and support is tailored to promote independence, integration and productivity.

Case Management includes services for each client, assisted by a case manager in a client / family directed system of coordination and accountability regarding individual needs and preferences. Case managers are responsible for coordinating the development and implementation of individual plans, coordinating needed services, monitoring, and reviewing a client's progress toward individual program goals and providing continuous support and guidance to client and family. Effective November 1, 2023, case management was transferred to United Healthcare.

### **Cash and Cash Equivalents**

All cash and highly liquid financial instruments with original maturities of three months or less are considered to be cash and cash equivalents.

### **Restricted Cash**

Amounts included in restricted cash represent funds required to be set aside for the DDH HUD operations.

### **Accounts Receivables and Allowance for Credit Losses**

Accounts receivable consist primarily of noninterest-bearing amounts due from the State of Colorado and Mesa County. Management determines the allowance for credit losses based on historical experience, an assessment of current and forecasted economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At June 30, 2024 and 2023, the allowance was insignificant.

### **Promises to Give**

Strive records unconditional promises to give expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statements of operations and changes in net assets. Strive determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2024 and 2023, the allowance was \$0.

### **Inventory**

Inventory is comprised of program-related merchandise held for sale in the thrift or gift shop and inventory held at Fruit store. Inventory is stated at the lower of cost or net realizable value determined by the first-in first-out method. Management has determined no allowance for inventory obsolescence to be necessary at June 30, 2024 and 2023.

### **Property and Equipment**

Equipment additions over \$2,500 and property improvements over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

### **Right of Use Leased Assets and Liabilities**

Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent Strive's right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

### **Certificates of Deposit**

Certificates of deposit (CDs) are recorded at cost. Thereafter, CDs are reported at their fair values in the statements of financial position. Net investment return is reported in the consolidated statements of activities and consists of interest income.

### **Assets Held for Sale**

Non-current assets, or disposal groups comprising assets, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held-for-sale, property, plant and equipment are no longer amortized or depreciated.

### **Impairment of Long-Lived Assets**

The carrying values of long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2024 and 2023.

### **Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some donor or grantor 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Strive reports conditional and unconditional contributions restricted by donors or grantors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the 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 consolidated statements of activities as net assets released from restrictions. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

### Revenue and Revenue Recognition

Performance obligations are determined based on the nature of the services provided by Strive. Revenue for performance obligations satisfied over time is recognized based on when related services are performed. Program revenue received in advance is deferred to the applicable period in which the related services are performed. Retail and service contract revenue is recognized at the time the performance obligation has been met and the related goods and services are performed. Program revenue and residential room and board consists primarily of funds received from Medicaid, State of Colorado, and other payors. Strive believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Amounts received in advance are deferred to the applicable period. Receivables and deferred revenue consist of the following at June 30, 2024 and 2023 and July 1, 2022, respectively:

|                     | <u>2024</u>  | <u>2023</u>  | <u>2022</u>  |
|---------------------|--------------|--------------|--------------|
| Accounts receivable | \$ 1,272,718 | \$ 1,467,256 | \$ 1,342,289 |
| Deferred revenue    | 25,768       | 32,711       | 59,476       |

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

### Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the effective interest method. Debt issuance costs are included within long-term debt in the consolidated statements of financial position. Amortization of debt issuance costs is included in interest expense in the accompanying consolidated financial statements.

### **Advertising**

Advertising costs are expensed as incurred, and approximated \$38,000 and \$39,000 for the years ended June 30, 2024 and 2023, respectively.

### **Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to Strive's program services, management and general, and public relations and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Strive records donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were donated during the years ended June 30, 2024 and 2023.

### **Functional Allocation of Expense**

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and amortization, supplies, and other which are allocated on office or department use, as well as salaries and wages, employee benefits, payroll taxes, professional services, telephone, travel, training, and development, and other, which are allocated on the basis of estimates of time and effort.

### **Income Taxes**

Mesa Developmental Services and DD Housing, Inc. are organized as Colorado nonprofit corporations and have been recognized by the Internal Revenue Services (IRS) as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code as organizations described in Section 501(c)(3), qualify for the charitable contribution deduction and have been determined not to be private foundations. Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. Management has determined that neither entity is subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that it has appropriate support for any tax positions taken affecting the annual filing requirements, and as such, does not have uncertain tax positions that are material to the consolidated financial statements. The entities would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such penalties and interest are incurred.

