GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

Audited Financial Statements

Years Ended
June 30, 2023 and 2022

Owen, PLC

Certified Public Accountants
Accounting • Tax • Consulting

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GREAT ASPIRATIONS
SCHOLARSHIP PROGRAM, INC.

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Accounting ● Tax ● Business Consulting

INDEPENDENT AUDITOR'S REPORT

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

Opinion
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, 2023 and 2022, 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.

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, 2023 and 2022, 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.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GReat Aspirations Scholarship Program, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GReat Aspirations Scholarship Program, Inc.'s ability to continue as a going concern within one year after the date the financials are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GReat Aspirations Scholarship Program, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GReat Aspirations Scholarship Program, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Owen, PLC

Glen Allen, Virginia
December 27, 2023

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF FINANCIAL POSITION

June 30,		**2023**		2022
ASSETS				
Current assets				
Cash	**$**	**579,604**	$	452,957
Investments in Virginia529 Plans		**4,216,850**		3,935,455
Accounts receivable		**9,900**		84,162
Total current assets		**4,806,354**		4,472,574
Property and equipment				
Office equipment		**50,050**		45,949
Accumulated depreciation		**(31,586)**		(27,097)
Property and equipment, net		**18,464**		18,852
Other assets				
Right of use lease asset		**163,200**		196,409
Total assets	**$**	**4,988,018**	$	4,687,835
LIABILITIES AND NET ASSETS				
Current liabilities				
Current portion of lease liability	**$**	**36,961**	$	32,960
Accrued payroll		**10,765**		-
Accounts payable		**5,566**		250
Scholarships awarded and not paid		**56,500**		73,000
Total current liabilities		**109,792**		106,210
Long-term liabilities				
Long-term portion of lease liability		**127,529**		165,292
Total liabilities		**237,321**		271,502
Net assets				
Without donor restrictions		**4,540,994**		4,067,595
With donor restrictions		**209,703**		348,738
Total net assets		**4,750,697**		4,416,333
Total liabilities and net assets	**$**	**4,988,018**	$	4,687,835

See accompanying notes.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended June 30,	**2023**	2022
Changes in net assets without donor restrictions		
Revenues and gains		
Donations - private donors	**$ 438,180**	$ 374,271
Donations - foundations	**419,733**	577,601
Commonwealth of Virginia	**500,000**	500,000
Virginia529 School Fees	**220,000**	-
SOAR Virginia®	**90,500**	109,500
Public school advisor fees	**74,500**	68,500
Donated (in - kind) services	**4,738**	4,471
Chancellor's Community College Pathways Program Scholarship	**-**	5,000
Fees earned scholarships	**4,000**	1,900
Event Income	**3,094**	5,248
Small donor fund	**14,635**	24,004
Miscellaneous income	**4,776**	440
Forgiveness of Payroll Protection Program loan	**-**	150,000
Rebuild VA	**85,255**	-
Investment income and (losses)	**190,293**	(245,617)
Total revenues and gains without donor restrictions	**2,049,704**	1,575,318
Net assets released from restrictions		
Net assets released for scholarships	**291,840**	75,383
10% fee released for administration	**26,850**	29,679
Total net assets released from restrictions	**318,690**	105,062
Total revenues, gains and other support without donor restrictions	**2,368,394**	1,680,380
Expenses		
Program services		
Advising	**987,435**	857,843
Scholarships	**348,434**	313,255
Education Improvement Scholarship Tax Credit Program	**282,340**	67,383
Total program services	**1,618,209**	1,238,481
Supporting services		
Management and general administrative services	**299,847**	272,281
Fundraising	**66,769**	60,058
Total supporting services	**366,616**	332,339
Total costs and expenses	**1,984,825**	1,570,820
Transfers to reimburse cash and reflect net assets with donor restrictions	**89,830**	(95,895)
Increase in net assets without donor restrictions	**473,399**	13,665
Changes in net assets with donor restrictions		
Education Improvement Scholarship Tax Credit Program K-12 Support	**268,500**	296,793
Investment income	**985**	788
Net assets released from restrictions	**(318,690)**	(105,062)
	(49,205)	192,519
Transfers to reimburse cash and reflect net assets with donor restrictions	**(89,830)**	95,895
Increase (decrease) in net assets with donor restrictions	**(139,035)**	288,414
Increase (decrease) in total net assets	**334,364**	302,079
Net assets, beginning of year	**4,416,333**	4,114,254
Net assets, end of year	**$ 4,750,697**	$ 4,416,333

