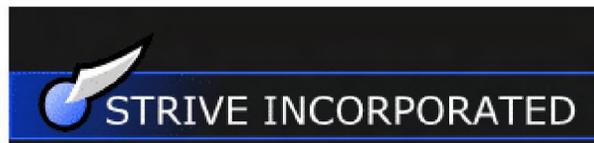


Financial Report

Strive Incorporated

June 30, 2022



Financial Report

Strive Incorporated

June 30, 2022

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New Orleans, Louisiana

June 30, 2022

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Strive Incorporated,
New Orleans, Louisiana.

Opinion

We have audited the accompanying financial statements of Strive Incorporated (“Strive”) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Strive Incorporated as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits continued in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financials section of our report. We are required to be independent of Strive Incorporated and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 within 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information (on Schedules 1 and 2) is presented for the purposes of additional analysis and the information on Schedule 2 is required by Louisiana Revised Statute 24:513(A)(3); the information on the schedules is not a required part of the basic 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 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional 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 as a whole.

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2022 on our consideration of Strive's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance with the results of that testing, and not to provide an opinion on 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 28, 2022.

STATEMENT OF FINANCIAL POSITION

Strive Incorporated
New Orleans, Louisiana

June 30, 2022

ASSETS**Assets**

Cash and cash equivalents	\$1,959,324
Accounts receivable	70,479
Other receivable	596,112
Prepaid expenses	9,420
Investments	346,197
Funds held by Greater New Orleans Foundation	165,243
Property and equipment, net of accumulated depreciation	<u>630,790</u>
Total assets	<u><u>\$3,777,565</u></u>

LIABILITIES AND NET ASSETS**Liabilities**

Accounts payable	\$ 30,125
Accrued salaries and leave	85,799
Other liabilities	<u>14,378</u>
Total liabilities	<u>130,302</u>

Net Assets

Without donor restrictions	3,481,115
With donor restrictions	<u>166,148</u>
Total net assets	<u>3,647,263</u>
Total liabilities and net assets	<u><u>\$3,777,565</u></u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Strive Incorporated**
New Orleans, Louisiana

For the year ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Revenues and Other Support			
Contracts for services:			
Miller Manor	\$ 447,007	\$ -	\$ 447,007
Project Strive	326,147	-	326,147
Supported Independent Living	852,584	-	852,584
Other	248,031	-	248,031
Paycheck Protection Program loan forgiveness	240,420	-	240,420
Investment loss	(14,822)	-	(14,822)
Investment income (loss) on funds held by Greater New Orleans Foundation:			
Interest income	-	1,226	1,226
Realized and unrealized loss, net	-	(15,384)	(15,384)
Total revenues and other support	<u>2,099,367</u>	<u>(14,158)</u>	<u>2,085,209</u>
Net Assets Released From Restrictions			
Satisfaction of purpose restrictions	<u>7,101</u>	<u>(7,101)</u>	<u>-</u>
Total revenues, other support, and net assets released from restrictions	<u>2,106,468</u>	<u>(21,259)</u>	<u>2,085,209</u>
Expenses			
Program services:			
Miller Manor	357,639	-	357,639
Project Strive	525,767	-	525,767
Supported Independent Living	646,092	-	646,092
Management and general	251,142	-	251,142
Total expenses	<u>1,780,640</u>	<u>-</u>	<u>1,780,640</u>
Change in Net Assets	325,828	(21,259)	304,569
Net Assets			
Beginning of year	<u>3,155,287</u>	<u>187,407</u>	<u>3,342,694</u>
End of year	<u>\$3,481,115</u>	<u>\$166,148</u>	<u>\$3,647,263</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**Strive Incorporated**
New Orleans, Louisiana