### **Estimates**

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

### **Financial Instruments and Credit Risk**

Strive manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Strive maintains cash in the bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2024 and 2023, Strive had approximately \$6,910,000 and \$7,228,000, respectively, in excess of FDIC-insured limits. To date, Strive has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and individuals supportive of Strive's mission.

### **Subsequent Events**

Management has evaluated subsequent events through January 29, 2025, the date the consolidated financial statements were available to be issued.

**Note 2 - Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date of June 30, 2024 and 2023, comprise the following:

|   | 2024          | 2023         |
|---|---------------|--------------|
| Cash and cash equivalents                       | \$ 7,218,376  | \$ 7,993,216 |
| Certificates of deposit                         | 2,042,534     | -            |
| Fees and grants from governmental agencies, net | 1,272,718     | 1,467,256    |
| Employee retention credit                       | -             | 89,394       |
| Other receivables                               | 203,687       | 123,955      |
| Promises to give, due within one year           | 67,934        | 67,934       |
|   | \$ 10,805,249 | \$ 9,741,755 |

Strive operates on a balanced budget and regularly monitors liquidity to meet the operating needs and other contractual commitments while also striving to maximize the investment of available funds.

**Note 3 - Fair Value Measurements and Disclosures**

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
  
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
  
- Level 3 - Unobservable inputs for the asset. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to Strive’s assessment of the quality, risk, or liquidity profile of the asset.

Strive invests in CDs valued by the custodian of the securities using pricing models based on stated interest rates and are classified within Level 2.

The following table presents assets measured at fair value on a recurring basis at June 30, 2024:

|                         | Total        | Fair Value Measurements at Report Date Using |              |         |
|-------------------------|--------------|--|--------------|---------|
|                         |              | Level 1                                      | Level 2      | Level 3 |
| Certificates of deposit | \$ 2,042,534 | \$ -   | \$ 2,042,534 | \$ -    |

There were no CDs held at June 30, 2023.

**Note 4 - Promises to Give**

Unconditional promises to give are estimated to be collected as follows at June 30, 2024 and 2023:

|   | 2024       | 2023       |
|---|------------|------------|
| Within one year                                       | \$ 67,934  | \$ 67,934  |
| In one to five years                                  | 106,666    | 146,666    |
|   | 174,600    | 214,600    |
| Less discount to net present value at 8.25% and 3.25% | (23,184)   | (26,231)   |
|   | \$ 151,416 | \$ 188,369 |

At June 30, 2024 and 2023, 100% of Strive’s unconditional promises to give consisted of promises to give from two donors.

**Note 5 - Property and Equipment**

Property and equipment consists of the following at June 30, 2024 and 2023:

|                               | 2024         | 2023         |
|-------------------------------|--------------|--------------|
| Land                          | \$ 1,338,326 | \$ 1,338,326 |
| Building and improvements     | 11,395,228   | 11,350,056   |
| Furniture and equipment       | 799,790      | 721,486      |
| Vehicles                      | 1,065,635    | 1,026,308    |
|                               | 14,598,979   | 14,436,176   |
| Less accumulated depreciation | (5,071,809)  | (4,694,605)  |
|                               | \$ 9,527,170 | \$ 9,741,571 |

**Note 6 - Long - Lived Assets Held for Sale**

In 2023, Strive adopted a plan to sell two vacant buildings. The long-lived assets were measured at the lower of the asset's carrying amount or the fair value at June 30, 2023. The long-lived assets held for sale were sold on December 31, 2023. Proceeds on the sale of the long-lived assets totaled approximately \$835,000 and a gain on disposal of the long-lived assets of approximately \$632,000 was recognized during the year ended June 30, 2024 and is included within other revenues on the consolidated statements of activities.

The assets were comprised of the following at June 30, 2023:

|                               |            |
|-------------------------------|------------|
| Land                          | \$ 60,000  |
| Building and improvements     | 606,941    |
|                               | 666,941    |
| Less accumulated depreciation | (454,582)  |
| Total                         | \$ 212,359 |

**Note 7 - Bonds Payable**

In March 2019, the Colorado Housing and Finance Authority (the Authority) issued certain tax-exempt obligations to a lending institution, the proceeds of which were used to make loans to Strive for certain purposes and conditions. The Authority authorized the issuance of a \$3,600,000 promissory note (Series 2019A Authority Note) and a \$1,888,000 promissory note (Series 2019B Authority Note). The purpose of the proceeds was to finance a portion of the costs of the acquisition, construction, improvement and equipping of Strive's new administrative office and medical facility.