See accompanying notes.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

	2023						2022					
	Program Services			**Supporting Services**			Program Services			Supporting Services		
Years Ended June 30,	**Advising**	**Scholarships**	**EISP**	**Management and General Administration**	**Fundraising**	**Total**	Advising	Scholarships	EISP	Management and General Administration	Fundraising	Total
Expenses												
Salaries and wages	**$ 647,198**	**$ -**	**$ -**	**$ 258,542**	**$ 57,810**	**$ 963,550**	$ 585,336	$ -	$ -	$ 234,286	$ 53,532	$ 873,154
Scholarships	**-**	**348,434**	**282,340**	**-**	**-**	**630,774**	-	313,255	67,383	-	-	380,638
Fundraising expenses	**-**	**-**	**-**	**-**	**4,400**	**4,400**	-	-	-	-	2,304	2,304
Occupancy costs	**28,066**	**-**	**-**	**9,355**	**-**	**37,421**	24,720	-	-	8,240	-	32,960
Payroll taxes	**50,085**	**-**	**-**	**20,039**	**4,559**	**74,683**	46,158	-	-	18,475	4,222	68,855
Office supplies and expenses	**18,105**	**-**	**-**	**-**	**-**	**18,105**	30,527	-	-	-	-	30,527
Training expenses	**36,761**	**-**	**-**	**-**	**-**	**36,761**	12,344	-	-	-	-	12,344
Professional fees	**22,513**	**-**	**-**	**7,505**	**-**	**30,018**	19,843	-	-	6,614	-	26,457
Computer database services	**45,376**	**-**	**-**	**-**	**-**	**45,376**	27,312	-	-	-	-	27,312
Mileage reimbursement	**32,641**	**-**	**-**	**-**	**-**	**32,641**	10,125	-	-	-	-	10,125
Miscellaneous	**1,370**	**-**	**-**	**-**	**-**	**1,370**	301	-	-	-	-	301
Depreciation	**6,923**	**-**	**-**	**-**	**-**	**6,923**	7,592	-	-	-	-	7,592
Loss on property and equipment disposals	**31**	**-**	**-**	**-**	**-**	**31**	1,020	-	-	-	-	1,020
Employee benefits	**40,437**	**-**	**-**	**-**	**-**	**40,437**	36,035	-	-	-	-	36,035
Cellular communications	**21,328**	**-**	**-**	**2,370**	**-**	**23,698**	22,256	-	-	2,473	-	24,729
Postage and delivery	**4,313**	**-**	**-**	**-**	**-**	**4,313**	4,015	-	-	-	-	4,015
Bank service charges	**3,024**	**-**	**-**	**-**	**-**	**3,024**	3,002	-	-	-	-	3,002
Liability insurance	**4,305**	**-**	**-**	**1,435**	**-**	**5,740**	4,764	-	-	1,588	-	6,352
Program expense	**17,856**	**-**	**-**	**-**	**-**	**17,856**	16,470	-	-	-	-	16,470
SOAR Virginia ® expenses,excluding payroll	**53**	**-**	**-**	**-**	**-**	**53**	500	-	-	-	-	500
Licenses and permits	**1,110**	**-**	**-**	**370**	**-**	**1,480**	1,087	-	-	363	-	1,450
Background checks	**220**	**-**	**-**	**-**	**-**	**220**	340	-	-	-	-	340
Interest	**691**	**-**	**-**	**231**	**-**	**922**	727	-	-	242	-	969
Dues and subscriptions	**5,029**	**-**	**-**	**-**	**-**	**5,029**	3,369	-	-	-	-	3,369
Total expenses	**$ 987,435**	**$ 348,434**	**$ 282,340**	**$ 299,847**	**$ 66,769**	**1,984,825**	$ 857,843	$ 313,255	$ 67,383	$ 272,281	$ 60,058	$ 1,570,820

See accompanying notes.

STATEMENTS OF CASH FLOWS

Years Ended June 30,	2023	2022
Cash flows from operating activities		
Cash received from program activities	**$ 1,721,157**	$ 1,880,931
Cash received temporarily restricted donations	**268,500**	296,793
Cash paid to employees, scholarships and vendors	**(1,956,130)**	(1,573,406)
Investment income received	**191,278**	(244,829)
Interest paid	**(922)**	(529)
Net cash provided by (used in) operating activities	**223,883**	358,960
Cash flows from investing activities		
Investment in Virginia529 Plans	**(99,617)**	(695,223)
Proceeds from Virginia 529 Plans	**9,500**	9,500
Purchase of office equipment	**(7,119)**	(2,913)
Net cash provided by (used in) investing activities	**(97,236)**	(688,636)
Net increase (decrease) in cash and cash equivalents	**126,647**	(329,676)
Cash and cash equivalents, beginning of period	**452,957**	782,633
Cash and cash equivalents, end of period	**$ 579,604**	$ 452,957
Reconciliation of changes in net assets to net cash provided by (used in) operating activities		
Change in net assets	**$ 334,364**	$ 302,079
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Forgiveness of Payroll Protection Program loan	**-**	(150,000)
Depreciation	**6,923**	7,592
Gain from sale of investment in Virginia529 Plans	**(1,350)**	(2,842)
Increase from change in fair value of investment in Virginia529 Plans	**(189,928)**	247,671
Loss on property and equipment disposals	**31**	1,020
Changes in:		
Accounts receivable	**74,262**	(51,662)
Prepaid expenses	**-**	-
Accounts payable	**5,316**	250
Scholarships awarded and not paid	**(16,500)**	37,575
Advance donations	**-**	(16,275)
Accrued interest	**-**	(440)
Accrued payroll	**10,765**	(16,008)
	$ 223,883	$ 358,960
Supplemental Information:		
Non-cash transactions:		
In kind donations - operating	**$ 4,738**	$ 4,471
Disposition of office equipment	**(3,018)**	(9,627)
Forgiveness of Payroll Protection Program loan - financing	**-**	150,000

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. The goal of GRASP's program is to reduce the persistent education gap affecting underserved students and increase the number of students who are prepared for, enroll in and complete postsecondary education.

Our advising programs address the problem that students in under-resourced areas are often unaware of the resources available for post-secondary education. Since most financial aid is based on the results from the Free Application for Federal Student Aid (FAFSA), GRASP advisors help students, and their families complete the application. By not completing and submitting the FAFSA, students miss out on thousands of dollars for education after high school such as the Pell Grant, institutional need-based aid, merit-based aid, subsidized loans, and scholarships.

