GREAT ASPIRATIONS
SCHOLARSHIP PROGRAM, INC.

Audited Financial Statements

Years Ended
June 30, 2017 and 2016

Owen, PLC

Certified Public Accountants
Accounting • Tax • Consulting

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SCHOLARSHIP PROGRAM, INC.

Contents

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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, 2017 and 2016, 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, 2017 and 2016, 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 31, 2017

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STATEMENTS OF FINANCIAL POSITION

June 30,		2017		2016
ASSETS				
Current assets				
Cash	**$**	**726,135**	$	794,336
Investments in Virginia529 Plans		**3,053,934**		2,735,676
Accounts and grants receivable		**31,892**		8,750
Total current assets		**3,811,961**		3,538,762
Property and equipment				
Office equipment		**23,593**		23,593
Accumulated depreciation		**(18,681)**		(15,837)
Property and equipment, net		**4,912**		7,756
Total assets	**$**	**3,816,873**	$	3,546,518
LIABILITIES AND NET ASSETS				
Current liabilities				
Accrued payroll taxes		**345**		4,247
Total current liabilities		**345**		4,247
Total liabilities		**345**		4,247
Net assets				
Unrestricted		**3,059,486**		2,658,919
Temporarily restricted		**757,042**		883,352
Total net assets		**3,816,528**		3,542,271
Total liabilities and net assets	**$**	**3,816,873**	$	3,546,518

See accompanying notes.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended June 30,	**2017**	2016
Unrestricted Net Assets		
Unrestricted Revenue		
Donations - private donors	**$ 592,841**	$ 551,618
Donations - foundations	**167,250**	226,250
Commonwealth of Virginia	**400,000**	400,000
SOAR Virginia®	**58,750**	41,000
Public school advisor fees	**58,450**	55,650
Donated (in - kind) services	**26,565**	29,692
Fees earned scholarships	**2,409**	1,022
Event Income	**15,141**	16,988
Small donor fund	**2,746**	-
Summer concert series	**2,773**	-
Miscellaneous income	**52**	155
Investment income	**94,921**	35,709
Total unrestricted revenue	**1,421,898**	1,358,084
Net assets released from restrictions	**652,015**	322,693
Total unrestricted revenue and other support	**2,073,913**	1,680,777
Expenses		
Program services	**1,494,132**	1,037,377
Management and general support services	**179,214**	160,374
Total costs and expenses	**1,673,346**	1,197,751
Increase in unrestricted net assets	**400,567**	483,026
Temporarily Restricted Net Assets		
Temporarily Restricted Revenue		
Education Improvement Scholarship Tax Credit Program K-12 Support	**520,440**	615,310
Donations for scholarships	**-**	24,195
Investment income	**5,265**	5,446
Net assets released from restrictions	**(652,015)**	(322,693)
Increase (decrease) in temporarily restricted net assets	**(126,310)**	322,258
Increase in net assets	**274,257**	805,284
Net assets, beginning of period	**3,542,271**	2,736,987
Net assets, end of period	**$ 3,816,528**	$ 3,542,271

See accompanying notes.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

	2017		2016	
Years Ended June 30,	**Program Services**	**Management and General**	Program Services	Management and General
Expenses				
Salaries and wages	**$ 438,881**	**$ 146,293**	$ 388,735	$ 129,578
Scholarships	**816,230**	**-**	413,206	-
Fundraising expenses	**12,552**	**-**	14,136	-
Consulting administrative services	**443**	**-**	5,492	-
Occupancy costs	**40,314**	**13,438**	36,341	12,113
Payroll taxes	**31,708**	**10,569**	28,957	9,652
Office supplies and expenses	**36,011**	**-**	30,530	-
Training expenses	**18,625**	**-**	22,091	-
Professional fees	**15,235**	**5,078**	20,358	6,786
Computer database services	**13,572**	**-**	16,035	-
Mileage reimbursement	**25,594**	**-**	20,692	-
Costs associated with Reach for the Stars	**11,205**	**-**	9,311	-
Miscellaneous	**3,972**	**-**	9,397	-
Depreciation	**2,843**	**-**	3,582	-
Employee benefits	**4,072**	**-**	2,573	-
Cellular communications	**7,619**	**2,540**	3,423	1,141
Postage and delivery	**3,957**	**-**	3,306	-
Bank service charges	**2,050**	**-**	1,723	-
Workers' compensation insurance	**1,614**	**538**	1,507	503
Liability insurance	**1,763**	**587**	1,493	498
Program expense	**4,919**	**-**	3,718	-
SOAR Virginia ® expenses, excluding payroll	**291**	**-**	149	-
Licenses and permits	**512**	**171**	307	103
Background checks	**140**	**-**	280	-
Dues and subscriptions	**10**	**-**	35	-
Total expenses	**$ 1,494,132**	**$ 179,214**	$ 1,037,377	$ 160,374

