

Consolidated Financial Statements
June 30, 2025 and 2024

**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, 2025 and 2024, 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, 2025 and 2024, 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 October 28, 2025 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, 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
October 28, 2025

Mesa Developmental Services
 dba Strive Colorado
 Consolidated Statements of Financial Position
 June 30, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 5,027,244	\$ 7,218,376
Accounts receivable		
Fees and grants from governmental agencies, net	1,617,696	1,272,718
Other	900,435	203,687
Certificates of deposit	2,841,489	2,042,534
Promises to give, net	73,598	67,934
Inventory	42,267	50,571
Prepaid expenses and other assets	84,476	81,854
Total current assets	10,587,205	10,937,674
Restricted cash	36,342	33,398
Promises to give, net	26,299	83,482
Property and equipment, net	9,142,989	9,527,170
Operating lease right of use assets	118,642	71,848
Total assets	\$ 19,911,477	\$ 20,653,572

Mesa Developmental Services
dba Strive Colorado
Consolidated Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 820,114	\$ 701,596
Deferred revenue	17,930	25,768
Current maturities of operating lease liabilities	23,495	60,206
Solar panel purchase	146,202	146,202
Bonds payable, current portion	93,512	304,068
Total current liabilities	1,101,253	1,237,840
Long-Term Liabilities		
Operating lease liabilities	95,147	11,642
Bonds payable, net of current portion and unamortized bond issuance costs	1,136,127	3,521,967
Total long-term liabilities	1,231,274	3,533,609
Total liabilities	2,332,527	4,771,449
Net Assets		
Without donor restrictions		
Undesignated	9,494,471	10,007,416
Invested in property and equipment, net of related debt	7,913,350	5,701,135
	17,407,821	15,708,551
With donor restrictions	171,129	173,572
Total net assets	17,578,950	15,882,123
Total liabilities and net assets	\$ 19,911,477	\$ 20,653,572

Mesa Developmental Services
dba Strive Colorado
Consolidated Statement of Activities
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support and Gains			
Fees for services from governmental agencies			
Medicaid	\$ 11,545,554	\$ -	\$ 11,545,554
State of Colorado	1,517,733	-	1,517,733
Part C	144,528	-	144,528
Grants from governmental agencies			
Mesa County	601,429	-	601,429
American rescue plan	6,570	-	6,570
State of Colorado - Division of Vocational Rehabilitation	184,504	-	184,504
Total from governmental agencies	14,000,318	-	14,000,318
Residential room and board	632,691	-	632,691
Public support - contributions	1,438,803	124,650	1,563,453
Retail and service contract	355,680	-	355,680
Net investment return	88,570	-	88,570
Other revenue	477,894	-	477,894
Net assets released from restrictions	127,093	(127,093)	-
Total revenue, support and gains	17,121,049	(2,443)	17,118,606
Expenses			
Program services	13,236,628	-	13,236,628
Supporting services			
Management and general	1,894,053	-	1,894,053
Public relations and fundraising	291,098	-	291,098
Total expenses	15,421,779	-	15,421,779
Change in Net Assets	1,699,270	(2,443)	1,696,827
Net Assets, Beginning of Year	15,708,551	173,572	15,882,123
Net Assets, End of Year	\$ 17,407,821	\$ 171,129	\$ 17,578,950

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

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support and Gains			
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>
Expenses			
Program services	13,565,030	-	13,565,030
Supporting services			
Management and general	1,839,346	-	1,839,346
Public relations and fundraising	204,473	-	204,473
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 Functional Expenses
Year Ended June 30, 2025