The lack of knowledge about available services hinders many students, especially students from under-resourced areas or first-generation students, to believe that post-secondary education is possible. The U.S. Department of Education reports that 85% of four-year students qualify for federal financial aid, but 20% don't apply. GRASP helps fill this gap. Even high-achieving low-income students miss out on post-secondary educational opportunities because they do not know how and where to apply or pay for college, or what to expect once they are accepted.

We believe that the cycle of poverty can be broken by allowing students to build fulfilling lives through post-secondary educational pathways. With a GRASP advisor's encouragement and skilled hands-on help, students establish a path that overcomes financial and motivational constraints.

Every year, there is a new class of high school seniors who need post-secondary education financial aid advising. This process continues to be complex and complicated especially for the majority of students that GRASP assists – those who come from families with extreme financial need and/or will be the first in their family to attend college.

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. GRASP advisors meet individually with students and their parents directly in the school but are also available outside normal school hours through virtual appointments. The advisors provide needed information about the financial aid process providing encouragement and skilled hands-on help to help students establish a path that overcomes financial and motivational constraints. A major part of the program is helping the student complete the FAFSA since most financial aid at post-secondary institutions is based on this application. Simply by not completing and submitting the FAFSA, students will miss out on thousands of dollars in grants and loans.

By helping students complete the FAFSA, GRASP can increase the number of students enrolling in postsecondary education. The National College Attainment Network reports that, "The connection between FAFSA filing and college enrollment is clear – and strong: Students who apply for federal aid are 64% more likely to enroll in postsecondary education directly after high school than those who don't apply." The U.S. Department of Education's National Center for Education Statistics reported that 92% of seniors who complete the FAFSA enrolled in postsecondary institutions by the November following graduation.

GRASP advisors also provide valuable assistance deciphering and comparing students' financial aid award letters from different institutions, which are often difficult for students to understand and may include thousands of dollars in loans. In such cases, advisors help students assess post-secondary alternatives so that their choices support their goals while minimizing debt.

GRASP continues to work with students after high school graduation through the Summer Texting Program and the College Success Program. Each year, 10 to 20 percent of students who have already been admitted to postsecondary institutions fail to enroll. This outcome is higher among students from low-income backgrounds and those who would be first in their family to attend college.

NOTE 1 - Organization and Business *(Continued)*

GRASP operates a texting program to give students a lifeline for help with roadblocks that arise between high school graduation and college matriculation. The College Success Advisor 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.

GRASP has received eight consecutive 4-star ratings from Charity Navigator, has a Platinum Level rating with Candid/Guidestar and has achieved the Standards Basics Enhanced recognition from the Standards for Excellence Institute as acknowledgement of a well-managed, responsibly governed organization.

GRASP is qualified to receive donations through Virginia's Education Improvement Scholarship Tax Credit Program K-12 ("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 year ending June 30, 2023, GRASP received $268,500 in EISTCP donations and disbursed $282,340 to 32 students from low-to-moderate-income households. During the fiscal year ending June 30, 2022, GRASP received $296,792 in EISTCP donations and disbursed $67,383 to 7 students from low-to-moderate-income households. No EISTCP donations were received during the fiscal year ending June 30, 2021.

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 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 110 Virginia schools that GRASP serves. To take advantage of the investment knowledge of the successful Virginia College Savings Plan℠ and to anticipate the commitments to serve the 110 schools, expand services and set aside scholarships, GRASP has created some 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, 2023 and 2022 was $4,171,629 and $3,586,719, respectively. Also, certain donations with restrictions 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.

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

	2023	2022
Virginia's Education Improvement Scholarship Tax Credit Program K-12 ("EISTCP")	$ 282,340	$ 67,383
Post-secondary scholarships	348,434	313,255
	$ 630,774	$ 380,638

Also, during the fiscal years ending June 30, 2023 and 2022, GRASP disbursed $630,774 and $380,638 in scholarships to approximately 266 and 282 deserving graduating high school seniors or college students, respectively, most of whom are, financially disadvantaged.

NOTE 1 - Organization and Business *(Continued)*

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 for (1) students and families of low to modest financial means and (2) provide scholastic assistance in developing post-secondary academic and vocational plans for students with one or more disabilities as defined under the federal IDEA legislation.

NAP requires that more than 50% of GRASP tax credit-derived revenues be 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 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. This Codification establishes standards and implementation guidance 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:

> ***Net Assets Without Donor Restrictions*** – Net assets without donor restrictions represents net assets not subject to donor-imposed restrictions, or stipulations and are available for current support of GRASP activities. As of June 30, 2023 and 2022, net assets without donor restrictions amounted to $4,540,994 and $4,067,595, respectively.
>
> ***Net Assets With Donor Restrictions*** – Net assets with restrictions include planned giving and gifts and other assets whose use is limited by donor-imposed, time and/or purpose restrictions.
>
> GRASP reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Earnings on net assets with restrictions are reported as an increase in net asset with restrictions. When a donor's restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets with restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as "net assets released from restrictions". As of June 30, 2023 and 2022, net assets with donor restrictions amounted to $209,703 and $348,738, respectively.
>
> Some net assets with donor restrictions, may include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting GRASP to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. As of June 30, 2023 and 2022, GRASP did not have any net assets with donor restrictions that met this criteria.

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

Investments in Virginia529 Plans
Investments in Virginia529 Plans securities with readily determinable fair values and all investments in marketable debt securities are reported at their fair values. The securities among the various plan investments consist of mutual funds that primarily hold municipal bonds and to a lesser degree, equities. 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 net assets without donor restrictions 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

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

Investments in Virginia529 Plans (Continued)

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.