See accompanying notes.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30,		**2017**		2016
Cash flows from operating activities				
Cash received from program activities	**$**	**1,277,270**	$	1,323,183
Cash received temporarily restricted donations		**520,440**		639,505
Cash paid to employees, scholarships and vendors		**(1,647,840)**		(1,183,746)
Investment income received		**100,186**		41,155
Net cash provided by operating activities		**250,056**		820,097
Cash flows from investing activities				
Investment in Virginia529 Plans		**(318,257)**		(251,189)
Purchase of office equipment		**-**		(1,238)
Net cash used in investing activities		**(318,257)**		(252,427)
Net decrease in cash and cash equivalents		**(68,201)**		567,670
Cash and cash equivalents, beginning of period		**794,336**		226,666
Cash and cash equivalents, end of period	**$**	**726,135**	$	794,336
Reconciliation of net income to net cash provided by (used in) operating activities				
Change in net assets	**$**	**274,257**	$	805,284
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation		**2,843**		3,582
Changes in:				
Grants receivable		**(23,142)**		30,500
Accounts payable		**-**		(5,000)
Payroll taxes payable		**(3,902)**		(14,269)
	$	**250,056**	$	820,097
Supplemental Information:				
Non-cash transactions:				
In kind donations	**$**	**26,565**	$	29,692

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 for education after high school, scholarships, private financial support and counseling to encourage and maximize each student's educational opportunities. GRASP's mission is to help students and their families, regardless of their financial resources and at no charge to them, develop an educational plan by assisting them with the financial aid process; by awarding and administering scholarships; by inspiring them to believe that secondary and post-secondary education are attainable goals; and by supporting them in the attainment of their goals throughout their post-secondary education. GRASP's focus is on increasing college, technical school, and workforce credential access and graduation rates, particularly among families without sufficient financial resources to accomplish this without GRASP's guidance and financial assistance.

Since its founding in 1983, GRASP, through its cadre of highly trained advisors assigned to public schools and other venues, has educated thousands of students about how to fund post-secondary education and secure the resources to make their plans a reality. Through classroom presentations and individual meetings, GRASP advisors help students: explore an array of options for their futures from community colleges and universities to workforce credentials; overcome financial and motivational barriers; complete the Free Application for Federal Student Aid, the basis for receiving financial aid at post-secondary institutions, as well as other required applications, made more complicated by an array of deadlines and necessary information; access grants, scholarships, state/federal aid; and compare award letters from educational institutions so that choices support goals while minimizing debt. Services are provided at no cost to families and students in 76 high schools and other venues in Virginia. During the fiscal years ended June 30, 2017 and 2016, GRASP guided 7,315 and 7,284 students, respectively, through the maze of requirements to access funding for education leading to substantial amounts of financial aid (scholarships, grants, loans and other financial aid) being awarded to these students. GRASP assisted students with obtaining approximately $78 million and $85 million in grants and scholarships during the fiscal years ended June 30, 2017 and 2016, respectively.

During 2017, GRASP became one of the few nonprofits in Virginia recognized by the Standards for Excellence® Institute as having met all the requirements for the Standards for Excellence® Standards Basics. In 2015, 2016 and 2017, Charity Navigator designated GRASP a four-star charity. In 2016, GRASP received the Cameron Foundation Handy L. Lindsey, Jr. Award for Excellence in Organizational Management, and in 2015, GRASP received the Richmond History Maker award from the Valentine Museum.

GRASP continues to work with students after high school graduation through the College Success Program, which uses a near-peer approach. The College Success Advisor, a recent college graduate, mentors students as they matriculate to a post-secondary institution and throughout their undergraduate education. The program seeks to increase the college graduation rate for GRASP students and scholarship recipients by helping them re-file financial aid and scholarship forms each year; providing valuable tips regarding internships and summer jobs; acting as a liaison between the college financial aid offices and the students, should a problem arise; and awarding scholarships for those students with unmet financial need who attend Virginia colleges or technical programs. The program's focus on post-secondary retention is achieved through social media and email programs and problem-solving services. The College Success Advisor leverages existing college support systems and provides specific financial aid counseling. During the fiscal years ending June 30, 2017 and 2016, 90 and 62 college students, respectively, actively participated in the College Success Program.