The Series 2019A Authority Note is a 15-year note maturing in March 2034. Interest on the outstanding principal balance is calculated at 3.75% per annum (effective rate is 4.87% per annum over the life of the bonds). Principal and interest is due monthly in payments of \$26,281 each.

The Series 2019B Note was a 5-year note maturing in March 2024. Interest on the outstanding principal balance is due monthly and calculated at 3.50% per annum (effective rate is 5.25% per annum over the life of the bonds). Principal was due in five annual payments. Effective March 2021, this note was refinanced. The new note (832 Loan) bears interest at a fixed rate of 4.15% with monthly principal and interest payments through maturity of March 2036.

Security for the Authority Notes includes a deed of trust and assignment of any leases and rents. The lending agreement also requires Strive to comply with certain financial and non-financial covenants.

Future maturities of the bonds payable are as follows:

| Years Ending June 30, | 2019A<br>Authority Note | 832<br>Loan         | Unamortized Debt<br>Issuance Costs | Total               |
|-----------------------|-------------------------|---------------------|------------------------------------|---------------------|
| 2025                  | \$ 221,655              | \$ 89,667           | \$ (7,254)                         | \$ 304,068          |
| 2026                  | 230,229                 | 93,514              | (7,254)                            | 316,489             |
| 2027                  | 239,137                 | 97,525              | (7,254)                            | 329,408             |
| 2028                  | 248,209                 | 101,594             | (7,254)                            | 342,549             |
| 2029                  | 257,992                 | 106,067             | (7,254)                            | 356,805             |
| Thereafter            | 1,368,124               | 845,215             | (36,623)                           | 2,176,716           |
|                       | <u>\$ 2,565,346</u>     | <u>\$ 1,333,582</u> | <u>\$ (72,893)</u>                 | <u>\$ 3,826,035</u> |

Subsequent to year end, on Strive repaid the outstanding principal on the 2019A Authority Note.

## Note 8 - Leases

Strive leases facilities on a month-to-month basis. Strive also leases certain equipment for various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through 2026 and provide for renewal options ranging from one to three years. Strive included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. Also, the agreements generally require Strive to pay real estate taxes, insurance, and repairs.

The weighted-average discount rate is based on the discount rate implicit in the lease. Strive has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. Strive has applied the risk-free rate option to the facilities and office equipment classes of assets.

Strive elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

Total lease costs for the years ended June 30, 2024 and 2023 were as follows:

|                      | 2024      | 2023      |
|----------------------|-----------|-----------|
| Operating lease cost | \$ 59,894 | \$ 51,996 |

The following table summarizes the supplemental cash flow information for the years ended June 30, 2024 and 2023:

|  | 2024      | 2023      |
|--|-----------|-----------|
| Cash Paid for Amounts Included in the Measurement of Lease Liabilities |           |           |
| Operating cash flows from operating leases                             | \$ 59,894 | \$ 51,996 |

The following summarizes the weighted-average remaining lease term and weight-average discount rate at June 30, 2024 and 2023:

|                                       | 2024      | 2023      |
|---------------------------------------|-----------|-----------|
| Weighted-Average Remaining Lease Term |           |           |
| Operating leases                      | 2.0 Years | 3.0 Years |
| Weighted-Average Discount Rate        |           |           |
| Operating leases                      | 3.33%     | 3.32%     |

The future minimum lease payments under noncancelable operating with terms greater than one year are listed below as of June 30, 2024.

|                                    | June 30,  |
|------------------------------------|-----------|
| 2025                               | \$ 61,694 |
| 2026                               | 11,699    |
| Total lease payments               | 73,393    |
| Less interest                      | (1,545)   |
| Present value of lease liabilities | \$ 71,848 |

**Note 9 - Retirement Plan**

Strive sponsors a tax deferred annuity plan (the Plan) in which all employees are eligible to participate. The Plan includes mandatory contributions in which Strive matches employee contributions up to 3% of the employee's gross salary after meeting eligibility requirements. The retirement plan expense totaled approximately \$62,000 and \$69,000 for the years ended June 30, 2024 and 2023, respectively.