For the year ended June 30, 2022

	Program Services			Totals	Management And General	Totals
	Community Housing (Miller Manor)	Daycare And Workshop (Project Strive)	Separate Housing (Supported Independent Living)			
Bed fees	\$ 34,916	\$ -	\$ -	\$ 34,916	\$ -	\$ 34,916
Employee benefits	525	4,955	4,445	9,925	2,993	12,918
Insurance	27,904	82,515	23,081	133,500	17,325	150,825
Maintenance and repairs	15,064	69,179	8,911	93,154	-	93,154
Meals	15,783	1,530	-	17,313	98	17,411
Other expenses	9,120	2,659	4,658	16,437	2,919	19,356
Payroll taxes	14,312	19,646	42,374	76,332	7,961	84,293
Professional fees and contract services	1,621	1,581	93	3,295	98,152	101,447
Project costs	1,710	5,152	-	6,862	-	6,862
Salaries	186,676	257,534	548,187	992,397	106,872	1,099,269
Staff training	-	-	-	-	-	-
Supplies	501	3,488	4,089	8,078	5,796	13,874
Transportation	1,614	8,883	90	10,587	254	10,841
Utilities and telephone	17,327	35,756	-	53,083	7,126	60,209
Workshop expense	24,500	-	-	24,500	-	24,500
Total expenses before depreciation	351,573	492,878	635,928	1,480,379	249,496	1,729,875
Depreciation of property and equipment	6,066	32,889	10,164	49,119	1,646	50,765
Total expenses	<u>\$357,639</u>	<u>\$525,767</u>	<u>\$646,092</u>	<u>\$1,529,498</u>	<u>\$251,142</u>	<u>\$1,780,640</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS**Strive Incorporated**
New Orleans, Louisiana

For the year ended June 30, 2022

Cash Flows From Operating Activities

Change in net assets	\$ 304,569
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Paycheck Protection Program loan forgiveness	(240,420)
Realized and unrealized loss on investments, net	19,018
Depreciation	50,765
Investment loss on funds held at Greater New Orleans Foundation, net of withdrawals and other activities	22,562
(Increase) decrease in operating assets:	
Increase in accounts and other receivables	(198,311)
Decrease in prepaid expenses	1,361
Increase (decrease) in operating liabilities:	
Increase in accounts payable, accrued salaries and leave, and other	<u>20,373</u>
Net cash used in operating activities	<u>(20,083)</u>

Cash Flows From Investing Activities

Purchases of property and equipment	(18,321)
Purchases of investments	<u>(124)</u>
Net cash used in investing activities	<u>(18,445)</u>

Net Decrease In Cash and Cash Equivalents

(38,528)

Cash and Cash Equivalents

Beginning of year	<u>1,997,852</u>
End of year	<u><u>\$1,959,324</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Strive Incorporated
New Orleans, Louisiana

June 30, 2022

Note 1 - NATURE OF ACTIVITIES

Strive Incorporated (“Strive”), formerly Sophie L. Gumbel Guild, is a voluntary health and welfare organization providing housing, training, and recreational services to adults with developmental disabilities. Strive provides housing for adults in Miller Manor and Supervised Independent Living, day care and training for adults through Project Strive. The majority of Strive’s revenue is derived from contracts for services with the State of Louisiana and private contracts with businesses in the New Orleans metropolitan area.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Organization and Income Taxes**

Strive is a nonprofit corporation organized under the laws of the State of Louisiana in 1964. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax under the authority of R.S.47:121(5).

b. Basis of Accounting

The financial statements of Strive are prepared on the accrual basis of accounting.

c. Financial Statement Presentation

Net assets, revenues, and expenses are based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Strive and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets that are subject to donor-imposed stipulations that will be met either by action of Strive and/or the passage of time, or net assets subject to donor-imposed stipulations that are maintained in perpetuity.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. 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. Actual results could differ from those estimates.

e. Cash and Cash Equivalents

For purposes of reporting cash flows, Strive considers all highly liquid investments in money market funds and investments available for current use with initial maturities of three months or less to be cash equivalents.

f. Contributions and Revenue Recognition

Revenues from contracted services for the Miller Manor, Project Strive, and Supported Independent Living are presented at transaction prices in the form of per diem rates as set by the Louisiana State Department of Health and Hospitals - Medicaid/Title XIX.

Contributions are recorded as support with donor restrictions or support without donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as support without donor restrictions.

g. Allowance For Uncollectible Accounts

Services rendered to clients are paid through third parties. A receivable is recorded for third-party reimbursements which have not been collected. An allowance for doubtful accounts is recorded based on management's estimate and includes all receivables over one year old. As of June 30, 2022, all accounts over one year old have been written off and there is no allowance as management deems all accounts to be collectible.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Investments

Strive records investments in certificates of deposit and mutual funds at fair market value in the Statement of Financial Position. Unrealized gains and losses on investments are included in the change in net assets in the accompanying Statement of Activities. Unrealized gains and losses on investments are recorded as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law. Interest earned on investments is reported based on the existence or absence of donor-imposed restrictions. Realized gains and losses on the sales of investments are determined using the specific-identification method. A decline in the fair value of investments below cost that is deemed to be other than temporary results in a charge to the change in net assets, and the establishment of a new cost basis for the investment.