Scholarships provided to help students and their families consist of the following for the years ended June 30:

	2017	2016
Virginia's Education Improvement Scholarship Tax Credit Program K-12 ("EISTCP")	$ 519,511	$ 77,678
Post-secondary scholarships	296,719	335,528
	$ 816,230	$ 413,206

NOTE 1 - Organization and Business *(Continued)*

Also, during the fiscal years ending June 30, 2017 and 2016, GRASP disbursed $296,719 and $335,528 in scholarships to approximately 204 and 177 deserving graduating high school seniors or college students, respectively, most of whom are, financially disadvantaged. 2016 marked the conclusion of several restricted scholarship funds.

GRASP is qualified to receive donations through Virginia's EISTCP, which is structured for certain students from low-to-moderate-income households to receive scholarships for private K-12 Virginia schools. GRASP's focus is on those students with learning differences or other special circumstances. Donations to the EISTCP fund are limited by the Code of Virginia to students who meet narrow criteria. This Code also requires 90% of all donations to the fund be awarded by the end of the fiscal year following the fiscal year of the donation. During the fiscal years ending June 30, 2017 and 2016, GRASP disbursed $519,511 and $77,678 to 110 and 22 students from low-to-moderate-income households, respectively.

To support its in-school advising, College Success, and scholarship programs, GRASP relies upon financial support from private donors, business sponsors, grants from private foundations, fees from managing private companies' scholarships, public schools, community fundraising activities and the Commonwealth of Virginia and related agency grants. Except for administration and training, the program costs coincide with the public school year and commitments to serve each school are made in advance of the school year. 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 Virginia schools. To take advantage of the investment knowledge of the successful Virginia College Savings Plan[SM] and to anticipate the commitments to serve the 76 schools, expand services and set aside scholarships, GRASP has created some special purpose Virginia529 inVEST[SM] 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, 2017 and 2016 was $2,737,821 and 2,343,308, respectively. Also, 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 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 Act Tax Credit Program for Education ("NAP") and the EISTCP. NAP and EISTCP 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. NAP 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 or 400% of the recognized poverty level for students with disabilities. EISTCP, a scholarship program for low-to-moderate income students (additional restrictions defined by the Code of Virginia) 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 is 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:

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

Financial Statement Presentation (continued)

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, 2017 and 2016, unrestricted net assets amounted to $3,059,486 and $2,658,919, 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, 2017 and 2016, temporarily restricted net assets amounted to $757,042 and $883,352, respectively. Of this amount, as of June 30, 2017 and 2016, $440,930 and $490,984, respectively, is for the EISTCP program.

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, 2017 and 2016, 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.

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 reported 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.

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

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, 2017 and 2016, GRASP maintained its cash with two financial institutions. At June 30, 2017, the amount of cash maintained by GRASP with its financial institution exceeded federally established limits in the amount of $337,135. 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.

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.

Credit Risk (Continued)

Donations and grants received from Virginia agencies amounted to 23.55% and 22.02% of total unrestricted and temporarily revenue during the years ended June 30, 2017 and 2016, 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, 2017, 2016 and 2015. 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, 2017.

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

The fair value of donated services during the fiscal year ended June 30, 2017 and 2016 consisted of professional fees and occupancy costs with a fair value of $26,565 and $29,692, respectively. These amounts are reflected in the statements of activities as donated services revenue and professional fees expense in the amounts of $26,565 and $29,692, respectively, for the years ended June 30, 2017 and 2016. These professional fees consist of accounting and tax services. Occupancy costs include office space, high-speed Internet access, utilities, shared office equipment and office supplies.

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

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, 2017 and 2016, respectively.