**Note 10 - Self-Insured Employee Health Plan**

Strive's employee health benefit coverage consists of a self-insured medical plan. As of June 30, 2024 and 2023 Strive has recorded a liability of approximately \$54,000 and \$52,000, respectively, which represents the estimated amount of medical claims incurred but not reported as of year-end. This liability is included in accounts payable and accrued liabilities in the consolidated statements of financial position. Claims are filed directly with a third-party administrator (TPA) for processing. The TPA dispenses funds to and on behalf of participants for covered medical claims. Strive carries specific stop-loss insurance coverage for payment of eligible participant claims in excess of certain limits. The individual stop-loss claim deductible per participant is \$105,000 with a \$22,000 aggregate stop-loss limit as of June 30, 2024.

**Note 11 - Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes:

|  | 2024       | 2023       |
|--|------------|------------|
| Subject to Expenditure for Specified Purpose |            |            |
| Supported employment                         | \$ 80,616  | \$ 121,491 |
| Residential services                         | 31,375     | 49,234     |
| Family support services                      | 12,312     | 10,449     |
| Framing the Future - playground fund         | 49,269     | 49,269     |
|  | \$ 173,572 | \$ 230,443 |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows during the years ended June 30, 2024 and 2023:

|                                    | 2024       | 2023       |
|------------------------------------|------------|------------|
| Supported employment               | \$ 46,721  | \$ 9,396   |
| Residential services               | 26,029     | 8,876      |
| Family support services            | 41,975     | 43,991     |
| Framing the Future - building fund | -          | 100,000    |
| Other                              | 5,000      | -          |
|                                    | \$ 119,725 | \$ 162,263 |

## **Note 12 - Commitments and Contingencies**

### U.S. Department of Housing and Urban Development Capital Advance

Strive received a capital advance of \$694,238 from HUD for two group homes (309 Kava Way and 1444 N. 23<sup>rd</sup> Street) under agreements dated May 1, 2001. The terms of the agreements specify that the advance including any interest thereon is not required to be repaid so long as the housing remains available for a period of 40 years to eligible very low-income persons with disabilities in accordance with Section 811 of the National Affordable Housing Act. The capital advance is subject to compliance with a Regulatory Agreement and other requirements and conditions identified in the agreements.

In the event of noncompliance under the provisions of the agreements before the maturity date of February 1, 2042, the capital advance would be payable. The advance is secured by a deed of trust on the property, which has a carrying value of \$694,000 at both June 30, 2024 and 2023. If payable, the advance would bear interest at the rate of 6.0% per annum. Accrued interest through June 30, 2024 and 2023 totaling approximately \$828,048 and \$797,627 respectively, is not recorded as a liability in the financial statements as it is only payable as a penalty in the event of default under the provisions of the agreements.

On June 5, 2023, The U.S. Department of Housing and Urban Development approved a request for an operational change from a Group Home to Host Home model, resulting in a reduction to six units for the project, down from twelve, with the result being two homes with three active and occupied units each. The request is approved on the conditions that: a) the property will not request subsidy for the off-line units, b) the approval will not permanently remove units from the PRACT Contract, should the Owner reconsider and wish to bring more units back on-line and into service, c) a revised Rent Schedule Low Rent Housing, form HUD-92458, addressing the adjustments is to be provided, and d) in the Rent Schedule, revisions should be made to notate any utilities to be paid by the Host Home Provider. The property is required to remain in compliance with the HUD PRAC contractual agreements.

Strive is working with the HUD to change their 40-year commitment for their properties to be used as group homes to the host home model. As of June 2023, an approval letter from HUD was received and the new agreement went into effect in January 2024.

### Colorado Division of Housing Grant

Strive is contingently liable to the State of Colorado, Department of Local Affairs, Division of Housing, for the funding of construction of two group homes (309 Kava Way and 1444 N. 23<sup>rd</sup> Street) in the amount of \$150,000 under an agreement dated May 1, 2001. The grant contract provides that as long as the facilities are used to provide housing for low and moderate-income persons at affordable rents for a period of not less than 40 years from the date of initial occupancy, Strive will not be required to repay any portion of the grant. This requirement ends in the year 2042. If any default occurs, the grant becomes immediately payable in full, but bears no interest.

