GREAT ASPIRATIONS
SCHOLARSHIP PROGRAM, INC.

Audited Financial Statements

Years Ended
June 30, 2016 and 2015

Owen, PLC

Certified Public Accountants
Accounting • Tax • Consulting

11229 Ensley Court *Office: (804) 241-3258*
Richmond, Virginia 23233-1850 *Fax: (804) 270-1559*
E-mail: towen@owenco.com

GREAT ASPIRATIONS
SCHOLARSHIP PROGRAM, INC.

Contents

Owen, PLC

Certified Public Accountants
Accounting ● Tax ● Business Consulting

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
GReat Aspirations Scholarship Program, Inc.

We have audited the accompanying financial statements of GReat Aspirations Scholarship Program, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GReat Aspirations Scholarship Program, Inc. as of June 30, 2016 and 2015, and its statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Owen, PLC

Richmond, Virginia
October 25, 2016

11229 Ensley Court
Richmond, Virginia 23233-1850

Phone: (804) 241-3258
Fax: (804) 270-1559

E-mail: towen@owenco.com

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF FINANCIAL POSITION

June 30,	2016	2015
ASSETS		
Current assets		
Cash	**$ 794,336**	$ 226,666
Investments in Virginia529 Plans	**2,735,676**	2,484,487
Accounts and grants receivable	**8,750**	39,250
Total current assets	**3,538,762**	2,750,403
Property and equipment		
Office equipment	**23,593**	22,355
Accumulated depreciation	**(15,837)**	(12,255)
Property and equipment, net	**7,756**	10,100
Total assets	**$ 3,546,518**	$ 2,760,503
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	**$ -**	$ 5,000
Accrued payroll taxes	**4,247**	18,516
Total current liabilities	**4,247**	23,516
Total liabilities	**4,247**	23,516
Net assets		
Unrestricted	**2,658,919**	2,175,893
Temporarily restricted	**883,352**	561,094
Total net assets	**3,542,271**	2,736,987
Total liabilities and net assets	**$ 3,546,518**	$ 2,760,503

See accompanying notes.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended June 30,	2016	2015
Unrestricted Net Assets		
Unrestricted Revenue		
Donations - private donors	**$ 551,618**	$ 604,481
Donations - foundations	**226,250**	177,000
Commonwealth of Virginia	**400,000**	214,000
SOAR Virginia®	**41,000**	73,250
Public school advisor fees	**55,650**	68,500
Donated (in - kind) services	**29,692**	22,650
Fees earned scholarships	**1,022**	22,799
Event Income	**16,988**	7,573
Miscellaneous income	**155**	46
Investment income	**35,709**	23,475
Total unrestricted revenue	**1,358,084**	1,213,774
Net assets released from restrictions	**322,693**	214,414
Total unrestricted revenue and other support	**1,680,777**	1,428,188
Expenses		
Program services	**1,037,377**	903,572
Management and general support services	**160,374**	152,616
Total costs and expenses	**1,197,751**	1,056,188
Increase in unrestricted net assets	**483,026**	372,000
Temporarily Restricted Net Assets		
Temporarily Restricted Revenue		
Education Improvement Scholarship Program K-12 Suppor	**615,310**	-
Donations for scholarships	**24,195**	306,429
Investment income	**5,446**	4,505
Net assets released from restrictions	**(322,693)**	(214,414)
Increase in temporarily restricted net assets	**322,258**	96,520
Increase in net assets	**805,284**	468,520
Net assets, beginning of period	**2,736,987**	2,268,467
Net assets, end of period	**$ 3,542,271**	$ 2,736,987