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 for identical assets and liabilities that are directly or indirectly observable for substantially the full term of the asset or liability.
- Level 3 – unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions about the assumptions market participants would use in pricing the asset or liability, including assumptions about risk.

All valuation techniques are consistently applied.

Interpretation of Relevant Law

The Board has determined that Uniform Prudent Management of Institution Funds Act (UPMIFA) would apply to any endowment fund maintained by GRASP. UPMIFA provides guidance and authority to charitable organizations concerning the management and investment of funds held by those organizations. Also, UPMIFA imposes additional duties on those who manage and invest charitable funds. These duties provide additional protections of those who manage and invest charitable funds. These duties provide additional protection for charities and also protects the interest of donors who want to see their contributions used wisely.

GRASP classifies as net assets with donor restrictions (a time restriction in perpetuity) the original value of the gifts donated to the donor restricted endowment fund, if any, and the original value of subsequent gifts to the donor restricted endowment, if any. Investment income from any donor restricted endowment is classified as net assets with donor restrictions (a purpose on restriction) until those amounts are appropriated for expenditure by GRASP in a manner consistent with donor stipulated purpose within the standard of prudence prescribed by the UFMIFA. GRASP does not currently maintain any endowment funds.

Investment Policy Statement

The fundamental investment objectives for investments are to ensure safety and preservation of principal, meet liquidity needs, apply diversification and risk limits appropriate to the investment pools and achieve optimal net investment returns subject to the risk tolerance, investment pool objectives and policy constraints. The asset pools in which the endowment funds are invested require current income which the minimum needed for expenses and prudent liquidity, growth of income for planning and execution of distributions, and capital growth for long-term growth and sustainability. GRASP does not currently maintain any endowment funds.

Property and Equipment

Property and equipment are recorded at cost, or if donated, at fair market value at the time of the donation. It is management's policy to capitalize certain purchases and donations with a useful life greater than one year and a value greater than $250. Depreciation is to be calculated using the straight-line method over an estimated useful life of five to thirty years.

Lesser amounts are generally expensed. Donations of property and equipment are reported as contributions without restrictions unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, GRASP reports expirations of donor restrictions when the donated or acquired assets are placed in service. GRASP reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

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, per depositor and per FDIC-insured financial institution.

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, 2023 and 2022, GRASP maintained its cash with two financial institutions. At June 30, 2023, the amount of cash maintained by GRASP with its two financial institutions exceeded federally established limits in the amount of $143,909. The amount of cash maintained by GRASP with its two financial institutions did not exceed federally established limits as of June 30, 2022.

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.

Donations and grants received from Virginia agencies amounted to 34.95% and 32.54% of total revenue without and with donor restrictions during the years ended June 30, 2023 and 2022, respectively. Additionally, 65.05% of accounts receivable at June 30, 2022, was from SOAR Virginia®. At June 30, 2023, there were no accounts receivable with Virginia agencies. There was one account receivable with a not-for-profit at June 30, 2023.

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, 2023, 2022 and 2021. 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, 2023.

Donation Revenue
GRASP recognizes donations received and made, including unconditional promises to give, as revenue in the period received or made. It tracks those donations in various categories according to source. Donations received are reported as either revenues without donor restrictions or revenue with donor restrictions. Donations with donor restrictions that are used for the purpose specified by the donor in the same year as the donation is received are recognized as revenue with restrictions and are reclassified as net assets released from restrictions in the same year. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met. There were no conditional promises to give for the years ended June 30, 2023 and 2022.

Donated (In Kind) Services
The fair value of donated services during the fiscal year ended June 30, 2023 and 2022 consisted of professional fees with a fair value of $4,738 and $4,471, respectively. These amounts are reflected in the statements of activities as donated services revenue and professional fees expense in the amounts of $4,738 and $4,471, respectively, for the years ended June 30, 2023 and 2022. These professional fees consist of accounting and tax services.

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

Functional Expenses
The statement of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of GRASP are reported as expenses of those functional areas.

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. There were no advertising costs incurred during the fiscal years ended June 30, 2023 and 2022, respectively.

Borrower Accounting for a Forgivable Loan Received Under the Small Business Administration Paycheck Protection Program ("PPP") from AICPA Technical Q&A – Section 3200, Long-Term Debt
GRASP received PPP loans during the fiscal years ended June 30, 2021 and 2020. The amount received as a loan during the fiscal year ended June 30, 2020 was $172,684 and was forgiven in full during the fiscal year ended June 30, 2021 by the lender and the Small Business Administration. The amount received as a loan during the fiscal year ended June 30, 2021 was $150,000. Notification of full loan forgiveness was received December 24, 2021.

GRASP accounted for its PPP loan as a financial liability in accordance with FASB ASC 470, *Debt*, and accrues interest in accordance with the interest method under FASB ASC 835-30, *Interest – Imputation of Interest*. Under AICPA Technical Questions and Answers – Section 3200, *Long-Term Debt*, an entity would not impute additional interest at a market rate (even though the stated interest rate may be below market) because transactions where interest rates are prescribed by governmental agencies are excluded from the scope of the FASB ASC 835-30 guidance on imputing interest.

For purposes of derecognition of the liability, FASB ASC 470-50-15-4 refers to guidance in FASB ASC 405-20, *Liabilities – Extinguishment of Liabilities*. Under FASB ASC 405-20-40-1, the proceeds from the PPP loan would remain recorded as a liability until either (1) the loan is, in part or wholly, forgiven and the debtor has been "legally released" or (2) the debtor pays off the loan to the creditor. Once the loan is, in part or wholly, forgiven and legal release is received, a nongovernmental entity would reduce the liability by the amount forgiven and record a gain on extinguishment.

