
STRIVE INTERNATIONAL, INC.

Financial Statements

For the years ended December 31, 2018 and 2017

STRIVE INTERNATIONAL, INC.

Financial Statements

December 31, 2018 and 2017

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Independent Auditors' Report

To the Board of Directors of
STRIVE International, Inc.

Report on the financial statements

We have audited the accompanying financial statements of STRIVE International, Inc., which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of STRIVE International, Inc., as of December 31, 2018 and 2017, 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.

New York, New York
November 1, 2019

NCheng LLP

STRIVE INTERNATIONAL, INC.**Statements of Financial Position**

As of December 31,

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Cash	\$ 156,356	\$ 937,033
Investments – Note 10	-	25,786
Accounts receivable	2,731,602	2,120,301
Contributions receivable, net – Note 4	1,479,379	1,596,813
Other receivable	26,597	27,851
Prepaid expenses and deposits	48,798	56,628
Fixed assets – Note 11	<u>530,225</u>	<u>627,339</u>
Total assets	<u>\$ 4,972,957</u>	<u>\$ 5,391,751</u>
 <u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts and accrued expenses payable	\$ 1,384,052	\$ 2,004,637
Loans payable – Note 9	378,000	378,000
Deferred rent payable	163,048	27,983
Capital lease obligations – Note 5	<u>-</u>	<u>19,925</u>
Total liabilities	<u>1,925,100</u>	<u>2,430,545</u>
 <u>Net assets</u>		
Without donor restrictions	1,431,419	1,156,684
With donor restrictions – Note 7	<u>1,616,438</u>	<u>1,804,522</u>
Total net assets	<u>3,047,857</u>	<u>2,961,206</u>
Total liabilities and net assets	<u>\$ 4,972,957</u>	<u>\$ 5,391,751</u>

See accompanying notes are an integral part of these financial statements.

STRIVE INTERNATIONAL, INC.
Statement of Activities
For the year ended December 31, 2018

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<u>Support and revenue</u>			
Contributions	\$ 877,669	\$ 1,213,000	\$ 2,090,669
Government grants	7,119,484		7,119,484
Program income	317,279		317,279
Special events	561,115		561,115
Less: direct expenses	(69,911)		(69,911)
Net investment loss – Note 10	(4,225)		(4,225)
Other	153		153
Net assets released from restrictions	<u>1,401,084</u>	<u>(1,401,084)</u>	<u>-</u>
 Total support and revenue	 <u>10,202,648</u>	 <u>(188,084)</u>	 <u>10,014,564</u>
 <u>Expenses</u>			
<u>Program services</u>			
Job training, placement, and retention	4,221,823		4,221,823
Technical assistance and replication	<u>4,024,517</u>		<u>4,024,517</u>
 Total program services	 <u>8,246,340</u>		 <u>8,246,340</u>
 <u>Supporting services</u>			
Management and general	1,116,054		1,116,054
Fundraising	<u>565,519</u>		<u>565,519</u>
 Total supporting services	 <u>1,681,573</u>		 <u>1,681,573</u>
 Total expenses	 <u>9,927,913</u>		 <u>9,927,913</u>
Change in net assets	274,735	(188,084)	86,651
Net assets, beginning of year	<u>1,156,684</u>	<u>1,804,522</u>	<u>2,961,206</u>
 Net assets, end of year	 <u>\$ 1,431,419</u>	 <u>\$ 1,616,438</u>	 <u>\$ 3,047,857</u>

See accompanying notes are an integral part of these financial statements.

STRIVE INTERNATIONAL, INC.
Statement of Activities
For the year ended December 31, 2017

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<u>Support and revenue</u>			
Contributions	\$ 1,007,799	\$ 1,402,500	\$ 2,410,299
Government grants	5,334,365		5,334,365
Program income	148,433		148,433
Special events	432,905		432,905
Less: direct expenses	(82,205)		(82,205)
Net investment income – Note 10	3,369		3,369
Other	6,067		6,067
Net assets released from restrictions	<u>2,079,953</u>	<u>(2,079,953)</u>	<u>-</u>
 Total support and revenue	 <u>8,930,686</u>	 <u>(677,453)</u>	 <u>8,253,233</u>
 <u>Expenses</u>			
<u>Program services</u>			
Job training, placement, and retention	3,417,018		3,417,018
Technical assistance and replication	<u>3,114,534</u>		<u>3,114,534</u>
 Total program services	 <u>6,531,552</u>		 <u>6,531,552</u>
 <u>Supporting services</u>			
Management and general	952,938		952,938
Fundraising	<u>647,390</u>		<u>647,390</u>
 Total supporting services	 <u>1,600,328</u>		 <u>1,600,328</u>
 Total expenses	 <u>8,131,880</u>		 <u>8,131,880</u>
 Change in net assets	 798,806	 (677,453)	 121,353
Net assets, beginning of year	<u>357,878</u>	<u>2,481,975</u>	<u>2,839,853</u>
 Net assets, end of year	 <u>\$ 1,156,684</u>	 <u>\$ 1,804,522</u>	 <u>\$ 2,961,206</u>

See accompanying notes are an integral part of these financial statements.