	Program Services				Total Program Services	Management and General	Public Relations and Fundraising	Total
	Child and Family Services	Employment Related Services	Residential and Supported Living Services	Case Management				
Personnel costs								
Salaries and wages	\$ 1,053,588	\$ 2,618,751	\$ 1,160,752	\$ 271,258	\$ 5,104,349	\$ 805,369	\$ 89,521	\$ 5,999,239
Employee benefits	96,549	227,589	132,666	40,905	497,709	138,427	15,965	652,101
Payroll taxes	86,930	250,479	100,967	40,443	478,819	73,678	7,158	559,655
Total personnel costs	1,237,067	3,096,819	1,394,385	352,606	6,080,877	1,017,474	112,644	7,210,995
Host homes	-	-	4,713,003	-	4,713,003	-	-	4,713,003
Professional services	125,430	41,947	61,954	2,542	231,873	481,760	97,129	810,762
Occupancy/overhead allocation	-	235,278	156,412	216	391,906	93,543	-	485,449
Allocation of common building expenses	70,352	112,920	282,300	76,405	541,977	(553,288)	11,311	-
Depreciation	-	59,371	130,973	-	190,344	247,583	-	437,927
Supplies	4,360	255,905	9,382	1,178	270,825	70,960	26,912	368,697
Medical professional services	226,072	-	134,716	-	360,788	-	-	360,788
Insurance	-	7,756	46,870	-	54,626	126,331	-	180,957
Interest	-	358	-	-	358	180,276	-	180,634
Miscellaneous	491	10,821	39,821	152	51,285	59,553	40,137	150,975
Training and development	1,861	2,555	65,537	1,286	71,239	65,340	112	136,691
Vehicles	-	-	114,568	-	114,568	-	-	114,568
Travel	33,360	10,098	20,197	-	63,655	6,010	37	69,702
Telephone	10,158	13,246	18,911	4,630	46,945	17,681	2,816	67,442
Other	-	-	-	-	-	64,305	-	64,305
Donations	6,993	1,761	31,466	-	40,220	16,525	-	56,745
Food	-	-	7,050	-	7,050	-	-	7,050
Assistive technology & modifications	5,089	-	-	-	5,089	-	-	5,089
Total expenses	\$ 1,721,233	\$ 3,848,835	\$ 7,227,545	\$ 439,015	\$ 13,236,628	\$ 1,894,053	\$ 291,098	\$ 15,421,779

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

	Program Services				Total Program Services	Management and General	Public Relations and Fundraising	Total
	Child and Family Services	Employment Related Services	Residential and Supported Living Services	Case Management				
Personnel costs								
Salaries and wages	\$ 1,053,588	\$ 2,618,751	\$ 1,160,752	\$ 271,258	\$ 5,104,349	\$ 805,369	\$ 89,521	\$ 5,999,239
Employee benefits	96,549	227,589	132,666	40,905	497,709	138,427	15,965	652,101
Payroll taxes	86,930	250,479	100,967	40,443	478,819	73,678	7,158	559,655
Total personnel costs	1,237,067	3,096,819	1,394,385	352,606	6,080,877	1,017,474	112,644	7,210,995
Host homes	-	-	4,713,003	-	4,713,003	-	-	4,713,003
Professional services	125,430	41,947	61,954	2,542	231,873	481,760	97,129	810,762
Occupancy/overhead allocation	-	235,278	156,412	216	391,906	93,543	-	485,449
Allocation of common building expenses	70,352	112,920	282,300	76,405	541,977	(553,288)	11,311	-
Depreciation	-	59,371	130,973	-	190,344	247,583	-	437,927
Supplies	4,360	255,905	9,382	1,178	270,825	70,960	26,912	368,697
Medical professional services	226,072	-	134,716	-	360,788	-	-	360,788
Insurance	-	7,756	46,870	-	54,626	126,331	-	180,957
Interest	-	358	-	-	358	180,276	-	180,634
Miscellaneous	491	10,821	39,821	152	51,285	59,553	40,137	150,975
Training and development	1,861	2,555	65,537	1,286	71,239	65,340	112	136,691
Vehicles	-	-	114,568	-	114,568	-	-	114,568
Travel	33,360	10,098	20,197	-	63,655	6,010	37	69,702
Telephone	10,158	13,246	18,911	4,630	46,945	17,681	2,816	67,442
Other	-	-	-	-	-	64,305	-	64,305
Donations	6,993	1,761	31,466	-	40,220	16,525	-	56,745
Food	-	-	7,050	-	7,050	-	-	7,050
Assistive technology & modifications	5,089	-	-	-	5,089	-	-	5,089
Total expenses	\$ 1,721,233	\$ 3,848,835	\$ 7,227,545	\$ 439,015	\$ 13,236,628	\$ 1,894,053	\$ 291,098	\$ 15,421,779

