

StriveTogether, Inc. and Subsidiary

**Consolidated Financial Statements
December 31, 2020 and 2019 and
Independent Auditors' Report**

STRIVETOGETHER, INC. AND SUBSIDIARY
December 31, 2020 and 2019

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Independent Auditors' Report

The Board of Trustees
StriveTogether, Inc. and Subsidiary
Cincinnati, Ohio

We have audited the accompanying consolidated financial statements of StriveTogether, Inc. (a nonprofit organization) and Subsidiary, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of StriveTogether, Inc. and Subsidiary as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



April 14, 2021
Cincinnati, Ohio

STRIVETOGETHER, INC. AND SUBSIDIARY

**Consolidated Statements of Financial Position
December 31, 2020 and 2019**

	2020	2019
Assets		
Cash and cash equivalents	\$ 7,129,245	\$ 3,806,503
Accounts receivable	83,651	60,222
Grants receivable, net	446,142	1,131,579
Prepaid expenses and other assets	248,573	394,882
Property and equipment, net	473,852	505,449
	\$ 8,381,463	\$ 5,898,635
	\$ 8,381,463	\$ 5,898,635
Liabilities		
Accounts payable	\$ 80,766	\$ 117,305
Accrued liabilities	525,296	421,389
Deferred revenue	151,090	68,142
Capital lease obligation	15,325	21,523
Straight-line rent liability	39,285	39,218
	811,762	667,577
	811,762	667,577
Net Assets		
Without donor restrictions	3,316,616	2,777,187
With donor restrictions	4,253,085	2,453,871
	7,569,701	5,231,058
	7,569,701	5,231,058
Total liabilities and net assets	\$ 8,381,463	\$ 5,898,635
	\$ 8,381,463	\$ 5,898,635

See accompanying notes to consolidated financial statements

STRIVETOGETHER, INC. AND SUBSIDIARY

**Consolidated Statement of Activities
Year Ended December 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support			
Grant revenue	\$ -	\$ 29,562,641	\$ 29,562,641
Paycheck Protection Program grant	751,700	-	751,700
Contract service fees	392,367	-	392,367
Membership fees	173,126	-	173,126
Other revenue	102,412	-	102,412
Net assets released from restrictions	27,763,427	(27,763,427)	-
Total revenues and other support	29,183,032	1,799,214	30,982,246
Expenses			
Grants to other organizations	20,029,910	-	20,029,910
Personnel	5,199,803	-	5,199,803
Consulting and professional	1,292,311	-	1,292,311
Communications	607,785	-	607,785
Depreciation and amortization	373,060	-	373,060
Information technology	368,268	-	368,268
Occupancy	223,130	-	223,130
Network stipends and support	192,533	-	192,533
Other	153,703	-	153,703
Conferences, conventions, and meetings	148,862	-	148,862
Travel	54,238	-	54,238
Total expenses	28,643,603	-	28,643,603
Change in net assets	539,429	1,799,214	2,338,643
Net assets, beginning of year	2,777,187	2,453,871	5,231,058
Net assets, end of year	\$ 3,316,616	\$ 4,253,085	\$ 7,569,701

See accompanying notes to consolidated financial statements

STRIVETOGETHER, INC. AND SUBSIDIARY

**Consolidated Statement of Activities
Year Ended December 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support			
Grant revenue	\$ 2,065	\$ 15,154,663	\$ 15,156,728
Contract service fees	296,989	-	296,989
Membership fees	168,751	-	168,751
Other revenue	604,341	-	604,341
Net assets released from restrictions	17,045,483	(17,045,483)	-
Total revenues and other support	<u>18,117,629</u>	<u>(1,890,820)</u>	<u>16,226,809</u>
Expenses			
Grants to other organizations	8,168,789	-	8,168,789
Personnel	4,597,158	-	4,597,158
Consulting and professional	940,100	-	940,100
Communications	248,017	-	248,017
Depreciation and amortization	339,421	-	339,421
Information technology	605,374	-	605,374
Occupancy	239,927	-	239,927
Other	232,871	-	232,871
Conferences, conventions, and meetings	1,263,866	-	1,263,866
Travel	440,129	-	440,129
Total expenses	<u>17,075,652</u>	<u>-</u>	<u>17,075,652</u>
Change in net assets	1,041,977	(1,890,820)	(848,843)
Net assets, beginning of year	<u>1,735,210</u>	<u>4,344,691</u>	<u>6,079,901</u>
Net assets, end of year	<u>\$ 2,777,187</u>	<u>\$ 2,453,871</u>	<u>\$ 5,231,058</u>