See accompanying notes.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30,	2016 Program Services	2016 Management and General	2015 Program Services	2015 Management and General
Expenses				
Salaries and wages	**$ 388,735**	**$ 129,578**	$ 379,655	$ 126,552
Scholarships	**413,206**	**-**	333,430	-
Fundraising expenses	**14,136**	**-**	10,333	-
Consulting administrative services	**5,492**	**-**	-	-
Occupancy costs	**36,341**	**12,113**	25,202	8,401
Payroll taxes	**28,957**	**9,652**	29,317	9,772
Office supplies and expenses	**30,530**	**-**	18,026	-
Training expenses	**22,091**	**-**	18,854	-
Professional fees	**20,358**	**6,786**	16,987	5,663
Computer database services	**16,035**	**-**	12,947	-
Mileage reimbursement	**20,692**	**-**	20,545	-
Costs associated with Reach for the Stars	**9,311**	**-**	8,790	-
Miscellaneous	**9,397**	**-**	3,979	-
Depreciation	**3,582**	**-**	4,851	-
Loss on donation of computers	**-**	**-**	4,492	-
Employee benefits	**2,573**	**-**	3,126	-
Cellular communications	**3,423**	**1,141**	2,809	936
Postage and delivery	**3,306**	**-**	2,974	-
Bank service charges	**1,723**	**-**	932	-
Workers' compensation insurance	**1,507**	**503**	2,108	703
Liability insurance	**1,493**	**498**	1,438	479
Program expense	**3,718**	**-**	2,149	-
SOAR Virginia ® expenses, excluding payroll	**149**	**-**	-	-
Licenses and permits	**307**	**103**	328	110
Background checks	**280**	**-**	300	-
Dues and subscriptions	**35**	**-**	-	-
Total expenses	**$ 1,037,377**	**$ 160,374**	$ 903,572	$ 152,616

See accompanying notes.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30,		**2016**		2015
Cash flows from operating activities				
Cash received from program activities	**$**	**1,323,183**	$	1,179,399
Cash received temporarily restricted donations		**639,505**		306,429
Cash paid to employees, scholarships and vendors		**(1,183,746)**		(1,002,282)
Investment income received		**41,155**		27,980
Net cash provided by operating activities		**820,097**		511,526
Cash flows from investing activities				
Investment in Virginia529 Plans		**(251,189)**		(615,526)
Purchase of office equipment		**(1,238)**		(3,880)
Net cash used in investing activities		**(252,427)**		(619,406)
Net decrease in cash and cash equivalents		**567,670**		(107,880)
Cash and cash equivalents, beginning of period		**226,666**		334,546
Cash and cash equivalents, end of period	**$**	**794,336**	$	226,666
Reconciliation of net income to net cash provided by (used in) operating activities				
Change in net assets	**$**	**805,284**	$	468,520
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation		**3,582**		4,851
Loss on donation of computers		**-**		4,492
Changes in:				
Grants receivable		**30,500**		11,750
Accounts payable		**(5,000)**		5,000
Accrued consulting services		**-**		-
Payroll taxes payable		**(14,269)**		16,913
	$	**820,097**	$	511,526
Supplemental Information:				
Non-cash transactions:				
In kind donations	**$**	**29,692**	$	22,650
Donations of computers to another not-for-profit organization		**-**		(10,748)

See accompanying notes.

NOTE 1 - Organization and Business

GReat Aspirations Scholarship Program, Inc. ("GRASP") is a non-profit, 501(c)(3) tax exempt organization founded in 1983 to provide resources to students and families to access financial aid, scholarships, private financial support and counseling to encourage and maximize each student's educational opportunities. GRASP's primary mission is to increase the college or technical school attendance and the graduation rate, particularly among families without sufficient financial resources to accomplish such mission without GRASP's guidance and financial assistance. GRASP expects to accomplish its mission by assisting students and their families with scholarship and financial aid opportunities and with the development of an educational plan for implementation after the completion of their high school education.

Services are provided at no cost to families and students, and such services are financially supported principally by private donors, business sponsors, grants from private foundations, fees from managing private companies' scholarship plans, public schools, community fund raising activities and the Commonwealth of Virginia and related agency grants.

Since its founding in 1983, GRASP, through its cadre of trained advisors assigned to public schools and other venues, has advised thousands of young people providing inspiration, motivation and direct assistance in the financial aid decisions accompanying post-secondary education. GRASP advisors also assist families with the completion of the Free Application for Student Aid ("FAFSA") and the complex maze of paperwork associated with post-secondary financial aid. During the fiscal years ended June 30, 2016 and 2015, GRASP advisors provided individual counseling services to 7,284 and 6,886 high school students, respectively, in area high schools and other venues, without charge to the students, leading to substantial amounts of financial aid (scholarships, grants, loans and other financial aid packages) being awarded to the assisted students. GRASP assisted students with obtaining approximately $85 million and $83 million in financial aid and scholarships during the fiscal years ended June 30, 2016 and 2015, respectively.