STRIVE INTERNATIONAL, INC.
Statement of Functional Expenses
For the year ended December 31, 2018

	Program services			Supporting services			Total program and supporting services
	Job training placement and retention	Technical assistance and replication	Total	Management and general	Fund raising	Total	
Salaries	\$ 2,382,548	\$ 484,007	\$ 2,866,555	\$ 572,718	\$ 340,009	\$ 912,727	\$ 3,779,282
Fringe benefits	434,016	88,169	522,185	104,329	61,938	166,267	688,452
Total personnel costs	2,816,564	572,176	3,388,740	677,047	401,947	1,078,994	4,467,734
Subawards	7,800	2,946,717	2,954,517	-	-	-	2,954,517
Professional services	341,870	255,480	597,350	243,250	73,787	317,037	914,387
Occupancy expense	269,768	47,436	317,204	65,981	27,632	93,613	410,817
Data management	56,956	10,001	66,957	13,775	6,316	20,091	87,048
Equipment rental	12,542	2,302	14,844	3,108	1,177	4,285	19,129
Repairs and maintenance	6,315	1,087	7,402	1,447	771	2,218	9,620
Telephone	26,659	4,692	31,351	6,568	2,671	9,239	40,590
Travel	9,722	97,207	106,929	404	580	984	107,913
Meetings and conferences	17,118	54,614	71,732	14,815	7,835	22,650	94,382
Client activities/supplies	478,351	-	478,351	-	-	-	478,351
Insurance	18,328	3,241	21,569	4,275	1,564	5,839	27,408
Supplies	63,460	11,055	74,515	15,447	6,427	21,874	96,389
Printing and postage	6,673	1,161	7,834	1,754	583	2,337	10,171
Interest	-	-	-	547	-	547	547
Other	24,396	5,627	30,023	52,567	29,206	81,773	111,796
Depreciation and amortization	65,301	11,721	77,022	15,069	5,023	20,092	97,114
Total expenses	<u>\$ 4,221,823</u>	<u>\$ 4,024,517</u>	<u>\$ 8,246,340</u>	<u>\$ 1,116,054</u>	<u>\$ 565,519</u>	<u>\$ 1,681,573</u>	<u>\$ 9,927,913</u>

See accompanying notes are an integral part of these financial statements.

STRIVE INTERNATIONAL, INC.
Statement of Functional Expenses
For the year ended December 31, 2017

	Program services			Supporting services			Total program and supporting services
	Job training placement and retention	Technical assistance and replication	Total	Management and general	Fund raising	Total	
Salaries	\$ 1,815,938	\$ 304,870	\$ 2,120,808	\$ 502,288	\$ 397,881	\$ 900,169	\$ 3,020,977
Fringe benefits	356,898	73,332	430,230	67,799	57,318	125,117	555,347
Total personnel costs	2,172,836	378,202	2,551,038	570,087	455,199	1,025,286	3,576,324
Subawards	-	2,321,274	2,321,274	35,000	-	35,000	2,356,274
Professional services	329,731	301,852	631,583	124,914	82,416	207,330	838,913
Occupancy costs	217,593	15,038	232,631	53,558	30,717	84,275	316,906
Data management	52,454	3,625	56,079	12,911	7,405	20,316	76,395
Equipment rental	17,128	1,184	18,312	4,215	2,418	6,633	24,945
Repairs and maintenance	452	31	483	111	64	175	658
Telephone	22,287	1,540	23,827	5,487	3,146	8,633	32,460
Travel	6,962	66,511	73,473	10,535	1,355	11,890	85,363
Meetings and conferences	4,619	3,541	8,160	31,625	6,806	38,431	46,591
Client activities/supplies	297,335	-	297,335	-	-	-	297,335
Insurance	19,910	1,376	21,286	4,900	2,811	7,711	28,997
Supplies	58,446	4,039	62,485	14,387	8,251	22,638	85,123
Printing and postage	1,973	392	2,365	1,270	6,870	8,140	10,505
Interest	-	-	-	5,832	-	5,832	5,832
Other	44,577	4,131	48,708	36,086	15,833	51,919	100,627
Depreciation and amortization	170,715	11,798	182,513	42,020	24,099	66,119	248,632
Total expenses	<u>\$ 3,417,018</u>	<u>\$ 3,114,534</u>	<u>\$ 6,531,552</u>	<u>\$ 952,938</u>	<u>\$ 647,390</u>	<u>\$ 1,600,328</u>	<u>\$ 8,131,880</u>