#### Colorado Department of Local Affairs Grant

Strive is contingently liable to the Colorado Department of Local Affairs for funding of an addition to the group home at 385 Evergreen Road in the amount of \$39,000 in Home Investment Partnerships Program (HOME) grant funds. The grant agreement provides that, as long as the facility is used to provide housing for people with very low and low incomes for 20 years from the date of contract execution, Strive will not be required to repay any portion of the grant. The usage restriction will end in 2027. If there is a change in use, Strive, its successors and assignees, grantees or lessees shall be required to repay the State the grant funds attributed to this property, unless the State authorizes the transfer of repaid funds to one or more public housing entities or private nonprofit corporations.

Strive is contingently liable to the Colorado Department of Local Affairs for funding of the construction of three group homes (2746 Olson Avenue, 680 29 ½ Road and 2865 Victoria Drive) in the amount of \$307,171 in HOME grant funds. The grant agreement provides that, as long as the facility is used to provide housing for people with very low and low incomes for 30 years from the date of the contract, which was June 2010, Strive will not be required to repay any portion of the grant. The usage restriction will end in 2040.

Strive is contingently liable to the Colorado Department of Local Affairs for funding of the construction of three group homes (2746 Olson Avenue, 680 29 ½ Road and 2865 Victoria Drive) in the amount of \$292,829 in Housing Development Grant (HDG) funds. The grant agreement provides that, as long as the facility is used to provide housing for people with very low, low and moderate-incomes for 30 years from the date of project closeout which was June 2010, Strive will not be required to repay any portion of the grant. The usage restriction will end in 2040. Colorado Department of Local Affairs (DOLA) has stated that Strive can sell the property(ies) at any time without penalty, as long as the sale is to an entity that will use the property(ies) for the intended low-income purpose and is approved by DOLA. The State may authorize Strive, its successors and assignees, heirs, grantees or lessees to retain such funds for other projects or repay the funds to one or more public housing entities or private nonprofit corporations. May 2020, Strive broke out these three contracts separately where each property carries a third of the total. This allowed Strive to negotiate the properties separately.

#### Clear Energy Group

On October 31, 2011, Strive signed a contract with Clear Energy (a solar energy equipment company) who installed solar energy equipment on approximately 75% of Strive's facilities. Energy generated by Clear Energy equipment is required to be purchased by Strive at varying rates and management expects energy costs to decline as the result of this contract. During the year ended June 30, 2022, Strive negotiated a purchase agreement to buy the panels and also solicited the amount agreed upon as a contribution from Clear Energy. Clear Energy has acknowledged the agreement, but not the contribution solicitation. Strive has recorded a liability of \$146,202 at June 30, 2024 and 2023, respectively, which is the negotiated purchase amount and will continue to pursue formal acknowledgement of contribution.



Supplementary Information  
June 30, 2024 and 2023

**Mesa Developmental Services  
dba Strive Colorado**

Mesa Developmental Services  
 dba Strive Colorado  
 Consolidating Schedule of Financial Position  
 June 30, 2024

|   | Mesa<br>Developmental<br>Services | DD Housing, Inc.  | Eliminations       | Consolidated         |
|---|-----------------------------------|-------------------|--------------------|----------------------|
| <b>Assets</b>                                   |                                   |                   |                    |                      |
| <b>Current Assets</b>                           |                                   |                   |                    |                      |
| Cash and cash equivalents                       | \$ 7,199,858                      | \$ 18,518         | \$ -               | \$ 7,218,376         |
| Accounts receivable                             |                                   |                   |                    |                      |
| Fees and grants from governmental agencies, net | 1,272,718                         | -                 | -                  | 1,272,718            |
| Other   | 233,178                           | -                 | (29,491)           | 203,687              |
| Certificates of deposit                         | 2,042,534                         | -                 | -                  | 2,042,534            |
| Promises to give, net                           | 67,934                            | -                 | -                  | 67,934               |
| Inventory                                       | 50,571                            | -                 | -                  | 50,571               |
| Prepaid expenses and other assets               | 81,854                            | -                 | -                  | 81,854               |
| Total current assets                            | <u>10,948,647</u>                 | <u>18,518</u>     | <u>(29,491)</u>    | <u>10,937,674</u>    |
| Restricted cash                                 | -                                 | 33,398            | -                  | 33,398               |
| Promises to give, net                           | 83,482                            | -                 | -                  | 83,482               |
| Property and equipment, net                     | 9,010,525                         | 516,645           | -                  | 9,527,170            |
| Operating lease right of use assets             | 71,848                            | -                 | -                  | 71,848               |
| Total assets                                    | <u>\$ 20,114,502</u>              | <u>\$ 568,561</u> | <u>\$ (29,491)</u> | <u>\$ 20,653,572</u> |