Mesa Developmental Services
dba Strive Colorado
Consolidated Statements of Cash Flows
June 30, 2025 and 2024

	2025	2024
Operating Activities		
Cash received from services	\$ 13,624,516	\$ 14,344,014
Cash received from contributions and grants	2,407,475	1,693,183
Cash received from employee retention tax credit	-	89,394
Cash paid for salaries, benefits and taxes	(7,160,128)	(7,096,295)
Cash paid to vendors	(7,511,635)	(7,913,489)
Cash paid for interest	(180,634)	(170,403)
Net Cash from Operating Activities	1,179,594	946,404
Investing Activities		
Purchases of property and equipment	(53,746)	(262,200)
Proceeds from sale of property and equipment	-	843,641
Proceeds from sale of investments	689,615	-
Purchase of investments	(1,400,000)	(2,000,000)
Net Cash used for Investing Activities	(764,131)	(1,418,559)
Financing Activities		
Principal payments on debt	(2,603,651)	(299,719)
Net Cash used for Financing Activities	(2,603,651)	(299,719)
Net Change in Cash, Cash Equivalents, and Restricted Cash	(2,188,188)	(771,874)
Cash, Cash Equivalents, and Restricted Cash, Beginning of year	7,251,774	8,023,648
Cash, Cash Equivalents, and Restricted Cash, End of year	\$ 5,063,586	\$ 7,251,774
Reconciliation of Cash, Cash Equivalents, and Restricted Cash		
Cash and cash equivalents	5,027,244	7,218,376
Restricted cash	36,342	33,398
Total cash, cash equivalents, and restricted cash	\$ 5,063,586	\$ 7,251,774

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, adult 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.

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.

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, 2025 and 2024, the allowance and related activity 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, 2025 and 2024, 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, 2025 and 2024.

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 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.

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, 2025 and 2024.

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

Revenue is reported at the amount that reflects the consideration to which we expect to be entitled in exchange for providing services. Our revenue consists primarily of funds received from the State of Colorado for Medicaid and other services provided to clients. Generally, we bill individuals and third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by Strive. Program revenue, which includes fee for service and residential room and board 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. 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. Receivables and deferred revenue consist of the following at June 30, 2025 and 2024 and July 1, 2023, respectively:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Accounts receivable	\$ 1,617,696	\$ 1,272,718	\$ 1,467,256
Deferred revenue	17,930	25,768	32,711

Contributions and grants from governmental agencies 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. Conditional contributions were insignificant at June 30, 2025 and 2024.

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 \$39,000 and \$38,000 for the years ended June 30, 2025 and 2024, 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, 2025 and 2024.

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 and supplies, which are allocated on office or department use, as well as salaries and wages, employee benefits, payroll taxes, professional services, training and development, vehicles, travel, telephone, and other expenses, 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, certificates of deposit 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, 2025 and 2024, Strive had approximately \$4,640,000 and \$6,910,000, 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 October 28, 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, 2025 and 2024, comprise the following:

	2025	2024
Cash and cash equivalents	\$ 5,027,244	\$ 7,218,376
Certificates of deposit	2,841,489	2,042,534
Fees and grants from governmental agencies, net	1,617,696	1,272,718
Other receivables	900,435	203,687
Promises to give, due within one year	73,598	67,934
	\$ 10,460,462	\$ 10,805,249