See accompanying notes are an integral part of these financial statements.

STRIVE INTERNATIONAL, INC.
Statements of Cash Flows
For the years ended December 31,

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Changes in net assets	\$ 86,651	\$ 121,353
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	97,114	248,632
Realized and unrealized losses/(gains)	4,366	(3,083)
Amortization of discount	(17,813)	(17,813)
Change in accounts receivable	(611,301)	(816,133)
Change in contributions receivable	135,247	575,690
Change in other receivable	1,254	(4,984)
Change in prepaid expenses and deposits	7,830	(4,472)
Change in accounts and accrued expenses payable	(620,585)	964,442
Change in deferred rent payable	135,065	24,808
Change in other liabilities	<u>-</u>	<u>(44,479)</u>
Net cash (used in)/provided by operating activities	<u>(782,172)</u>	<u>1,043,961</u>
Cash flows from investing activities		
Purchases of fixed assets	-	(588,239)
Purchases of investments	(4,977)	(10,622)
Sale of investments	<u>26,397</u>	<u>-</u>
Net cash provided by/(used in) investing activities	<u>21,420</u>	<u>(598,861)</u>
Cash flows from financing activities		
Payments on capital lease obligations	(19,925)	(35,251)
Proceeds from loan	-	378,000
Payments on loans	<u>-</u>	<u>(150,000)</u>
Net cash (used in)/provided by financing activities	<u>(19,925)</u>	<u>192,749</u>
Net (decrease)/increase in cash	(780,677)	637,849
Cash, beginning of year	<u>937,033</u>	<u>299,184</u>
Cash, end of year	<u>\$ 156,356</u>	<u>\$ 937,033</u>

See accompanying notes are an integral part of these financial statements.

STRIVE INTERNATIONAL, INC.
Notes to the Financial Statements
December 31, 2018 and 2017

Note 1 Organization and nature of activities

STRIVE International, Inc. (“STRIVE”) was incorporated in 1984 in New York State. STRIVE’s mission is to help people acquire the life-changing skills and attitudes needed to overcome challenging circumstances, find sustained employment, and become valuable contributors to their families, their employers, and their communities. Its programs have helped transform the lives of numerous individuals and their families by equipping them with the skills and attitudes needed to attain meaningful work and productive careers. STRIVE’s programs provide comprehensive training, career development and supportive services for individuals with tremendous challenges. With affiliates around the United States and overseas, STRIVE has an unparalleled record of giving clients the skills and resources to attain living wage jobs and hope for a brighter future.

STRIVE’s affiliates.

Headquartered in New York City, STRIVE program has been replicated in 16 cities in the U.S. Each of the affiliates is a separate nonprofit organization that implements STRIVE service model, tailored to best meet local needs and labor market demands. Our affiliates are located in cities across the U.S., such as Atlanta, Baltimore, Baton Rouge, Boston, Bridgeport, Chicago, Flint, Greenville (NC), Hartford, New Haven, New Orleans, Philadelphia, San Diego, Tulsa, Washington DC., and White Plains NY.

STRIVE is exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

Note 2 Summary of significant accounting policies

Basis of presentation. The financial statements of STRIVE have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial statements presentation. STRIVE reports information regarding its financial statements of financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of STRIVE or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

STRIVE INTERNATIONAL, INC.
Notes to the Financial Statements
December 31, 2018 and 2017

Note 2 Summary of significant accounting policies – (continued)

Reclassifications. Certain prior year balances have been reclassified to be consistent with the current year financial statements presentation. The reclassifications have no effect in net assets or the operating results of the prior year.

Revenue recognition. Contributions are recorded as net assets with donor restrictions or without donor restrictions when received depending on the existence and/or nature of any donor restrictions. Donated investments are recorded as contributions at their estimated fair value on the date of donation. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Revenue from cost reimbursement governmental grants is recognized as the expenditures for each grant are incurred. Revenue from fee for service programs is recognized when earned.