GRASP hires and trains part-time employees to serve as advisors in 76 schools, as of October 1, 2016 and 2015, through-out the Commonwealth in areas stretching from Bath County in western Virginia to Sussex County in southeastern Virginia to Colonial Beach in the Northern Neck. GRASP's In-School Advising Program remains its primary emphasis, working to assist high school students continue their education or training past the high school level. Accordingly, the Program encourages students to complete their secondary education.

GRASP employees and advisors, which include retired teachers, counselors, and military personnel as well as other professionals, provide in-school financial aid planning services to high school students and their families, primarily based on financial need. During the 2015-2016 and 2014-2015 school years, GRASP advisors assisted 7,284 and 6,886 primarily financially disadvantaged deserving students to develop a financial aid game plan for after high school.

In addition during the fiscal years ending June 30, 2016 and 2015, GRASP awarded $413,206 and $333,430 in scholarships to approximately 235 and 192 deserving students, respectively, most of whom are, financially disadvantaged students or students qualifying as having one or more disabilities.

GRASP as an organization relies upon donations from businesses, individuals and foundations and grant awards throughout the year to support its in-school advising and scholarship programs. Except for administration and training, the program costs generally coincide with the public school year and commitments to serve each school are made in advance of the school year.

NOTE 1 - Organization and Business *(Continued)*

Therefore, the Board has directed that funds be set aside to meet the future in-school services and to carry out the Board's goals of providing substantial direct scholarship assistance to primarily financially disadvantaged students in the 76 schools. To take advantage of the investment knowledge of the successful Virginia College Savings Plan℠ and to anticipate the commitments to serve the 76 schools, expand services and set aside scholarships, GRASP has created a number of special purpose Virginia529 inVEST℠ 529 plans to serve as the funding mechanism for the future obligations to schools and students. The amount set aside for this purpose as of June 30, 2016 and 2015 was $2,343,308 and 2,040,456. In addition, certain restricted donations have been invested in similar plans awaiting the students' meeting the criteria of donors for financial aid awards.

In addition to in-school advising to the students directly, GRASP manages scholarship plans for a number of businesses and community organizations as an independent and objective advisor to aid the companies and organizations in the selection and monitoring of scholarship recipients.

GRASP anticipates continuing to take advantage of the Virginia Neighborhood Assistance Tax Credit Program ("NAP") and Education Improvement Scholarship Program ("EISP"). The NAP and EISP programs provide significant tax incentives to Virginia private and business donors who support scholarships and other tuition assistance programs of (1) students and families of low to modest financial means and (2) provide scholastic assistance in developing post - secondary academic and vocational plans for children with one or more disabilities as defined under the federal IDEA legislation. The NAP program requires that more than 50% of GRASP tax credit derived revenues are used for education services in support of students and families with income at or below 300% of the recognized poverty level of income or 400% of the recognized poverty level for students with disabilities. The EISP Program, primarily a scholarship program for students in K-12 who wish to attend a private school, requires that at least 90% of tax credit generated revenues under this program be paid out in scholarships for students at or below 300% of poverty, or in the case of students with disabilities, 400% of poverty. The GRASP Board has directed that preference be given to scholarships for students with disabilities attending private schools with specialized disability services under the EISP Program.

NOTE 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

The accompanying financial statements of GRASP have been prepared in accordance with Accounting Standards Codification ("ASC") 958-205-45, formerly Statement of Financial Accounting Standards Board ("FASB") No. 117, Financial Statements of Not-for-Profit Organizations. This Codification establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions as follows:

> ***Unrestricted Net Assets*** – The unrestricted net assets represents net assets not subject to donor imposed restrictions, or stipulations and are available for current support of GRASP activities. As of June 30, 2016 and 2015, unrestricted net assets amounted to $2,658,919 and $2,175,893, respectively.
>
> ***Temporarily Restricted Net Assets*** – Temporarily restricted net assets include planned giving and gifts that may have restrictions, as requested by the donors. Earnings on temporarily restricted net assets are reported as an increase in temporarily restricted net assets. When a restriction expires, (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as "released from restrictions". As of June 30, 2016 and 2015, temporarily restricted net assets amounted to $883,352 and $561,094, respectively.
>
> ***Permanently Restricted Net Assets*** – Permanently restricted net assets consist of endowment fund assets to be held indefinitely. The income from the endowment fund assets can be used to support general activities and are to be reported on in the Statement of Activities. As of June 30, 2016 and 2015, there were no permanently restricted assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, GRASP considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

NOTE 2 - Summary of Significant Accounting Policies *(Continued)*

Investments in Virginia529 Plans

GRASP follows ASC 958-320-50, formerly FASB No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under ASC 958-320-50, investments in marketable securities with readily determinable fair values and all investments in marketable debt securities are valued at their fair values. Unrealized gains and losses are included in the statements of activities and changes in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months. Donated securities are recorded at their estimated value at date of receipt.