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, 2025:

	Fair Value Measurements at Report Date Using			
	Total	Level 1	Level 2	Level 3
Certificates of deposit	\$ 2,841,489	\$ -	\$ 2,841,489	\$ -

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

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

Note 4 - Promises to Give

Unconditional promises to give are estimated to be collected as follows at June 30, 2025 and 2024:

	2025	2024
Within one year	\$ 73,598	\$ 67,934
In one to five years	33,599	106,666
	107,197	174,600
Less discount to net present value at 8.50% and 3.25%	(7,300)	(23,184)
	\$ 99,897	\$ 151,416

At June 30, 2025 and 2024, 100% of Strive's unconditional promises to give consisted of promises to give from one and two donors, respectively, in each year.

Note 5 - Property and Equipment

Property and equipment consists of the following at June 30, 2025 and 2024:

	2025	2024
Land	\$ 1,338,326	\$ 1,338,326
Building and improvements	11,445,803	11,395,228
Furniture and equipment	802,961	799,790
Vehicles	1,065,635	1,065,635
	14,652,725	14,598,979
Less accumulated depreciation	(5,509,736)	(5,071,809)
	\$ 9,142,989	\$ 9,527,170

Note 6 - 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 was a 15-year note maturing in March 2034. Interest on the outstanding principal balance was calculated at 3.75% per annum (effective rate is 4.87% per annum over the life of the bonds). Principal and interest was due monthly in payments of \$26,281 each. Strive repaid the entire outstanding loan balance on November 26, 2024.

The Series 2019B Note was a 5-year note maturing in March 2024. Interest on the outstanding principal balance was 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 on 790 Wellington Ave. 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,	832 Loan Amount
2026	\$ 93,512
2027	97,525
2028	101,594
2029	106,067
2030	110,617
Thereafter	734,571
Less unamortized debt issuance costs	(14,247)
	\$ 1,229,639

Note 7 - 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. A facility lease was extended during the year ended June 30, 2025 for an additional 5-year term. The leases expire at various dates through 2030 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 by 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, 2025 and 2024 were as follows:

	2025	2024
Operating lease cost	\$ 91,480	\$ 59,894

The following table summarizes the supplemental cash flow information for the years ended June 30, 2025 and 2024:

	2025	2024
Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating cash flows from operating leases	\$ 58,628	\$ 59,894
Right-of-Use Assets Obtained in Exchange for Lease Liabilities		
Operating leases	\$ 102,474	\$ -

The following summarizes the weighted-average remaining lease term and weight-average discount rate at June 30, 2025 and 2024:

	2025	2024
Weighted-Average Remaining Lease Term		
Operating leases	4.8 Years	2.0 Years
Weighted-Average Discount Rate		
Operating leases	3.87%	3.33%

The future minimum lease payments under noncancelable operating with terms greater than one year are listed below as of June 30, 2025.

June 30,	Operating
2026	\$ 23,495
2027	24,134
2028	24,134
2029	26,134
2030	24,845
Thereafter	7,137
Total lease payments	129,879
Less interest	(11,237)
Present value of lease liabilities	\$ 118,642

Note 8 - 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 \$58,000 and \$62,000 for the years ended June 30, 2025 and 2024, respectively.

Note 9 - Self-Insured Employee Health Plan

Strive's employee health benefit coverage consists of a self-insured medical plan. As of June 30, 2025 and 2024 Strive has recorded a liability of approximately \$71,000 and \$54,000, 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, 2025.