Concentrations of credit risk. Financial instruments, which potentially subject STRIVE to concentrations of credit risk include cash and accounts receivable. STRIVE maintains its cash in bank deposit accounts which, at times, may exceed the current insured amount under the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2018 STRIVE's cash balance did not exceed the current amount insured under FDIC. STRIVE has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk therein.

Fixed assets. Equipment and software, furniture and fixtures, leasehold improvements are recorded at cost, less accumulated depreciation or amortization computed on a straight-line basis. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. The estimated useful lives are as follows:

	<u>Estimated life</u>
Equipment and software	5 years
Furniture and fixtures	5 years
Leasehold improvements and assets held by capital leases	related lease term

Allowance for doubtful accounts. Management has determined that no allowance for uncollectible accounts for accounts receivable and contributions receivable is necessary as of December 31, 2018 and 2017. Such estimates are based on management's assessments of the creditworthiness of its donors, the aged basis of its receivables, as well as current economic conditions and historical information.

STRIVE INTERNATIONAL, INC.
Notes to the Financial Statements
December 31, 2018 and 2017

Note 2 Summary of significant accounting policies – (continued)

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

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that STRIVE has the ability to access.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the assets or liabilities;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

Functional allocation of expenses. The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of allocation</u>
Salary and benefits	Time and effort
Occupancy	Time and effort
Subawards	Direct allocation
Professional services	Direct allocation
Travel	Direct allocation
Data management	Time and effort
Meetings and conferences	Direct allocation
Client activity/supplies	Direct allocation

Use of estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

STRIVE INTERNATIONAL, INC.
Notes to the Financial Statements
December 31, 2018 and 2017

Note 2 Summary of significant accounting policies – (continued)

Income taxes. STRIVE is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. STRIVE has analyzed tax positions taken for filing with the Internal Revenue Service and state jurisdictions where it operates. STRIVE does not anticipate any significant uncertain tax positions that would require recognition in the financial statements. Periods ending December 31, 2015 and subsequent remain subject to examination by the taxing authorities.

New accounting pronouncement. On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. STRIVE has implemented ASU 2016-14 and has adjusted the presentation of these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

Note 3 Availability and liquidity

The following represents STRIVE’s financial assets at December 31, 2018:

Financial assets at year-end:	
Cash	\$ 156,356
Accounts and contributions receivable	4,210,981
Other receivables	<u>26,597</u>
Total financial assets	<u>4,393,934</u>
Adjustments: amounts not available to be used within one year:	
Net assets with donor restrictions	(1,616,438)
Add back: Donor restrictions to be met in less than a year	<u>974,540</u>
	(<u>641,898</u>)
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 3,752,036</u></u>

As part of STRIVE’s liquidity management, STRIVE has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Excess cash is invested in short-term investments, including money market accounts, certificates of deposit and other marketable securities. To help manage unanticipated liquidity needs, STRIVE is working on securing a line of credit with a financial institution, from which it could draw upon. STRIVE has certain donor-restricted net assets that are available for general expenditures within one year, because the restrictions on the net assets are expected to be met by conducting the normal activities of the programs in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year.

STRIVE INTERNATIONAL, INC.
Notes to the Financial Statements
December 31, 2018 and 2017

Note 4 Contributions receivable

Contributions receivable are recorded as support when pledged unless designated otherwise. All contributions are deemed fully collectible. Accordingly, no allowance for uncollectible contributions has been recorded as of December 31, 2018 and 2017. A discount rate of 1.93% has been used to calculate the present value of future collections of contributions receivable. Contributions are expected to be realized in the following periods:

	<u>2018</u>	<u>2017</u>
In one year or less	\$ 992,512	\$ 865,439
Between one and three years, net of discount	<u>486,867</u>	<u>731,374</u>
	<u>\$ 1,479,379</u>	<u>\$ 1,596,813</u>

Discounts applied to contributions receivable as of December 31, 2018 and 2017 were \$35,626 and \$53,439, respectively.

Note 5 Leases

Operating lease.

STRIVE occupies office space in New York City under a non-cancellable operating lease expiring on April 30, 2028. Future minimum annual lease obligations are:

<u>Year ending December 31,</u>	
2019	\$ 363,602
2020	386,603
2021	398,104
2022	421,104
2023	432,605
Thereafter	<u>1,978,125</u>
Total	<u>\$ 3,980,143</u>

Total expenses for leased office space for the years ended December 31, 2018 and 2017 were \$410,817 and \$316,906, respectively.