Alternatively, GRASP meets the criteria of presenting the PPP loan that is presently in the initial measurement phase of the definition of a conditional contribution as defined under FASB ASC 958-605, *Not-for-Profit Entities: Revenue Recognition.* In the initial measurement phase, the proceeds from the PPP are recorded in the financials of GRASP as an increase in both cash and a refundable advance (*debt as a current liability*) until the conditions are met or explicitly waived by the Small Business Administrator or lender.

Borrower Accounting for a Forgivable Loan Received Under the Small Business Administration Paycheck Protection Program ("PPP") from AICPA Technical Q&A – Section 3200, Long-Term Debt (Continued)
Since GRASP's PPP loan is considered conditional due to the obligations required of it to apply for forgiveness, the contribution is not recognized until the conditions (use of the proceeds to maintain its agreed-upon level of employment criteria) are substantially met, or explicitly waived. The Small Business Administration reviews the application of its PPP loan with GRASP and grants the forgiveness of the loan. Specifically, under FASB ASC 958-605, GRASP records the cash inflow as a refundable advance. Once the conditions of release have been substantially met, or explicitly waived, the contribution is recognized and is anticipated to be recognized in the fiscal year ending June 30, 2022 as other income resulting from PPP forgiveness.

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

Recent Accounting Pronouncements Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this update supersedes Topic 840, *Leases.* The main difference between previous GAAP in Topic 840 and the current GAAP in Topic 842 is the recognition of lease assets and liabilities on the statements of financial position (balance sheets) by lessees for those leases classified as operating leases under previous GAAP. This uses a right of use model (ROU). Previous GAAP did not require lease assets and lease liabilities to be recognized for most leases – such as operating leases of buildings. Right of use assets are amortized over the life of the lease. Topic 842 permits an accounting policy election for private companies, including not-for-profit organizations to use the risk-free rate to discount the lease liability.

Management adopted this ASU in October 2020 when GRASP acquired its new lease for its office.

This ASU is not applied to leases that are twelve months, or less.

In November 2021, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2021-09, *Leases – Discount Rate for Leases That Are Not Public Business Entities* (Topic 842). The amendments in this Update provide more flexibility for those lessees by allowing them to make the election by class of underlying asset, rather than at the entity-wide level.

The amendments in this Update require that a lessee use the rate implicit in the lease when it is readily determinable, instead of a risk-free rate or incremental borrowing rate.

For entities that have adopted Topic 842 as of November 11, 2021, the amendments in this Update are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Earlier application is permitted. GRASP had already adopted the principles associated with this Update and the Update therefore had no effect on its financial position or activities.

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities (Topic 958)*. This ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include:

- Requiring the presentation of only two classes of net assets now titled "net assets without donor restrictions" and "net assets with donor restrictions",
- Modifying the presentation of underwater endowment funds and related disclosures,
- Requiring the use of the placed in-service approach to recognize the expirations on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise,
- Requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs,
- Requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources,
- Presenting investment return net of external and direct internal investment expenses, and
- Modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

In addition, ASU 2016-14 removes the requirement that not-for profit entities that chose to prepare the statement of cash flows using the direct method must also present a reconciliation (the indirect method). GRASP will continue to present its statement of cash flows using the direct method that includes the presentation of the reconciliation of changes in net assets to net cash provided by or used in operating activities.

In June 2018, the FASB released ASU 2018-08, *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*. The update provides clarifying guidance on accounting for the grants and contracts of nonprofit organizations as they relate to the new revenue standard ASU 2014-09 *Revenue from Contracts with Customers*, and aims to minimize diversity in the classification of grants and contracts that exists under current guidance. To help organizations better understand the impact of the standard, the guidance includes illustrative examples and a flowchart to provide a framework to evaluate and properly classify revenue streams.

In September 2020, the FASB issued ASU 2020-07, *Presentation of Financial Statements for Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. The amendments in this Update apply to not-for-profit entities ("NFPs") that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, *gifts, donations, grants, gifts-inkind, donated services,* or other terms). The amendments address presentation and disclosure of contributed nonfinancial assets. *Contribution* and *nonfinancial asset* are both defined terms in

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

Recent Accounting Pronouncements Adopted (Continued)
the Master Glossary of the Codification and are understood in practice. The term *nonfinancial asset* includes fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets.

The amendments in this Update require that an NFP:

1. Present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets.

2. Disclose:

   a. A disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets.

   b. For each category of contributed nonfinancial assets recognized (as identified in (a)):

      i. Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, an NFP will disclose a description of the programs or other activities in which those assets were used.

      ii. The NFP's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets.

      iii. A description of any donor-imposed restrictions associated with the contributed nonfinancial assets.

      iv. A description of the valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in Topic 820, Fair Value Measurement, at initial recognition.

      v. The principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient NFP is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

The amendments will not change the recognition and measurement requirements in *Subtopic 958-605 Not-for-Profit Entities—Revenue Recognition* for those assets. The amendments in this Update should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted.

GRASP has presented its financial statements in accordance with this Update since its inception and such adoption has not impacted its financial position or disclosure policies.

In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) – Effective Dates for Certain Entities*.

Revenue from Contracts with Customers (Topic 606)
The amendments in this Update defer, for one year, the required effective date of Revenue Topic 606 for certain entities that have not yet issued their financial statements (or made financial statements available for issuance) reflecting the adoption of Revenue Topic 606. Those entities may elect to adopt the guidance for annual reporting periods beginning after December 15, 2019, and for interim reporting periods within annual reporting periods beginning after December 15, 2020. Those entities may elect to follow the original effective date of annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019.