Note 10 - Net Assets With Donor Restrictions

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

	2025	2024
Subject to Expenditure for Specified Purpose		
Supported employment	\$ 48,198	\$ 80,616
Residential services	60,073	31,375
Family support services	13,339	12,312
Framing the Future - playground fund	49,519	49,269
	\$ 171,129	\$ 173,572

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows during the years ended June 30, 2025 and 2024:

	2025	2024
Supported employment	\$ 81,688	\$ 46,721
Residential services	31,466	26,029
Family support services	9,189	41,975
Framing the Future - playground fund	4,750	-
Other	-	5,000
	\$ 127,093	\$ 119,725

Note 11 - 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. 23rd 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, 2025 and 2024. If payable, the advance would bear interest at the rate of 6.0% per annum. Accrued interest through June 30, 2025 and 2024 totaling approximately \$857,518 and \$828,048 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. 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. 23rd 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. In 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, 2025 and 2024, respectively, which is the negotiated purchase amount and will continue to pursue formal acknowledgement of contribution.

Employee Retention Credit

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provided an employee retention credit (the Credit) which is a refundable tax credit against certain employment taxes. Strive's credit filings remain open for potential examination by the Internal Revenue Service through the applicable statutes of limitations. Any disallowed claims from such examination could be subject to repayment to the federal government.

Supplementary Information
June 30, 2025 and 2024

**Mesa Developmental Services
dba Strive Colorado**

Mesa Developmental Services
 dba Strive Colorado
 Consolidating Schedule of Financial Position
 June 30, 2025

	Mesa Developmental Services	DD Housing, Inc.	Eliminations	Consolidated
Assets				
Current Assets				
Cash and cash equivalents	\$ 5,017,871	\$ 9,373	\$ -	\$ 5,027,244
Accounts receivable				
Fees and grants from governmental agencies, net	1,617,696	-	-	1,617,696
Bequest receivable and other	906,510	-	(6,075)	900,435
Certificates of deposit	2,841,489	-	-	2,841,489
Promises to give, net	73,598	-	-	73,598
Inventory	42,267	-	-	42,267
Prepaid expenses and other assets	84,476	-	-	84,476
	<u>10,583,907</u>	<u>9,373</u>	<u>(6,075)</u>	<u>10,587,205</u>
Restricted cash	-	36,342	-	36,342
Promises to give, net	26,299	-	-	26,299
Property and equipment, net	8,650,525	492,464	-	9,142,989
Operating lease right of use assets	118,642	-	-	118,642
	<u>\$ 19,379,373</u>	<u>\$ 538,179</u>	<u>\$ (6,075)</u>	<u>\$ 19,911,477</u>

Mesa Developmental Services
dba Strive Colorado
Consolidating Schedule of Financial Position
June 30, 2025

	Mesa Developmental Services	DD Housing, Inc.	Eliminations	Consolidated
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 820,114	\$ 6,075	\$ (6,075)	\$ 820,114
Deferred revenue	17,930	-	-	17,930
Current maturities of operating lease liabilities	23,495	-	-	23,495
Solar panel purchase	146,202	-	-	146,202
Bonds payable, current portion	93,512	-	-	93,512
Total current liabilities	<u>1,101,253</u>	<u>6,075</u>	<u>(6,075)</u>	<u>1,101,253</u>
Long-Term Liabilities				
Operating lease liabilities	95,147	-	-	95,147
Bonds payable, net of current portion and unamortized bond issuance costs	1,136,127	-	-	1,136,127
Total long-term liabilities	<u>1,231,274</u>	<u>-</u>	<u>-</u>	<u>1,231,274</u>
Total liabilities	<u>2,332,527</u>	<u>6,075</u>	<u>(6,075)</u>	<u>2,332,527</u>
Net Assets				
Without donor restrictions				
Undesignated	9,454,831	39,640	-	9,494,471
Invested in property and equipment, net of related debt	7,420,886	492,464	-	7,913,350
	16,875,717	532,104	-	17,407,821
With donor restrictions	<u>171,129</u>	<u>-</u>	<u>-</u>	<u>171,129</u>
Total net assets	<u>17,046,846</u>	<u>532,104</u>	<u>-</u>	<u>17,578,950</u>
Total liabilities and net assets	<u>\$ 19,379,373</u>	<u>\$ 538,179</u>	<u>\$ (6,075)</u>	<u>\$ 19,911,477</u>