Capital leases.

STRIVE leases equipment under capital lease agreements. The economic substance of the leases is that STRIVE is financing the acquisition of the asset through the lease, accordingly, they are recorded as capital leases. Leases matured at various dates during 2018 as were fully paid off and no further obligation exists as of December 31, 2018.

STRIVE INTERNATIONAL, INC.
Notes to the Financial Statements
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Note 6 Commitments and contingencies

Government funded activities.

Government funded activities are subject to audits and technical reviews by the applicable funding agencies. At December 31, 2018 and 2017, there were no material obligations outstanding as a result of such audits, and management believes that unaudited projects would not result in any material obligations.

Note 7 Net assets with donor restrictions

Changes in net assets with donor restrictions for the year ended December 31, 2018 are as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending balance</u>
Time restricted	\$ 1,096,898	\$ 25,000	(\$ 412,500)	\$ 709,398
<u>Purpose restricted</u>				
Young adult employment and training	627,228	1,188,000	(908,188)	907,040
Technical assistance and program development	<u>80,396</u>	<u>-</u>	<u>(80,396)</u>	<u>-</u>
Total purpose restricted	<u>707,624</u>	<u>1,188,000</u>	<u>(988,584)</u>	<u>907,040</u>
Total	<u>\$ 1,804,522</u>	<u>\$ 1,213,000</u>	<u>(\$ 1,401,084)</u>	<u>\$ 1,616,438</u>

Changes in net assets with donor restrictions for the year ended December 31, 2017 are as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending balance</u>
Time restricted	\$ 1,434,398	\$ 50,000	(\$ 387,500)	\$ 1,096,898
<u>Purpose restricted</u>				
Young adult employment and training	673,686	1,027,500	(1,073,958)	627,228
Technical assistance and program development	373,891	25,000	(318,495)	80,396
Capital improvements	<u>-</u>	<u>300,000</u>	<u>(300,000)</u>	<u>-</u>
Total purpose restricted	<u>1,047,577</u>	<u>1,352,500</u>	<u>(1,692,453)</u>	<u>707,624</u>
Total	<u>\$ 2,481,975</u>	<u>\$ 1,402,500</u>	<u>(\$ 2,079,953)</u>	<u>\$ 1,804,522</u>

STRIVE INTERNATIONAL, INC.
Notes to the Financial Statements
December 31, 2018 and 2017

Note 8 Employee benefit plan

STRIVE has a defined contribution salary deferral 401(k) plan covering eligible employees. STRIVE may make a discretionary contribution as employer match as determined by management on an annual basis. There were no employer discretionary contributions during the years ended December 31, 2018 and 2017.

Note 9 Loans payable

During 2017, STRIVE obtained an interest-free loan from a board member in the amount of \$378,000 to assist financing a relocation to new office space and the required space improvements and equipment upgrades. No payments are required until loan maturity. Original maturity date of March 31, 2018 was extended by the board member until the earlier of (1) collections of long-term outstanding receivables from the funding sources or (2) January 1, 2020. The outstanding loan balance at December 31, 2018 and 2017 was \$378,000, respectively.

Note 10 Investments and fair value measurements

Investments consist primarily of common stock reported at fair value as follows:

December 31, 2017	<u>Total</u>
Common stock	<u>\$ 25,786</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 572	\$ 286
Unrealized gains	-	3,083
Realized loss	(<u>4,797</u>)	<u>-</u>
Net investment (loss)/income	(<u>\$ 4,225</u>)	<u>\$ 3,369</u>

STRIVE INTERNATIONAL, INC.
Notes to the Financial Statements
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Note 11 Fixed assets

Fixed assets including capital leases are as follows:

	<u>2018</u>	<u>2017</u>
Equipment and software	\$ 170,987	\$ 170,987
Computers and equipment held under capital leases	130,336	130,336
Furniture and fixtures	306,416	306,416
Leasehold improvements	<u>281,824</u>	<u>281,824</u>
Total fixed assets	889,563	889,563
Less: accumulated depreciation	(<u>359,338</u>)	(<u>262,224</u>)
Net fixed assets	<u>\$ 530,225</u>	<u>\$ 627,339</u>

Note 12 Subsequent events

STRIVE has evaluated events and transactions for potential recognition or disclosure through November 1, 2019, which is the date the financial statements were available to be issued. There were no subsequent events requiring adjustment to the financial statements or disclosures.