The aforementioned accounting standard defines the fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework establishes a three-tier fair value hierarchy that prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in the active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1 – observable inputs such as quoted prices for identical instruments in active markets.
- Level 2 – inputs other than quoted prices in active markets that are directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active.
- Level 3 – unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant value drivers are observable.

All valuation techniques are consistently applied.

Property and Equipment

Property and equipment are recorded at cost, or if donated, at fair market value at the time of the donation. Such donations are to be reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. It is management's policy to capitalize certain purchases and donations with a useful life greater than one year and a value greater than $500. Depreciation is to be calculated using the straight-line method over an estimated useful life of five to ten years.

Credit Risk

Financial instruments which potentially subject GRASP to the concentration of credit risk consist primarily of temporary cash investments and investments in Virginia municipal instruments managed by Virginia529. GRASP maintains its cash investments with high credit quality financial institutions and, by policy, reviews the amount of credit exposure to any one financial institution. On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act permanently raised the current standard maximum FDIC deposit insurance limit to $250,000.

After December 31, 2012, deposits held in noninterest-bearing transaction account are now aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total insured is up to at least $250,000.

The term “noninterest-bearing transaction account” includes a traditional checking account or demand deposit account on which the insured depository institution pays no interest. It does *not* include other accounts, such as traditional checking or demand deposit accounts that may earn interest, NOW accounts and money-market deposit accounts.

At June 30, 2016 and 2015, GRASP maintained its cash with a single financial institution. At June 30, 2016, the amount of cash maintained by GRASP with its financial institution exceeded federally established limits in the amount of $544,336. At June 30, 2015, the amount of cash maintained by GRASP with its financial institution did not exceed federally established limits.

The scholarships managed for businesses generate fees for such services and are subject to cancellation by the sponsoring companies; public school and state support of activities are dependent on continued appropriation by the respective governing organizations for such purpose. Additionally, the anticipated use of future tax credits as incentives for increased private and business donations to GRASP’s continued mission are subject to future legislative changes.

NOTE 2 - Summary of Significant Accounting Policies *(Continued)*

Credit Risk (Continued)
Donations and grants received from Virginia agencies amounted to 22.02% and 18.84% of total unrestricted and temporarily revenue during the years ended June 30, 2016 and 2015, respectively.

Income Taxes
GRASP is a Virginia nonprofit corporation, which is exempt from income taxes under Internal Revenue Code Section number 501(c)(3) and Commonwealth of Virginia Title 58; therefore, no provision for income taxes is required. GRASP qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1), of the Internal Revenue Service Code.

GRASP has evaluated its tax position for all open tax years subject to examination by the Internal Revenue Service which include the fiscal years ended June 30, 2016, 2015 and 2014. Based on the evaluation of GRASP's tax positions, management believes all tax positions taken by GRASP will be upheld for any examination that may follow in the open tax years previously mentioned. Therefore, no provision for the effects of uncertain tax positions has been made by management for the year ended June 30, 2016.

Pledges Receivable and Donations
Donations are recognized when a donor makes a promise to donate to GRASP that is, in substance, unconditional. Donations that are restricted by the donor or subject to contingencies are reported as increases in unrestricted net assets if the restrictions expire during the current fiscal year in which the contributions are recognized. All other donor – restricted donations are reported as increases to temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

GRASP uses the allowance method to determine uncollectible unconditional pledges receivable. GRASP does not have any pledges receivable. The allowance will be based on management's analysis of specific promises made.

Donated (In Kind) Services
During the fiscal years ended June 30, 2016 and 2015, volunteers gave considerably of their time and expertise to GRASP in a wide variety of areas including committees; administrative, technical and financial advice; and office and public relations activities. The fair value of donated services during the fiscal year ended June 30, 2016 and 2015 consisted of professional fees with a fair value of $29,692 and $22,650, respectively. These amounts are reflected in the statements of activities as donated services revenue and professional fees expense in the amounts of $29,692 and $22,650, respectively, for the years ended June 30, 2016 and 2015. These services consisted of accounting and tax services.