NOTE 3 - Investments - Securities

Investments at June 30, 2017 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	$ 47,437	$ 50,716
Virginia Tech Real Estate Fund – mutual funds consisting of municipal bonds	159,951	167,302
All Saints Fund – mutual funds consisting of municipal bonds	31,320	32,732
GRASP Master Scholarship – mutual funds consisting of municipal bonds and equities	2,571,059	2,737,821
VCU Fund – mutual funds consisting of municipal bonds	61,271	65,362
	$ 2,871,038	$ 3,053,933

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
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

Investment income for the year ended June 30, 2017 consists of the following:

	Unrestricted	Temporarily Restricted	Total
Interest income	$ 234	$ -	$ 234
Unrealized gains	90,267	2,649	92,916
Realized gains	4,420	2,616	7,036
	$ 94,921	$ 5,265	$ 100,186

NOTE 3 - Investments – Securities *(Continued)*

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

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 $100,186 from June 30, 2016 to June 30, 2017 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, 2017.

Gross unrealized and realized gains and losses on trading securities and mutual funds held at June 30, 2017 and 2016 were $100,186 and $41,155, respectively. The gross unrealized and realized gains are principally in holdings of bonds in municipalities.

During the fiscal year June 30, 2017, management of GRASP decided to increase its risk weighting in its Master Scholarship investment portfolio. The Master Scholarship portfolio consists of two accounts. One of these accounts increased its risk by balancing its portfolio with 60% growth equities.and 40% municipal bonds. It is expected that such yields generated from the increase in risk may generated additional sources to fund scholarships or operations as needed. There can be no guarantee that favorable results will be achieved. However, management will closely monitor the performance of its investments and is expected to react as conditions warrant.

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, 2017 and 2016.

NOTE 5 - Grants

Scholarships awarded during the year ended June 30, 2017 were $816,230, as compared with $413,206 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, 2017 than in earlier periods.

During the years ended June 30, 2017 and 2016, 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 $2,409 and $1,022, 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, 2017 and 2016, additional GRASP's revenues supported $816,230 and $413,206, 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, 2017 and 2016, the Commonwealth of Virginia awarded $400,000 and $400,000 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.

NOTE 5 - Grants *(Continued)*

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, 2017 and 2016, revenue from the SOAR Virginia® program amounted to $58,750 and $41,000, respectively.

NOTE 6 - Occupancy Costs

GRASP subleases its administrative offices under a cancellable office sharing arrangement with other tenants that is cancellable at any time. However, the tenants are subject themselves to a noncancellable operating lease which expires in September 2018. GRASP operates primarily in public schools and has a central office leased space for administrative and training purposes.

Anticipated future minimum lease payments under cancellable operating leases that coincides with the noncancellable lease of its tenant at June 30, 2017 are as follows:

	June 30,
2018	$ 55,512
2019	13,878
	$ 69,390

Occupancy costs, including donated office space, incurred during the fiscal year ended June 30, 2017 and 2016 was $53,752 and $48,454, respectively. Occupancy costs include office space, high-speed Internet access, utilities, shared office equipment and $900 annually for office supplies. GRASP benefits from an in-kind donation for a portion of the office space for fiscal year ended June 30, 2017 and 2016 of $6,253 and $2,038 respectively.

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, 2017 and 2016 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, 2017 and 2016, donations received for this purpose amounted to $520,440 and $639,505. 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 $757,042 and $883,352 at June 30, 2017 and 2016, respectively.

NOTE 9 - Restrictions on Net Assets *(Continued)*

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

	2017	2016
Education Improvement Scholarship Program K-12 Support – Cash	$ 440,930	$ 490,984
	440,930	490,984
74th District Fund – Investments in Virginia529 Plans	50,716	54,862
Virginia Tech Real Estate Fund in Virginia529 Plans	167,302	240,040
All Saints Fund – Investments in Virginia529 Plans	32,732	33,187
VCU Fund – Investments in Virginia529 Plans	65,362	64,279
	316,112	392,368
	$ 757,042	$ 883,352

Changes in temporarily restricted net assets were as follows for the year ended June 30, 2017:

	EISTCP	Post Secondary and All Other Programs	Total
Temporarily restricted net assets at July 1, 2016	$ 490,984	$ 392,368	$ 883,352
Education Improvement Scholarship Tax Credit Program K-12 Support	520,440	-	520,440
Investment income	-	5,265	5,265
Net assets released for scholarships	(519,511)	(81,746)	(601,257)
10% fee released for administration	(52,061)	-	(52,061)
Brokerage transactions expense	171	-	171
Other	907	225	1,132
Temporarily restricted net assets at June 30, 2017	$ 440,930	$ 316,112	$ 757,042

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 September 30, 2017) that provide additional evidence about conditions that existed at June 30, 2017, 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, 2017 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 2018.