Mesa Developmental Services  
dba Strive Colorado  
Consolidating Schedule of Financial Position  
June 30, 2024

|  | Mesa<br>Developmental<br>Services | DD Housing, Inc.         | Eliminations              | Consolidated                |
|--|-----------------------------------|--------------------------|---------------------------|-----------------------------|
| <b>Liabilities and Net Assets</b>                          |                                   |                          |                           |                             |
| <b>Current Liabilities</b>                                 |                                   |                          |                           |                             |
| Accounts payable and accrued liabilities                   | \$ 701,596                        | \$ 29,491                | \$ (29,491)               | \$ 701,596                  |
| Deferred revenue   | 25,768                            | -                        | -                         | 25,768                      |
| Current maturities of operating lease liability            | 60,206                            | -                        | -                         | 60,206                      |
| Solar panel purchase, current portion                      | 146,202                           | -                        | -                         | 146,202                     |
| Bonds payable, current portion                             | 304,068                           | -                        | -                         | 304,068                     |
| Total current liabilities                                  | <u>1,237,840</u>                  | <u>29,491</u>            | <u>(29,491)</u>           | <u>1,237,840</u>            |
| <b>Long-Term Liabilities</b>                               |                                   |                          |                           |                             |
| Operating lease liability                                  | 11,642                            | -                        | -                         | 11,642                      |
| Bonds payable, net of current portion                      | 3,521,967                         | -                        | -                         | 3,521,967                   |
| Total long-term liabilities                                | <u>3,533,609</u>                  | <u>-</u>                 | <u>-</u>                  | <u>3,533,609</u>            |
| Total liabilities  | <u>4,771,449</u>                  | <u>29,491</u>            | <u>(29,491)</u>           | <u>4,771,449</u>            |
| <b>Net Assets</b>  |                                   |                          |                           |                             |
| <b>Without donor restrictions</b>                          |                                   |                          |                           |                             |
| Undesignated   | 9,984,991                         | 22,425                   | -                         | 10,007,416                  |
| Invested in property and equipment,<br>net of related debt | 5,184,490                         | 516,645                  | -                         | 5,701,135                   |
|  | <u>15,169,481</u>                 | <u>539,070</u>           | <u>-</u>                  | <u>15,708,551</u>           |
| <b>With donor restrictions</b>                             | <u>173,572</u>                    | <u>-</u>                 | <u>-</u>                  | <u>173,572</u>              |
| Total net assets   | <u>15,343,053</u>                 | <u>539,070</u>           | <u>-</u>                  | <u>15,882,123</u>           |
| Total liabilities and net assets                           | <u><u>\$ 20,114,502</u></u>       | <u><u>\$ 568,561</u></u> | <u><u>\$ (29,491)</u></u> | <u><u>\$ 20,653,572</u></u> |

Mesa Developmental Services  
 dba Strive Colorado  
 Consolidating Schedule of Financial Position  
 June 30, 2023

|   | Mesa<br>Developmental<br>Services | DD Housing, Inc.  | Eliminations       | Consolidated         |
|---|-----------------------------------|-------------------|--------------------|----------------------|
| <b>Assets</b>                                   |                                   |                   |                    |                      |
| <b>Current Assets</b>                           |                                   |                   |                    |                      |
| Cash and cash equivalents                       | \$ 7,982,876                      | \$ 10,340         | \$ -               | \$ 7,993,216         |
| Accounts receivable                             |                                   |                   |                    |                      |
| Fees and grants from governmental agencies, net | 1,464,069                         | 3,187             | -                  | 1,467,256            |
| Employee retention credit                       | 89,394                            | -                 | -                  | 89,394               |
| Other   | 152,015                           | -                 | (28,060)           | 123,955              |
| Promises to give, net                           | 67,934                            | -                 | -                  | 67,934               |
| Inventory                                       | 53,195                            | -                 | -                  | 53,195               |
| Prepaid expenses and other assets               | 78,067                            | -                 | -                  | 78,067               |
| Total current assets                            | 9,887,550                         | 13,527            | (28,060)           | 9,873,017            |
| Restricted cash                                 | -                                 | 30,432            | -                  | 30,432               |
| Promises to give, net                           | 120,435                           | -                 | -                  | 120,435              |
| Long-lived assets held for sale                 | 212,359                           | -                 | -                  | 212,359              |
| Property and equipment, net                     | 9,200,745                         | 540,826           | -                  | 9,741,571            |
| Operating lease right of use assets             | 128,319                           | -                 | -                  | 128,319              |
| Total assets                                    | <u>\$ 19,549,408</u>              | <u>\$ 584,785</u> | <u>\$ (28,060)</u> | <u>\$ 20,106,133</u> |