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

	Mesa Developmental Services	DD Housing, Inc.	Eliminations	Consolidated
Assets				
Current Assets				
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
	<u>10,948,647</u>	<u>18,518</u>	<u>(29,491)</u>	<u>10,937,674</u>
Total current assets				
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
	<u>71,848</u>	<u>-</u>	<u>-</u>	<u>71,848</u>
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 Developmental Services	DD Housing, Inc.	Eliminations	Consolidated
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 701,596	\$ 29,491	\$ (29,491)	\$ 701,596
Deferred revenue	25,768	-	-	25,768
Current maturities of operating lease liabilities	60,206	-	-	60,206
Solar panel purchase	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>
Long-Term Liabilities				
Operating lease liabilities	11,642	-	-	11,642
Bonds payable, net of current portion and unammortized bond issuance costs	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>
Net Assets				
Without donor restrictions				
Undesignated	9,984,991	22,425	-	10,007,416
Invested in property and equipment, net of related debt	5,184,490	516,645	-	5,701,135
	15,169,481	539,070	-	15,708,551
With donor restrictions	<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>\$ 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 Activities
Year Ended June 30, 2025

	Mesa Developmental Services	DD Housing, Inc.	Eliminations	Consolidated
Revenue, Support and Gains				
Fees for services from governmental agencies				
Medicaid	\$ 11,545,554	\$ -	\$ -	\$ 11,545,554
State of Colorado	1,517,733	-	-	1,517,733
Part C	144,528	-	-	144,528
Grants from governmental agencies				
Mesa County	601,429	-	-	601,429
American rescue plan	6,570	-	-	6,570
State of Colorado - Division of Vocational Rehabilitation	184,504	-	-	184,504
Total from governmental agencies	<u>14,000,318</u>	<u>-</u>	<u>-</u>	<u>14,000,318</u>
Residential room and board	548,345	84,346	-	632,691
Public support - contributions	1,563,453	-	-	1,563,453
Retail and service contract	355,680	-	-	355,680
Net investment return	88,570	-	-	88,570
Other revenue	477,894	-	-	477,894
Total revenue, support and gains	<u>17,034,260</u>	<u>84,346</u>	<u>-</u>	<u>17,118,606</u>
Expenses				
Program services	13,145,316	91,312	-	13,236,628
Supporting services				
Management and general	1,894,053	-	-	1,894,053
Public relations and fundraising	291,098	-	-	291,098
Total expenses	<u>15,330,467</u>	<u>91,312</u>	<u>-</u>	<u>15,421,779</u>
Change in Net Assets	1,703,793	(6,966)	-	1,696,827
Net Assets, Beginning of Year	<u>15,343,053</u>	<u>539,070</u>	<u>-</u>	<u>15,882,123</u>
Net Assets, End of Year	<u>\$ 17,046,846</u>	<u>\$ 532,104</u>	<u>\$ -</u>	<u>\$ 17,578,950</u>

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

	Mesa Developmental Services	DD Housing, Inc.	Eliminations	Consolidated
Revenue, Support and Gains				
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>
Expenses				
Program services	13,481,144	83,886	-	13,565,030
Supporting services				
Management and general	1,839,346	-	-	1,839,346
Public relations and fundraising	204,473	-	-	204,473
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>



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with Government Auditing Standards

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

We have audited in accordance with 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 (*Government Auditing Standards*), the consolidated financial statements of Mesa Developmental Services dba Strive Colorado (the Organization), which comprise the Organization’s consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements (the financial statements) and have issued our report thereon dated October 28, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing 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 the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’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 Organization’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 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. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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*.

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 the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Grand Junction, Colorado
October 28, 2025