Pooled accounts managed by the Greater New Orleans Foundation are reported at net asset value (NAV) which approximates fair market value, including any pro rata gains and losses.

i. Property and Equipment

Property and equipment are recorded at cost. Donated property is recorded at its fair market value at the date of donation. Only items greater than \$1,500 are considered for capitalization. Repairs and maintenance are charged to expense as incurred; major renewals and replacements and betterments are capitalized. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method.

j. Methods Used For Allocation of Expenses

Most of the expenses can be directly allocated to one of the programs or supporting function. The financial statements also report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy (insurance, maintenance and repairs, utilities and telephone, depreciation, etc.), which is allocated based on square footage used for each program or supporting function. Salaries and related expenses are allocated on the basis of estimates of time and effort.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Tax Matters

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of June 30, 2022, management of Strive believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended June 30, 2019 and later remain subject to examination by the taxing authorities.

l. Recently Issued Accounting Standards

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, "Leases" (Topic 842). ASU No. 2016-02 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the Statement of Financial Position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the Statement of Activities and the Statement of Cash Flows will be substantially unchanged from the existing lease accounting guidance. The ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. Strive is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

In November 2021, the FASB issues ASU No. 2021-09, "Leases" (Topic 842) "Lease Discount Rate for Lessees That Are Not Public Business Entities" currently provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this update allow those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee uses that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free rate election. Entities that have not yet adopted Topic 842 are required to adopt the amendments in this update at the same time that they adopt Topic 842.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Recently Issued Accounting Standards (Continued)

Contributed Non-Financial Assets

In September 2020, the FASB issued ASU No. 2020-07, “*Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*” (Topic 958). The amendments in this update apply to nonprofit organizations that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The amendments address presentation and disclosure of contributed nonfinancial assets. The term nonfinancial asset includes property and equipment (such as land, buildings, and equipment), use of property and equipment or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The ASU is effective for fiscal years beginning after June 15, 2021. The adoption of this standard did not have a material effect on the financial statements.

m. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through December 28, 2022, which is the date the financial statements were available to be issued.

Note 3 - CONCENTRATION OF CREDIT RISK

Strive maintains its cash and investment accounts in various financial institutions where the accounts are insured by Federal Deposit Insurance Corporation up to \$250,000 per financial institution. As of June 30, 2022, approximately \$1,267,000 of bank balances was in excess of the insured limits.

Note 4 - INVESTMENTS

Investments are stated at fair market value as of June 30, 2022 and consist of the following:

Description	Cost	Market Value	Excess of Cost Over Market
Certificates of deposit	\$ 51,012	\$ 51,012	\$ -
Mutual funds	322,676	295,185	(27,491)
Totals	\$373,688	\$346,197	\$ (27,491)
	Cost	Market Value	Excess of Cost Over Market
Balances as of June 30, 2022	\$373,688	\$346,197	\$ (27,491)
Balances as of June 30, 2021	\$373,520	\$365,091	(8,429)
Increase in unrealized depreciation			(19,062)
Realized gain			44
Dividend income			4,111
Interest			85
Investment loss			\$ (14,822)

Note 5 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in the active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under the Financial Accounting Standards Board Accounting Standards Codification Topic 820, Fair Value Measurements 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.

Note 5 - FAIR VALUE MEASUREMENTS (Continued)

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and/or
- 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.

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

- *Certificates of Deposit*: Valued at cost which approximates the market price.
- *Mutual Funds*: Valued at the daily closing price as reported by the fund. Mutual funds held by Strive are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by Strive are deemed to be actively traded.
- *Pooled Accounts managed by Greater New Orleans Foundation (GNOF)*: Valued at the NAV of the units of the pooled account. The NAV, as provided by GNOF, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the pooled account less its liabilities.

The methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Strive believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 5 - FAIR VALUE MEASUREMENTS (Continued)

As of June 30, 2022, assets measured at fair value on a recurring basis are comprised of and determined as follows:

Description	Fair Value as of June 30, 2022	Based on		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Certificates of deposit	\$ 51,012	\$ 51,012	\$ -	\$ -
Mutual funds:				
Bond funds	295,185	295,185	-	-
Pooled accounts managed by Greater New Orleans Foundation	<u>165,243</u>	<u>-</u>	<u>165,243</u>	<u>-</u>
Totals	<u>\$ 511,440</u>	<u>\$ 346,197</u>	<u>\$ 165,243</u>	<u>\$ -</u>

As of June 30, 2022, there were no assets measured at fair value on a non-recurring basis.

Note 6 - PROPERTY AND EQUIPMENT

As of June 30, 2022, the details of property and equipment are as follows:

Land	\$ 190,630
Buildings and improvements	1,953,420
Furniture and equipment	72,221
Automotive equipment	<u>126,960</u>
	2,343,231
Less accumulated depreciation	<u>(1,712,441)</u>
Net property and equipment	<u>\$ 630,790</u>

Depreciation expense for the year ended June 30, 2022 was \$50,765.

Note 7 - LOANS PAYABLE

The Company received a \$240,420 loan from Hancock Whitney Bank under the Paycheck Protection Program (PPP) of the U.S. Small Business Administration (SBA) in February 2021. Interest on the loan is 1%. The loan was repaid August 10, 2022 and all expenditures paid from the loan proceeds were approved as eligible for loan forgiveness under the requirements of the PPP. The funding was recognized as revenue in the year ended June 30, 2022 and is included on the Statement of Activities.

Note 8 - BANK LINE OF CREDIT

Strive has a line of credit up to \$50,000 with a local financial institution with an interest rate of 2.75% per annum. The line of credit is secured by a \$51,012 certificate of deposit held by the same institution, and expires on November 19, 2023. As of June 30, 2022, Strive had no outstanding borrowings under the line of credit and the full amount of the line of credit was available to Strive. This line of credit was required by the funding source.

Note 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2022 are restricted for the following purpose:

Subject to expenditure for specified purpose:	
Financial assistance for Strive	
to support those with special needs	<u>\$ 166,148</u>

Note 10 - RISKS AND UNCERTAINTIES

In general, investment securities are exposed to various risks, such as interest rate, currency, credit, and market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investments will occur in the near term and would materially affect the market value of investments held by Strive.

Note 11 - AVAILABILITY OF FINANCIAL ASSETS

The following table represents financial assets available for general expenditures within one year as of June 30, 2022:

Financial assets:	
Cash and cash equivalents	\$ 1,959,324
Accounts receivable and other receivables	666,591
Investments	346,197
Funds held by Greater New Orleans Foundation	<u>165,243</u>
Total financial assets	3,137,355
Less amounts unavailable for general expenditures within one year, due to contractual or donor imposed restrictions:	
Purpose restricted net assets	<u>(166,148)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,971,207</u>

Note 12 - SIGNIFICANT CONTRACTS

For the year ended June 30, 2022, approximately \$1,439,000 of contract revenue was from the Louisiana Medical Assistance Program. The state provides annual contracts to Strive which grant the state the right to audit program accounts and activities. Management believes that Strive is in compliance with the provisions of these contracts and that the findings of an audit, if any, would not have a material impact on the financial statements.

Note 13 - RISK MANAGEMENT

Strive is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the year ended June 30, 2022.

Note 14 - ECONOMIC DEPENDENCY

Strive receives federal and state funding on a per diem per client/unit basis. Federal and state funds from the Department of Health and Human Services, which pass through the Louisiana State Department of Health and Hospitals Office of Family Security, Medical Assistance Program - Medicaid/Title XIX, are on a per diem basis. These payments, reported as residential and habilitation services, are considered payments for services as opposed to grant awards.

In addition, Strive receives state grants from the Department of Health and Hospitals Office for Citizens with Developmental Disabilities on a per diem basis.

If significant budget cuts are made at the federal, state, and/or local levels, the amount of funds Strive receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds Strive will receive in the next fiscal year.