Mesa Developmental Services  
 dba Strive Colorado  
 Consolidating Schedule of Financial Position  
 June 30, 2023

|   | Mesa<br>Developmental<br>Services | DD Housing, Inc.  | Eliminations       | Consolidated         |
|---|-----------------------------------|-------------------|--------------------|----------------------|
| <b>Liabilities and Net Assets</b>                       |                                   |                   |                    |                      |
| <b>Current Liabilities</b>                              |                                   |                   |                    |                      |
| Accounts payable and accrued liabilities                | \$ 755,627                        | \$ 28,060         | \$ (28,060)        | \$ 755,627           |
| Deferred revenue  | 32,711                            | -                 | -                  | 32,711               |
| Current maturities of capital lease liability           | 56,471                            | -                 | -                  | 56,471               |
| Solar panel purchase, current portion                   | 146,202                           | -                 | -                  | 146,202              |
| Bonds Payable, current portion                          | 291,703                           | -                 | -                  | 291,703              |
| Total current liabilities                               | <u>1,282,714</u>                  | <u>28,060</u>     | <u>(28,060)</u>    | <u>1,282,714</u>     |
| <b>Long-Term Liabilities</b>                            |                                   |                   |                    |                      |
| Operating lease liabilities                             | 71,848                            | -                 | -                  | 71,848               |
| Bonds Payable, net of current portion                   | 3,826,796                         | -                 | -                  | 3,826,796            |
| Total liabilities                                       | <u>5,181,358</u>                  | <u>28,060</u>     | <u>(28,060)</u>    | <u>5,181,358</u>     |
| <b>Net Assets</b>                                       |                                   |                   |                    |                      |
| <b>Without donor restrictions</b>                       |                                   |                   |                    |                      |
| Undesignated  | 8,843,002                         | 15,899            | -                  | 8,858,901            |
| Invested in property and equipment, net of related debt | 5,294,605                         | 540,826           | -                  | 5,835,431            |
|   | 14,137,607                        | 556,725           | -                  | 14,694,332           |
| <b>With donor restrictions</b>                          |                                   |                   |                    |                      |
|   | <u>230,443</u>                    | -                 | -                  | <u>230,443</u>       |
| Total net assets  | <u>14,368,050</u>                 | <u>556,725</u>    | <u>-</u>           | <u>14,924,775</u>    |
| Total liabilities and net assets                        | <u>\$ 19,549,408</u>              | <u>\$ 584,785</u> | <u>\$ (28,060)</u> | <u>\$ 20,106,133</u> |

Mesa Developmental Services  
dba Strive Colorado  
Consolidating Schedule of Activities  
Year Ended June 30, 2024