Since GRASP early adopted the provisions of Accounting Standards Codification Topic 606 and, where applicable, its associated Updates, this Update has no impact on GRASP's financial position or disclosure policies.

For GRASP, Topic 606 impacts exchange-based transactions associated with goods and services such as galas and events as well as fees for services. The following recognizes the five-step process in recognition of revenue as goods or services are provided:

- Identify the contract with the customer.
- Identify the performance obligation(s) in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligations.
- Recognize revenue when (or as) the entity satisfies a performance obligation.

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

Recent Accounting Pronouncements Adopted (Continued)

Leases (Topic 842)

The amendments in this Update defer the effective date for one year for entities in the "all other" category and public NFP entities that have not yet issued their financial statements (or made financial statements available for issuance) reflecting the adoption of Leases. Therefore, under the amendments, Leases Topic 842 is effective for entities within the "all other" category for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Additionally, Leases Topic 842 is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, for public NFP entities that have not yet issued financial statements (or made available for issuance) reflecting the adoption of Leases. Early application continues to be permitted, which means that an entity may choose to implement Leases before those deferred effective dates.

Since GRASP early adopted the provisions of Accounting Standards Codification Topic 842 and, where applicable, its associated Updates, this Update has no impact on GRASP's financial position or disclosure policies.

NOTE 3 - Investments - Securities

Investments at June 30, 2023 are carried at fair value and are maintained with Virginia529 Plans, as follows:

	Cost	Fair Value (Level 2)
74th District Fund – mutual funds consisting of municipal bonds	$ 26,102	$ 31,434
All Saints Fund – mutual funds consisting of municipal bonds	11,712	13,789
GRASP Master Scholarship – mutual funds consisting of municipal bonds and equities	3,480,598	4,171,627
	$ 3,518,412	$ 4,216,850

Investments at June 30, 2022 are carried at fair value and are maintained with Virginia529 Plans, as follows:

	Cost	Fair Value (Level 2)
74th District Fund – mutual funds consisting of municipal bonds	$ 30,345	$ 35,750
All Saints Fund – mutual funds consisting of municipal bonds	15,619	17,988
GRASP Master Scholarship – mutual funds consisting of municipal bonds and equities	3,380,598	3,881,717
	$ 3,426,562	$ 3,935,455

Investment income (loss) for the year ended June 30, 2023 consists of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest income	$ 382	$ -	$ 382
Unrealized losses	189,910	(365)	189,545
Realized gains	-	1,350	1,350
	$ 190,292	$ 985	$ 191,277

NOTE 3 - Investments – Securities *(Continued)*

Investment income (loss) for the year ended June 30, 2022 consists of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest income	$ 59	$ -	$ 59
Unrealized gains (losses)	(245,676)	(2,054)	(247,730)
Realized gains	-	2,842	2,842
	$ (245,617)	$ 788	$ (244,829)

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 significant observable 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 $191,278 from June 30, 2022 to June 30, 2023 on trading securities consists of unrealized losses 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, 2023.

Gross unrealized gains and losses on trading securities and mutual funds held at June 30, 2023 and 2022 were $191,278 and $(244,830), respectively. The gross unrealized and realized gains are principally in holdings of bonds in municipalities.

Management of GRASP monitors its risk weighting in its Master Scholarship investment portfolio. The Master Scholarship portfolio consists of two accounts. One of these accounts maintains a cost balance of approximately 35% and 37% growth equities and the other account maintains a cost balance of approximately 64% and 63% municipal bonds at June 30, 2023 and 2022, respectively. It is expected that such yields generated from the decrease in risk may protect and generate 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, 2023 and 2022.

NOTE 5 - Grants

Scholarships awarded during the year ended June 30, 2023 were $630,774, as compared with $380,638 for the same period a year earlier.

During the years ended June 30, 2023 and 2022, 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 $4,000 and $1,900, 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, 2023 and 2022, additional GRASP's revenues supported $630,774 and $380,638, 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, 2023 and 2022, the Commonwealth of Virginia awarded $500,000 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, 2023 and 2022, revenue from the SOAR Virginia® program amounted to $90,500 and $109,500, respectively. At June 30, 2023 and 2022, accounts receivable from the SOAR Virginia® program amounted to $0 and $25,000.

NOTE 6 - Occupancy Costs

GRASP sublet its administrative offices under a cancellable office sharing arrangement with other tenants that was cancellable at any time. However, the tenants were subject themselves to a noncancellable operating lease which expired in September 2020. GRASP operates primarily in public schools and has a central office leased space for administrative and training purposes.

Occupancy costs incurred during the fiscal year ended June 30, 2023 and 2022 was $37,421 and $32,960, respectively. Occupancy costs include office space and,utilities. See Note 15 for the terms of GRASP's lease.

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 - Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2023 and 2022 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, 2023 and 2022, donations received for this purpose amounted to $268,500 and $296,792. Those restrictions are considered to expire and are released from their donor restriction when payments are made. Net assets with donor restrictions are available for scholarships in the amount of $45,223 and $348,738 at June 30, 2023 and 2022, respectively.