See accompanying notes to consolidated financial statements

STRIVETOGETHER, INC. AND SUBSIDIARY

**Consolidated Statement of Functional Expenses
Year Ended December 31, 2020**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants to other organizations	\$ 20,029,910	\$ -	\$ -	\$ 20,029,910
Personnel	3,495,731	829,244	874,828	5,199,803
Consulting and professional	996,293	230,700	65,318	1,292,311
Communications	412,889	97,880	97,016	607,785
Depreciation and amortization	250,801	59,494	62,765	373,060
Information technology	157,838	146,405	64,025	368,268
Occupancy	150,006	35,584	37,540	223,130
Network stipends and support	192,533	-	-	192,533
Other	39,200	110,850	3,653	153,703
Conferences, conventions, and meetings	130,918	12,106	5,838	148,862
Travel	40,709	6,963	6,566	54,238
Total expenses	<u>\$ 25,896,828</u>	<u>\$ 1,529,226</u>	<u>\$ 1,217,549</u>	<u>\$ 28,643,603</u>

See accompanying notes to consolidated financial statements

STRIVETOGETHER, INC. AND SUBSIDIARY

**Consolidated Statement of Functional Expenses
Year Ended December 31, 2019**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants to other organizations	\$ 8,168,789	\$ -	\$ -	\$ 8,168,789
Personnel	2,905,149	957,741	734,268	4,597,158
Consulting and professional	681,923	152,317	105,860	940,100
Communications	143,264	52,386	52,367	248,017
Depreciation and amortization	214,495	70,713	54,213	339,421
Information technology	294,902	196,688	113,784	605,374
Occupancy	151,620	49,985	38,322	239,927
Other	81,890	138,013	12,968	232,871
Conferences, conventions, and meetings	1,197,402	63,925	2,539	1,263,866
Travel	311,093	84,295	44,741	440,129
Total expenses	<u>\$ 14,150,527</u>	<u>\$ 1,766,063</u>	<u>\$ 1,159,062</u>	<u>\$ 17,075,652</u>

See accompanying notes to consolidated financial statements

STRIVETOGETHER, INC. AND SUBSIDIARY

**Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019**

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ 2,338,643	\$ (848,843)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	373,060	339,421
Changes in:		
Accounts receivable	(23,429)	8,739
Grants receivable, net	685,437	1,646,265
Prepaid expenses and other assets	(112,925)	27,849
Accounts payable	(36,539)	(50,304)
Grants payable	-	(137,206)
Accrued liabilities	103,907	(11,292)
Deferred revenue	82,948	33,142
Straight-line rent liability	67	9,063
	3,411,169	1,016,834
Net cash provided by operating activities		
Cash flows from investing activities		
Purchases of property and equipment	(82,229)	(276,029)
Cash flows from financing activities		
Payments on capital lease obligations	(6,198)	(5,682)
Change in cash and cash equivalents	3,322,742	735,123
Cash and cash equivalents, beginning of year	3,806,503	3,071,380
Cash and cash equivalents, end of year	\$ 7,129,245	\$ 3,806,503

See accompanying notes to consolidated financial statements

STRIVETOGETHER, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

StriveTogether, Inc. was incorporated as a not-for-profit organization under the laws of the State of Ohio in 2016. The Organization's mission and principal activities include partnering with communities to ensure every child has every chance to succeed because race, ethnicity, poverty and circumstance should not determine opportunity or outcome. The Organization's revenue and other support are derived principally from grants, contract service revenue and membership fees.

StriveTogether, LLC was established under the laws of the State of Ohio in 2007 as a single-member limited liability company of KnowledgeWorks Foundation. StriveTogether, Inc. became the sole member of StriveTogether LLC in March 2017.