|   | Mesa<br>Developmental<br>Services | DD Housing,       | Eliminations | Consolidated         |
|---|-----------------------------------|-------------------|--------------|----------------------|
| <b>Revenue, Support and Gains</b>                         |                                   |                   |              |                      |
| Fees for services from governmental agencies              |                                   |                   |              |                      |
| Medicaid  | \$ 10,948,193                     | \$ -              | \$ -         | \$ 10,948,193        |
| State of Colorado   | 1,436,795                         | -                 | -            | 1,436,795            |
| Part C  | 235,492                           | -                 | -            | 235,492              |
| Grants from governmental agencies                         |                                   |                   |              |                      |
| Mesa County   | 602,883                           | -                 | -            | 602,883              |
| City of Grand Junction                                    | 88,981                            | -                 | -            | 88,981               |
| American rescue plan                                      | 35,315                            | -                 | -            | 35,315               |
| State of Colorado - Division of Vocational Rehabilitation | 117,240                           | -                 | -            | 117,240              |
| Total from governmental agencies                          | <u>13,464,899</u>                 | <u>-</u>          | <u>-</u>     | <u>13,464,899</u>    |
| Residential room and board                                | 593,648                           | 66,231            | -            | 659,879              |
| Public support - contributions                            | 811,811                           | -                 | -            | 811,811              |
| Retail and service contract                               | 386,849                           | -                 | -            | 386,849              |
| Net investment return                                     | 42,534                            | -                 | -            | 42,534               |
| Other revenue   | 1,200,225                         | -                 | -            | 1,200,225            |
| Total revenue, support, and gains                         | <u>16,499,966</u>                 | <u>66,231</u>     | <u>-</u>     | <u>16,566,197</u>    |
| <b>Expenses</b>   |                                   |                   |              |                      |
| Program services  | 12,890,690                        | 83,886            | -            | 12,974,576           |
| Supporting services                                       |                                   |                   |              |                      |
| Management and general                                    | 2,438,141                         | -                 | -            | 2,438,141            |
| Public relations and fundraising                          | 196,132                           | -                 | -            | 196,132              |
| Total expenses  | <u>15,524,963</u>                 | <u>83,886</u>     | <u>-</u>     | <u>15,608,849</u>    |
| Change in Net Assets                                      | 975,003                           | (17,655)          | -            | 957,348              |
| Net Assets, Beginning of Year                             | <u>14,368,050</u>                 | <u>556,725</u>    | <u>-</u>     | <u>14,924,775</u>    |
| Net Assets, End of Year                                   | <u>\$ 15,343,053</u>              | <u>\$ 539,070</u> | <u>\$ -</u>  | <u>\$ 15,882,123</u> |

Mesa Developmental Services  
dba Strive Colorado  
Consolidating Schedule of Activities  
Year Ended June 30, 2023

|  | Mesa<br>Developmental<br>Services | DD Housing,       | Eliminations | Consolidated         |
|--|-----------------------------------|-------------------|--------------|----------------------|
| <b>Revenue, Support and Gains</b>                            |                                   |                   |              |                      |
| Fees for services from governmental agencies                 |                                   |                   |              |                      |
| Medicaid   | \$ 12,130,174                     | \$ -              | \$ -         | \$ 12,130,174        |
| State of Colorado  | 1,426,796                         | -                 | -            | 1,426,796            |
| Part C   | 166,509                           |                   |              | 166,509              |
| Grants from governmental agencies                            |                                   |                   |              |                      |
| Mesa County  | 602,883                           | -                 | -            | 602,883              |
| State of Colorado  | 76,221                            | -                 | -            | 76,221               |
| State of Colorado - Division of<br>Vocational Rehabilitation | 19,199                            | -                 | -            | 19,199               |
| Total from governmental agencies                             | <u>14,421,782</u>                 | <u>-</u>          | <u>-</u>     | <u>14,421,782</u>    |
| Residential room and board                                   | 690,514                           | 64,962            | -            | 755,476              |
| Public support - contributions                               | 534,027                           | -                 | -            | 534,027              |
| Retail and service contract                                  | 458,329                           | -                 | -            | 458,329              |
| Other revenue  | 531,668                           | -                 | -            | 531,668              |
| Total revenue, support, and gains                            | <u>16,636,320</u>                 | <u>64,962</u>     | <u>-</u>     | <u>16,701,282</u>    |
| <b>Expenses</b>  |                                   |                   |              |                      |
| Program services   | 13,328,970                        | 65,514            | -            | 13,394,484           |
| Supporting services  |                                   |                   |              |                      |
| Management and general                                       | 2,440,913                         | -                 | -            | 2,440,913            |
| Public relations and fundraising                             | 145,091                           | -                 | -            | 145,091              |
| Total expenses   | <u>15,914,974</u>                 | <u>65,514</u>     | <u>-</u>     | <u>15,980,488</u>    |
| Change in Net Assets   | 721,346                           | (552)             | -            | 720,794              |
| Net Assets, Beginning of Year                                | <u>13,646,704</u>                 | <u>557,277</u>    | <u>-</u>     | <u>14,203,981</u>    |
| Net Assets, End of Year                                      | <u>\$ 14,368,050</u>              | <u>\$ 556,725</u> | <u>\$ -</u>  | <u>\$ 14,924,775</u> |