Net assets with restrictions set aside for donor restricted purposes were as follows at June 30:

	2023	2022
74th District Fund – Investments in Virginia529 Plans	$ 31,434	$ 35,750
All Saints Fund – Investments in Virginia529 Plans	13,789	17,988
EISP allocation – Investments in Virginia529 Plans	0	295,000
	$ 45,223	$ 348,738

NOTE 9 - Changes in Net Assets with Donor Restrictions

Changes in net assets with donor restrictions were as follows for the year ended June 30, 2023:

	EISTCP	Post-Secondary and All Other Programs	Total
Net assets with donor restrictions at July 1, 2022	$ 295,000	$ 53,738	$ 348,738
Education Improvement Scholarship Tax Credit Program K-12 Support	268,500	-	268,500
Investment income	-	985	985
Net assets released for scholarships	(282,340)	(9,500)	(291,840)
10% fee released for administration	(26,850)	-	(26,850)
Transfer of remaining amounts to cover commitments made to Education Improvement Scholarship Tax Credit Program and Other Programs	(89,830)	-	(89,830)
Net assets with donor restrictions at June 30, 2023	$ 164,480	$ 45,223	$ 209,703

Changes in net assets with donor restrictions were as follows for the year ended June 30, 2022:

	EISTCP	Post-Secondary and All Other Programs	Total
Net assets with donor restrictions at July 1, 2021	$ -	$ 60,324	$ 60,324
Education Improvement Scholarship Tax Credit Program K-12 Support	296,793	-	296,793
Investment income	-	788	788
Net assets released for scholarships	(67,383)	(8,000)	(75,383)
10% fee released for administration	(29,679)	-	(29,679)
Transfer of remaining amounts to cover commitments made to Education Improvement Scholarship Tax Credit Program and Other Programs	95,269	626	95,895
Net assets with donor restrictions at June 30, 2022	$ 295,000	$ 53,738	$ 348,738

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions are as follows as of June 30:

	2023	2022
Net assets released for scholarships	$ 291,840	$ 75,383
10% fee released for administration	26,850	29,679
Net assets released from restrictions	$ 318,690	$ 105,062

Although donations to GRASP's Education Improvement Scholarship Tax Credit Program declined in fiscal year 2020 due to tax law changes, GRASP had committed to funding these scholarships. GRASP paid the difference of $95,895 from one of its bank accounts from which there were no donor restrictions. GRASP will only issue new EISTCP scholarships when additional EISTCP donations are received.

NOTE 10 - Changes in Net Assets Without Donor Restrictions and With Donor Restrictions

Changes in net assets without donor restrictions and with donor restrictions as of June 30, 2023 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Net assets at July 1, 2022	$ 4,067,595	$ 348,738	$ 4,416,333
Revenues and gains	2,049,704	269,485	2,319,189
Net assets released from restrictions	318,690	(318,690)	-
Expenses	(1,984,825)	-	(1,984,825)
Increase (decrease) in net assets before transfers	383,569	(49,205)	334,364
Transfers to restore deficit cash and net assets with and without donor restrictions	89,830	(89,830)	-
Increase (decrease) in net assets	473,399	(139,035)	334,364
Net assets at June 30, 2023	$ 4,540,994	$ 209,703	$ 4,750,697

Changes in net assets without donor restrictions and with donor restrictions as of June 30, 2022 were as follows:

`	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Net assets at July 1, 2021	$ 4,053,930	$ 60,324	$ 4,114,254
Revenues and gains	1,575,318	297,581	1,872,899
Net assets released from restrictions	105,062	(105,062)	-
Expenses	(1,570,820)	-	(1,570,820)
Increase (decrease) in net assets before transfers	109,560	192,519	302,079
Transfers to restore deficit cash and net assets with and without donor restrictions	(95,895)	95,895	-
Increase (decrease) in net assets	13,665	288,414	302,079
Net assets at June 30, 2022	$ 4,067,595	$ 348,738	$ 4,416,333

NOTE 11 - Liquidity and Availability of Resources

GRASP's financial assets available within one year of the balance sheet date for expenditures are as follows at June 30:

	2023	2022
Cash and cash equivalents	$ 579,604	$ 452,957
Investments in Virginia529 Plans	4,216,850	3,935,455
Accounts receivable	9,900	84,162
Total financial assets available within one year	4,806,354	4,472,574
Less:		
Amounts unavailable for general expenditures		
Within one year due to:		
Scholarships restricted by donors with purpose restrictions	(222,910)	(348,738)
Total financial assets available to management for general expenditures within one year	$ 4,583,444	$ 4,123,836

GRASP maintains a policy of structuring its financial assets to be available as its expenditures, liabilities and other obligations come due.

NOTE 12 - COVID-19

On March 20, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The pandemic has had tragic consequences around the world, and its full impact remains unknown. In addition to the immeasurable human toll, the COVID-19 aftermath continues to alter business and consumer activity globally. There have been obvious and well-publicized impacts common to most companies, including not-for-profit organizations, such as the closure of public schools, the availability of adequate supply chains, loss of employment within those chains and potential loss of employment and curtailment of supporting counseling of students, support of business and customers in the mid-Atlantic region and the resulting potential of negative financial impact. However, the impact of the foregoing has yet to be determined as it affects business and the resulting economic and financial impact in Central Virginia and in particular, for not-for-profit organizations such as GRASP.

GRASP's future viability is subject to the ability of its management to secure new charitable donations, grants and receive payments on services performed. GRASP believes it will be successful in this endeavor and remains vigilant and confident with protecting its economic interests.

As a result of COVID-19, Congress passed the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act and was signed into law by the President on March 27, 2020. The CARES Act authorized the Small Business Administration ("SBA") to temporarily guarantee loans under a new 7(a) program called the Paycheck Protection Program ("PPP").