Principles of Consolidation

The accompanying consolidated financial statements include the assets, liabilities and financial activities of StriveTogether, Inc. and StriveTogether, LLC (collectively referred to as "Organization"). All significant inter-organizational balances and transactions have been eliminated for purposes of this presentation.

Financial Statement Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Cash and Cash Equivalents

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2020. At December 31, 2019, cash equivalents consisted primarily of money market deposit accounts. The Organization maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts past due more than 120 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. At December 31, 2020 and 2019, management considers all balances collectible, thus, there is no allowance for doubtful accounts.

STRIVETOGETHER, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are recorded at cost or, if donated or impaired, at fair value at the time of the gift or determination. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. Assets held under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives. Major improvements are capitalized, while maintenance and repairs are expensed as incurred.

In accordance with GAAP, the Organization assesses the recoverability of the carrying amount of property and equipment if certain events or changes occur, such as a significant decrease in market value of the assets or a significant change in operating conditions. Based on its most recent analysis, the Organization believes no impairments existed at December 31, 2020 and 2019.

Deferred Revenue

Deferred revenues primarily consist of membership fees and contract service fees. Membership fees received in advance are deferred and recognized over time in the period to which the membership relates. Contract service fees received in advance are deferred and recognized, as the performance obligations within the contracts are satisfied.

Contributions

The Organization records gifts of cash and other assets at their fair value as of the date of the contribution or the unconditional commitment. Such donations are recorded as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Unconditional gifts that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as with donor restrictions and then released from restriction. Conditional gifts that are originally restricted by the donor and for which the condition and restriction are met in the same time period are recorded as net assets without donor restrictions.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Unconditional promises to give expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized and reported as contribution revenue. Conditional promises to give are recognized as revenues when the conditions on which they depend are substantially met.

STRIVETOGETHER, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Organization identifies a contract with a customer for revenue recognition when there is approval and commitment from both parties, the rights of the parties and payment terms are identified, the contract has commercial substance and the collectability of consideration is probable. The Organization evaluates each contract to determine the number of distinct performance obligations in the contract, which requires the use of judgment. To determine the proper revenue recognition method, the Organization evaluates whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as single or more than one performance obligation.

Revenue from contracts with customers is primarily recognized from membership fees and contract service fees. These contracts consist of a single performance obligation as the promise to transfer the service is not separately identifiable from other promises in the contracts and, therefore, not distinct. Revenue is recognized by the Organization over the time its services are provided to the client. The Organization generally uses the time elapsed method, an input measure, as it considers it to best depict the simultaneous consumption and delivery of its services. The determination of the method by which the Organization measures its progress towards the satisfaction of its performance obligations requires judgment.

The transaction price is stated in the contracts and is known at time of contract inception. There is no variable consideration associated with the Organization's contracts with customers. Memberships fees and contract service fees are generally due within 15 business days of invoicing.

In-Kind Donations

The Organization receives certain in-kind donations during the year, which are recorded at fair value and either capitalized or expensed in the financial statements.

Income Taxes

The Organization is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of Ohio law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization's IRS Form 990 is subject to review and examination by federal and state authorities. The Organization believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the consolidated financial statements.

STRIVETOGETHER, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services. Such allocations are determined by management on an equitable basis. The most significant allocations are personnel costs, which were allocated based upon estimates of time spent by Organizations' personnel, and depreciation and occupancy, which were allocated based on full-time equivalents in each function.

Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Standards Update

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating, which will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the Organization's year ending December 31, 2022.

The Organization is evaluating the impact of this ASU on its consolidated financial statements.

Subsequent Event Evaluation

Subsequent events have been evaluated through April 14, 2021, which is the date the consolidated financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Organization receives a significant amount of grants that are restricted by the grantors, and considers grants restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

The Organization manages its liquidity and reserves following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets to fund near-term operating needs, and
- Maintaining sufficient reserves to provide reasonable assurance that long-term obligations and program commitment will continue to be met, ensuring the Organization's long-term financial sustainability

STRIVETOGETHER, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

To ensure liquidity, the Organization forecasts its future cash flows and monitors its liquidity quarterly. Historically, a Money Market Sweep account was used to earn interest. Due to the interest rate dropping to near zero, the sweep account was closed during 2020, as the interest earned was insufficient to cover bank fees incurred. StriveTogether is currently evaluating potential opportunities to maximize the return on investment, while mitigating risks.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities to achieve its mission of “The success of every child from cradle to career” as well as the conduct of administrative and fundraising activities to support program activities to be general expenditures.