Grants
Grants, consisting of scholarships and tuition assistance, are recorded as expenses when they are approved by the Board of Directors or their designee and payment made. Conditional grant liabilities, which require certain performance on the part of the recipient prior to disbursement, may be granted from time to time as an incentive for performance by students who are beneficiaries of support.

Functional Expenses
GRASP allocates its expenses on a functional basis among its various program and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their expenditure classification. Other expenses that are common to several functions are allocated by services offered.

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

Reclassifications
Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Advertising
Advertising costs are expensed as incurred, unless such costs are for future periods. Advertising costs in the amount of $0 were incurred during the fiscal year ended June 30, 2016 and 2015, respectively.

NOTE 3 - Investments - Securities

Investments at June 30, 2016 are carried at fair market value and are maintained with Virginia529 Plans, as follows:

	Cost	Market
74th District Fund – mutual funds consisting of municipal bonds	$ 51,750	$ 54,862
Virginia Tech Real Estate Fund – mutual funds consisting of municipal bonds	232,053	240,040
Virginia Tech-Other – mutual funds consisting of municipal bonds	-	-
All Saints Fund – mutual funds consisting of municipal bonds	32,183	33,187
GRASP Master Scholarship – mutual funds consisting of municipal bonds	2,268,393	2,343,308
VCU Fund – mutual funds consisting of municipal bonds	60,886	64,279
	$ 2,645,265	$ 2,735,676

Investments at June 30, 2015 are carried at fair market value and are maintained with Virginia529 Plans, as follows:

	Cost	Market
74th District Fund – mutual funds consisting of municipal bonds	$ 57,750	$ 60,010
Virginia Tech Real Estate Fund – mutual funds consisting of municipal bonds	275,708	279,635
Virginia Tech-Other – mutual funds consisting of municipal bonds	15,000	15,576
All Saints Fund – mutual funds consisting of municipal bonds	24,988	25,527
GRASP Master Scholarship – mutual funds consisting of municipal bonds	2,000,000	2,040,456
VCU Fund – mutual funds consisting of municipal bonds	60,886	63,283
	$ 2,434,332	$ 2,484,487

Investment income for the year ended June 30, 2016 consists of the following:

	Unrestricted	Temporarily Restricted	Total
Interest income	$ 162	$ 2	$ 164
Unrealized gains	31,398	2,473	33,871
Realized gains	4,149	2,971	7,120
	$ 35,709	$ 5,446	$ 41,155

Investment income for the year ended June 30, 2015 consists of the following:

	Unrestricted	Temporarily Restricted	Total
Interest income	$ 237	$ -	$ 237
Unrealized gains	23,238	4,145	27,383
Realized gains	-	360	360
	$ 23,475	$ 4,505	$ 27,980

GRASP's portfolios in its Virginia529 investment accounts noted above consist of mutual funds and municipal investment securities in the form of municipal bonds. Such securities are considered as trading securities and are also considered Level 2 inputs that are measurable in inactive markets at fair value at the measurement date (each fiscal year end). The net increase in investment income of $41,155 from June 30, 2015 to June 30, 2016 on trading securities consists of unrealized and realized gains and is included in the statement of activities and changes in net assets and is a result of favorable market conditions existing for the Program's holdings at June 30, 2016.

Gross unrealized and realized gains and losses on trading securities and mutual funds held at June 30, 2016 and 2015 were $41,155 and $27,980, respectively. The gross unrealized and realized gains of $0 are principally in holdings of bonds in municipalities.

NOTE 4 - Pledges Receivables

Unconditional promises to give may be recognized as revenue in the period when made as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There were no unconditional promises as of June 30, 2016 and 2015.

NOTE 5 - Grants

Scholarships awarded during the year ended June 30, 2016 were $413,206, as compared with $333,430 for the same period a year earlier. GRASP was able to secure greater access to donors and grant funds during the fiscal year ended June 30, 2016 than in earlier periods.