Under the PPP, eligible companies and organizations were able to borrow up to $10 million calculated based on payroll records at a fixed interest rate of 1% for a two-year period if the loan was issued prior to June 5, 2020. The loan could be forgiven. GRASP qualified and received a PPP loan in the amount of $172,684 on May 3, 2020 that was used to fund its payroll, rent and utilities. GRASP met the criteria for full loan forgiveness under the PPP. GRASP applied for and received a second PPP loan on March 15, 2021 in the amount of $150,000.and this loan was also forgiven.

In November 2022, GRASP applied for and received $85,000 in connection with an expanded Virginia program funded by the CARES Act and the Consolidated Appropriations Act, 2021 known as Rebuild VA. This grant is to assist small businesses and not-for-profits with their recovery efforts due to the COVID-19 Pandemic. This grant does not have any exchange barriers and is fully recognized as income.

NOTE 13 - Lease Liability

Operating Leases

Leases are classified as operating leases if they are not short-term leases (discussed later), or finance leases (that are not present with GRASP and not discussed).

GRASP entered into an operating lease on July 20, 2020 with a landlord to provide an office for which to carry out its mission at 2821 Emerywood Parkway, Henrico County, Virginia. The term of the lease is eighty-four months (seven years) commencing on October 1, 2020 and ending on September 30, 2027. The rent commencement date is October 1, 2020 with a base annual rental of $34,072.50 that is payable in equal monthly installments of $2,839.38 at the beginning of each month. Upon execution of the lease, GRASP provided a security deposit in the amount of $5,678.75 (two-months' rent) to be maintained by the lessor until the conclusion of the lease.

A right of use asset ("ROU") and a lease liability for operating leases is recognized at lease commencement.

The operating lease asset is initially measured at cost. Cost includes the sum of:

- The initial amount of the operating lease liability which measured at the present value of the lease payments that are not paid at the commencement date, discounted using the risk-free rate of a 7-year Treasury bill determined at the commencement date of October 1, 2020 which was 0.46%.
- Initial direct costs.
- Any lease payments made before or at the lease commencement date.
- Less any lease incentives received.

The ROU asset is amortized on a straight-line basis over the life of the lease term from the commencement date to the earlier of (1) the end of the useful life of the ROU asset, or (2) the end of the lease term. Operating ROU assets are included in other assets in the statements of financial position.

NOTE 13 - New Lease Liability *(Continued)*

Subsequent to commencement, the operating lease liability is measured at the present value of the unpaid lease payments, discounted to the rate established at the commencement date, unless the rate is updated as a result of a remeasurement or modification. The seven-year operating lease liability *will be included* in current liabilities and noncurrent liabilities in the statement of financial position.

For operating leases, the following amounts are recognized in earnings for each period of the lease term:

- A single lease cost that is calculated to be allocated over the remaining lease term on a straight-line basis. The remaining lease cost equals the total lease payments for the lease term, plus the total initial direct costs incurred, less the periodic lease cost previously recognized (which is not applicable with the current capitalized operating lease since the lease commenced concurrent with the adoption year of this ASU). If an operating lease ROU asset has been impaired, for each period from the date of impairment through the end of the lease term, the single lease cost is calculated as the sum of the accretion of the lease liability and the amortization of the ROU asset.
- Any variable lease payments such as the 3% annual increase, in the period in which the obligation is incurred, or achievement of the target that triggers the variable payments become probable.
- Any impairment of the ROU asset.

Beginning on the first anniversary of the rent commencement date and on each successive anniversary thereof during the term of the lease, including renewal periods, the base annual rent for the office space will increase by 3% per annum based on the annual rent scheduled for the previous twelve months.

The lease currently provides for one three-year renewals. It is not determinable at this time as to whether GRASP will pursue a renewal of its lease that does not expire until September 30, 2027 at its new location.

Lease expense during the fiscal year ended June 30, 2023 included in occupancy costs amounted to $37,421

Future minimum undiscounted lease payments under the noncancellable operating lease is as follows:

	June 30,
2024	$ 33,498
2025	38,070
2026	39,212
2027	40,388
2028	14,557
Total lease payments	165,725
Less interest included	(1,235)
Total lease liability in the statement of financial position	$ 164,490

Interest expense associated with the reduction of the lease liability during the fiscal year ended June 30, 2023 was $922 and is included with interest expense in the statements of functional expenses.

Short-Term Leases

A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset that is reasonably certain to be exercised. GRASP has elected to adopt an exemption from the recognition and measurement principles of Accounting Standards Codification ("ASC") 842 (also referred to as Topic 842 codified by the issuance of ASU 2016-02 for short-term leases. No ROU asset or lease liability is recognized in the statements of financial position for this type of lease and the lease payments associated with such a lease are recognized as rent expense on a straight-line basis over the lease term.

Short-term lease costs are included in occupancy costs in the statements of functional expenses.

NOTE 14 - 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 informally 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 15 - 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 December 27, 2023) that provide additional evidence about conditions that existed at June 30, 2023, 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, 2023 but arose subsequent to that date (nonrecognized subsequent events).

The Commonwealth of Virginia has appropriated $500,000 for GRASP to support its mission of education services assistance for its fiscal year ending in June 2024.

Additionally, GRASP was awarded a contract signed on April 11, 2023, in the amount of $1,752,780 that was received on July 5, 2023 to be used in its new Mayor's Pathways Scholarship Program during the fiscal year ended June 30, 2024. The grant revenue is expected to be recognized as barriers to revenue recognition are achieved. Generally, barriers are achieved, and revenue is recognized as the purposes of the grant are met. Until such time, the proceeds will be presented in the fiscal year 2024 financials as refundable advances from grant contracts included in the statement of financial position.