As of December 31, 2020 and 2019, the following table shows the financial assets held by the Organization and the amounts of those financial assets available within one year of the statement of financial position date to meet general expenditures:

	2020	2019
Cash and cash equivalents	\$ 7,129,245	\$ 3,806,503
Accounts receivable	83,651	60,222
Grants receivable, net	446,142	1,131,579
	<u>7,659,038</u>	<u>4,998,304</u>
Less grants receivable due in one to five years, net of unamortized discount	<u>-</u>	<u>(438,208)</u>
	<u>\$ 7,659,038</u>	<u>\$ 4,560,096</u>

Subsequent to year end, the Organization received a \$7,100,000 grant from the Ballmer Group, a \$160,000 grant from Pritzker Family Foundation, and \$756,455 from the Paycheck Protection Program, all of which are additional financial assets available to meet general expenditures during 2021.

NOTE 3 CONDITIONAL CONTRIBUTION

The Organization has a grant for which the grantor agency's promise to give is conditioned upon the Organization meeting certain requirements under the grant program. At both December 31, 2020 and 2019, the Organization had remaining available award balances on the conditional grant of \$200,000. These award balances are not recognized as assets and will be recognized as revenue as the conditions are met, generally as qualifications are met.

STRIVETOGETHER, INC. AND SUBSIDIARY

**Notes to Consolidated Financial Statements
(Continued)**

NOTE 4 GRANTS RECEIVABLE

Grants receivable as of December 31 consisted of the following:

	2020	2019
Due within one year	\$ 446,142	\$ 693,371
Due in one to five years	-	446,142
	446,142	1,139,513
Less unamortized discount	-	(7,934)
	<u>\$ 446,142</u>	<u>\$ 1,131,579</u>

A discount rate of 1.58% was used in 2019. No discount rate was used in 2020 as all grant receivables are expected to be collected within one year.

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment as of December 31 consisted of the following:

	2020	2019
Leasehold improvements	\$ 408,637	\$ 408,637
Furniture and fixtures	133,403	126,257
Computers & equipment	161,906	86,824
	703,946	621,718
Less accumulated depreciation	(230,094)	(116,269)
	<u>\$ 473,852</u>	<u>\$ 505,449</u>

NOTE 6 CAPITAL LEASE OBLIGATION

The Organization leases property and equipment under a capital lease expiring in November 2024. The economic substance of the lease is that the Organization is financing the acquisition of the assets through the lease and accordingly, it is recorded in the Organization's assets and liabilities.

STRIVETOGETHER, INC. AND SUBSIDIARY

**Notes to Consolidated Financial Statements
(Continued)**

NOTE 6 CAPITAL LEASE OBLIGATION (CONTINUED)

Future annual minimum lease payments at December 31, 2020 were:

2021	\$	6,198
2022		6,198
2023		6,198
2024		<u>5,682</u>
		24,276
Less amount representing interest		<u>(8,951)</u>
	\$	<u>15,325</u>

Property and equipment included the following property held under capital leases at December 31:

	<u>2020</u>	<u>2019</u>
Leasehold improvements	\$ 34,590	\$ 34,590
Less accumulated depreciation	<u>(16,324)</u>	<u>(11,660)</u>
	<u>\$ 18,266</u>	<u>\$ 22,930</u>

NOTE 7 PAYCHECK PROTECTION PROGRAM (PPP) GRANT

On May 1, the Organization entered into a term note pursuant to the Coronavirus Aid, Relief, and Economic Security Act's (CARES Act) Paycheck Protection Program (the Program) for \$751,700. All or a portion of the note may be forgiven in accordance with the Program requirements. Interest on the outstanding principal balance will accrue at a fixed rate of 1.00%, but neither principal or interest are due and payable during the covered period. After the covered period expires, loan payments will be deferred for borrowers who apply for loan forgiveness until the Small Business Administration (the SBA) remits the borrower's loan forgiveness amount to the lender.