SUPPLEMENTAL INFORMATION

SCHEDULE OF PROGRAM SERVICE ACTIVITIES**Strive Incorporated**
New Orleans, Louisiana

For the year ended June 30, 2022

	Community Housing (Miller Manor)	Daycare And Workshop (Project Strive)	Separate Housing (Supported Independent Living)	Totals
Revenues and Other Support				
Contracts	\$447,007	\$ 326,147	\$852,584	\$1,625,738
Other	36,742	76,793	122,154	235,689
Investment income on funds held by Greater New Orleans Foundation:				
Interest income	1,226	-	-	1,226
Realized and unrealized gains, net	(15,384)	-	-	(15,384)
 Total revenues and other support	 469,591	 402,940	 974,738	 1,847,269
Program Expenses	<u>357,639</u>	<u>525,767</u>	<u>646,092</u>	<u>1,529,498</u>
Increase (Decrease) in Net Assets Before Administrative Expenses	<u>\$111,952</u>	<u>\$(122,827)</u>	<u>\$328,646</u>	<u>\$ 317,771</u>

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Strive Incorporated
New Orleans, Louisiana

For the year ended June 30, 2022

Agency Head Name: Denise Jett Washington, Executive Director

Purpose

Salary (includes \$3,249 of bonus and \$800 of COVID differential)	\$79,319
Benefits - insurance	0
Benefits - retirement	0
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
	<hr/>
	<u>\$79,319</u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR’S REPORT ON
INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,
Strive Incorporated,
New Orleans, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Strive Incorporated (“Strive”) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 28, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we consider Strive’s internal control over financial reporting (“internal control”) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Strive’s internal control. Accordingly, we do not express an opinion on the effectiveness of Strive’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Strive's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Strive's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Strive's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Strive's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Strive's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Strive's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

New Orleans, Louisiana,
December 28, 2022.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements (Continued)

Internal Control Over Financial Reporting (Continued)

2021-001 Preparation of Financial Statements and Disclosures (Continued)

Effect - The independent auditor cannot be part of Strive's internal control over financial reporting.

Cause - The management of Strive has not determined a need for a financial person possessing the required expertise for cost benefit reasons.

Recommendation - Management and those charged with governance can mitigate the lack of expertise in preparing financial statements by carefully reviewing the financial statements, including all disclosures.

Views of Responsible Officials of the Auditee - When There is a Disagreement With the Finding, to the Extent Practical - None.

Compliance and Other Matters

There were no findings reported during the audit for the year ended June 30, 2022 related to compliance and other matters.

Section III - Internal Control and Compliance Material to Federal Awards

Strive Incorporated did not expend more than \$750,000 in Federal awards during the year ended June 30, 2022, and therefore, was exempt from the audit requirements under Title 2 U.S. Code of Federal Regulations Part 200, Uniform Guidance.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Strive Incorporated
New Orleans, Louisiana

For the year ended June 30, 2022

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements

Internal Control Over Financial Reporting

2021-001 Preparation of Financial Statements and Disclosures

Recommendation - Management and those charged with governance can mitigate the lack of expertise in preparing financial statements by carefully reviewing the financial statements, including all disclosures.

Current Status - Unresolved. Management and those in charge with governance will carefully review audited financial statements and related disclosures. For cost benefit reasons, management will rely on the independent auditor to identify related disclosures and prepare the financial statements in accordance with accounting principles generally accepted in the United States of America. See 2022-001.

Compliance and Other Matters

There were no findings reported during the audit for the year ended June 30, 2021 related to compliance and other matters.

Section II - Internal Control and Compliance Material to Federal Awards

Strive Incorporated did not expend more than \$750,000 in Federal awards during the year ended June 30, 2021, and therefore, was exempt from the audit requirements under Title 2 U.S. Code of Federal Regulations Part 200, Uniform Guidance.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2021.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Strive Incorporated
New Orleans, Louisiana

For the year ended June 30, 2022

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

2022-001 Preparation of Financial Statements and Disclosures

Recommendation - Management and those charged with governance can mitigate the lack of expertise in preparing financial statements by carefully reviewing the financial statements, including all disclosures.

Management's Corrective Action - Management and those charged with governance will carefully review audited financial statements and related disclosures. For cost benefit reasons, management will rely on the independent auditor to identify related disclosures and prepare the financial statements in accordance with accounting principles generally accepted in the United States of America.

Section II - Internal Control and Compliance Material to the Federal Awards

Strive Incorporated did not expend more than \$750,000 in Federal awards during the year ended June 30, 2022, and therefore, was exempt from the audit requirements under Title 2 U.S. Code of Federal Regulations Part 200, Uniform Guidance.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2022.