During the years ended June 30, 2016 and 2015, GRASP served as an intermediary for individuals, private companies and community service organizations and received a fee for managing the scholarship process in the amount of $1,022 and $22,799, respectively. GRASP, as intermediary, managed scholarships that were then remitted to colleges and universities on behalf of selected students. During the years ended June 30, 2016 and 2015, additional GRASP's revenues supported $413,206 and $333,430, respectively, for scholarships and tuition assistance. The remainder of generated revenues was invested primarily in the salaries of advisors and related payroll expenses and Virginia529 Plans.

During the fiscal years ended June 30, 2016 and 2015, the Commonwealth of Virginia awarded $400,000 and $214,000 each year, respectively, in grants to be used for in-school advisor services and assembly of financial aid sources by GRASP.

During its fiscal year ending June 30, 2011, GRASP entered into an agreement with the Virginia College Savings Plan℠, an independent agency of the Commonwealth of Virginia, to promote and administer SOAR Virginia® at participating Virginia high schools.

SOAR Virginia® is an early commitment scholarship program created to inspire and assist high school students to reach their post-secondary education goals. To participate, eligible students pledge to meet program requirements. In return, participating students receive a range of assistance and accumulate scholarship support of up to $2,000 to apply toward their post-secondary education expenses.

SOAR Virginia® is a unique program created by the Virginia College Savings Plan℠ to further its mission to make college more affordable and accessible to all Virginians.

During the fiscal years ended June 30, 2016 and 2015, revenue from the SOAR Virginia® program amounted to $41,000 and $73,250, respectively.

NOTE 6 - Leases

GRASP subleases its administrative offices under a noncancellable office sharing arrangement with other tenants. This lease is scheduled to expire on September 30, 2018. GRASP operates primarily in public schools and has a central office leased space for administrative and training purposes.

Future minimum lease payments under noncancellable operating leases at June 30, 2016 are as follows:

	June 30,
2017	$ 35,803
2018	8,951
	$ 44,754

Occupancy costs, including donated office space, incurred during the fiscal year ended June 30, 2016 and 2015 was $48,454 and $33,603, respectively. Occupancy costs include rent expense and allocated telephone, utilities, computer server and basic office supplies costs.

NOTE 7 - Affiliations

GRASP is not considered part of another organization and it is not a member of an affiliated group for tax reporting purposes

NOTE 8 - Contingencies

GRASP is not currently a party to any litigation or claims arising in the normal course of business. The Board of Directors, after consultation with legal counsel, believes that the liabilities, if any, arising from any litigation and claims will not be material to GRASP's financial position.

NOTE 9 - Restrictions on Net Assets

Temporary restrictions on net assets at June 30, 2016 and 2015 are related to donations made for donor stipulated restrictions on certain scholarships. These are donations made by individuals, businesses and foundations to fund scholarships for primarily low income or disabled students to attend educational institutions. During the fiscal years ended June 30, 2016 and 2015, donations received for this purpose amounted to $639,505 and $306,429. Those restrictions are considered to expire and are released from their temporary restriction when payments are made. Temporarily restricted net assets are available for scholarships in the amount of $883,352 and $561,094 at June 30, 2016 and 2015, respectively.

Temporarily restricted net assets set aside for donor restricted purposes were as follows at June 30:

	2016	2015
Education Improvement Scholarship Program K-12 Support – Cash	$ 490,984	$ -
Hargrave – Cash	-	3,959
Northstar – Cash	-	73,247
United Methodist Family Services – Cash	-	28,542
SPE Virginia Zeta – Cash	-	11,315
	490,984	117,063
74th District Fund – Investments in Virginia529 Plans	54,862	60,010
Virginia Tech Real Estate Fund	240,040	279,635
Virginia Tech – Other Investments in Virginia529 Plans	-	15,576
All Saints Fund – Investments in Virginia529 Plans	33,187	25,527
VCU Fund – Investments in Virginia529 Plans	64,279	63,283
	392,368	444,031
	$ 883,352	$ 561,094

NOTE 10 - Subsequent Events and Future Prospects

Management has evaluated the Program's financial statements for events and transactions (through the date of issuance of its financial statements on October 25, 2016) that provide additional evidence about conditions that existed at June 30, 2016, including the estimates inherent in the process of preparing financial statements (recognized subsequent events), as well as events and transactions that provide evidence about conditions that did not exist at June 30, 2016 but arose subsequent to that date (nonrecognized subsequent events).

The Commonwealth of Virginia has appropriated $400,000 for GRASP to support its mission of education services assistance for its fiscal year ending in June 2017.