The Organization elected to apply the conditional contribution guidance pursuant to ASC 958-605 to determine the derecognition of the liability. In accordance with this guidance, the derecognition threshold for the liability is when the conditions of the Paycheck Protection Program are "substantially met" and occur on or before the statement of financial position date. As of December 31, 2020, the Organization determined that all significant conditions under the Program had been substantially met and recognized the entire \$751,700 as grant revenue during 2020.

On March 5, 2021, the Organization received notification from the SBA that the note was forgiven, and the SBA remitted payment to the lender for the full outstanding principal and accrued interest amount.

STRIVETOGETHER, INC. AND SUBSIDIARY

**Notes to Consolidated Financial Statements
(Continued)**

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31 are available for the following purposes or periods:

	2020	2019
Purpose restricted:		
Capacity building and institutional strengthening	\$ 3,219,884	\$ 505,218
Student Centered Learning Initiative	311,331	663,198
COVID-19 response and recovery in black communities	231,188	-
Challenge Fund	130,940	-
Racial and ethnic equity in reimagining education	50,000	-
Prenatal to age three developmental outcomes	3,289	198,398
Accelerator Fund	1,453	237,991
Time restricted:		
For periods after December 31	305,000	849,066
	\$ 4,253,085	\$ 2,453,871

NOTE 9 OPERATING LEASE

The Organization leases office space under a noncancelable operating lease that expires in December 2025. The lease calls for escalating rent payments to be made over the life of the lease. The straight-line annual rent expense is \$105,490.

The Organization also leases office space under a noncancelable operating lease that expires in December 2021. The lease calls for monthly rent payments ranging from \$2,763 to \$3,070 to be made over the life of the lease.

Rent expense for these leases included in the consolidated statement of activities for the years ended December 31, 2020 and 2019 was \$153,212 and \$153,764, respectively.

Future annual minimum lease payments at December 31, 2020 are as follows:

2021	\$ 143,036
2022	110,731
2023	113,530
2024	116,358
2025	118,078
	\$ 601,733

STRIVETOGETHER, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE 10 RETIREMENT PLAN

The Organization established a defined-contribution 401(k) plan covering substantially all employees. The Organization will match 50% of a participant's elective deferral up to 4% of the participant's compensation. Total 401(k) matching contributions were \$213,105 and \$179,760 for the years ended December 31, 2020 and 2019, respectively.

NOTE 11 CONCENTRATIONS

GAAP requires disclosure of current vulnerabilities due to concentrations. Two funding sources account for approximately 100% of grants receivable at December 31, 2020 and three funding sources account for approximately 100% of grants receivable at December 31, 2019. Two funding sources account for approximately 92% of total revenues and other support for the year ended December 31, 2020 and one funding source accounts for approximately 84% of total revenues and other support for the year ended December 31, 2019.

NOTE 12 COVID-19 PANDEMIC

On March 11, 2020, the World Health Organization recognized COVID-19 as a global pandemic, prompting many national, regional and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy.

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Organization's operations and financial results will depend on future developments, including the duration and spread of the outbreak within the market in which the Organization operates and the related impact on consumer confidence and spending, all of which are highly uncertain.

NOTE 13 SUBSEQUENT EVENTS

On March 4, 2021, the Organization entered into a term note pursuant to the second round of the Coronavirus Aid, Relief, and Economic Security Act's (CARES Act) Payroll Protection Program (the Program) for \$756,455. All or a portion of the note may be forgiven in accordance with the Program requirements. Interest on the outstanding principal balance will accrue at a fixed rate of 1.00%, but neither principal or interest are due and payable during the deferral period which includes the covered period and an additional 10-months after the last day of the covered period. After the deferral period expires, all accrued interest not forgiven under the program will be due and payable on the first payment date. In addition, equal monthly installments of principal along with interest will be paid over the remaining term until the maturity date, which is the 5th anniversary of the note.