

Great Aspirations Scholarship
Program, Inc.
Financial Statements
June 30, 2025



WELLSCOLEMAN

5004 Monument Avenue • Richmond, VA 23230

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Great Aspirations Scholarship Program, Inc.
Richmond, Virginia

Opinion

We have audited the accompanying financial statements of Great Aspirations Scholarship Program, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 the 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 that the financial statements are available to be issued.

- Continued -

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.



November 12, 2025

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2025

ASSETS

Current Assets

Cash and cash equivalents	\$ 2,254,125
Investments in Virginia 529 Plans	6,038,005
Accounts receivable	8,750
Prepaid expenses	<u>6,200</u>
Total current assets	<u>8,307,080</u>

Property and Equipment

Office equipment	55,505
Less: accumulated depreciation	<u>(46,087)</u>
Net property and equipment	<u>9,418</u>

Other Assets

Operating lease right of use asset	<u>93,977</u>
Total assets	<u>93,977</u>

Total Assets **\$ 8,410,475**

See accompanying notes to financial statements.

LIABILITIES AND NET ASSETS

Current Liabilities

Current portion of operating lease liabilities	\$ 39,212
Accounts payable	153
Accrued scholarship awards	154,900
Deferred revenue - Pathways program	2,449,705
Deferred revenue - other	<u>125,000</u>
Total current liabilities	<u>2,768,970</u>

Long-Term Liabilities

Operating lease liability	<u>54,415</u>
Total long-term liabilities	<u>54,415</u>

Total liabilities

2,823,385

Net Assets

Without donor restrictions	
Undesignated	5,054,688
Board designated	376,918
With donor restrictions	<u>155,484</u>
Total net assets	<u>5,587,090</u>

Total Liabilities and Net Assets

\$ 8,410,475

See accompanying notes to financial statements.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2025

	Without Donor Restrictions		With Donor Restrictions	Total
	Undesignated	Board Designated		
Support and Revenues				
Donations - private donors	\$ 427,887	-	\$ 240,000	\$ 667,887
Donations - foundations and corporations	526,987	-	-	526,987
Commonwealth of Virginia	500,000	-	-	500,000
Virginia 529 school fees	256,000	-	-	256,000
SOAR Virginia®	108,500	-	-	108,500
Public school advisor fees	77,500	-	-	77,500
Donated (in-kind) services	3,513	-	-	3,513
Fees earned scholarships	4,380	-	-	4,380
Event income	3,299	-	-	3,299
Small donor fund	16,159	-	-	16,159
Miscellaneous income	43,800	-	-	43,800
Refunded scholarships	1,558	-	-	1,558
Investment income	525,605	171,004	1,403	698,012
Net assets released from restrictions	318,787	-	(318,787)	-
<u>Net support and revenues</u>	<u>2,813,975</u>	<u>171,004</u>	<u>(77,384)</u>	<u>2,907,595</u>
Expenses				
Program services				
Advising	1,250,214	-	-	1,250,214
Scholarships	506,805	-	-	506,805
Education Improvement Scholarship Tax		-		-
Credit Program	261,154	-	-	261,154
Total program services	2,018,173	-	-	2,018,173
Supporting services				
General and administrative	397,928	-	-	397,928
Fundraising and development	71,904	-	-	71,904
Total expenses	<u>2,488,005</u>	<u>-</u>	<u>-</u>	<u>2,488,005</u>
Change in net assets	325,970	171,004	(77,384)	419,590
Net Assets, beginning of year	<u>4,728,718</u>	<u>205,914</u>	<u>232,868</u>	<u>5,167,500</u>
Net Assets, end of year	<u>\$ 5,054,688</u>	<u>\$ 376,918</u>	<u>\$ 155,484</u>	<u>\$ 5,587,090</u>

See accompanying notes to financial statements.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2025

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total</u>
	<u>Advising</u>	<u>Scholarships</u>	<u>EISP</u>	<u>General and Administrative</u>	<u>Fundraising and Development</u>	
Salaries and wages	\$ 854,475	\$ -	\$ -	\$ 250,339	\$ 57,295	\$ 1,162,109
Scholarships	42,600	506,805	261,154	-	-	810,559
Fundraising expenses	-	-	-	-	3,391	3,391
Occupancy costs	20,970	-	-	9,401	-	30,371
Payroll taxes	65,179	-	-	19,643	4,464	89,286
Office supplies and expenses	3,780	-	-	11,413	-	15,193
Training expenses	53,009	-	-	1,612	-	54,621
Professional fees	-	-	-	42,003	-	42,003
Computer database services	39,117	-	-	2,437	-	41,554
Mileage reimbursement	33,712	-	-	8,423	-	42,135
Miscellaneous	2,129	-	-	-	-	2,129
Depreciation	-	-	-	6,586	-	6,586
Employee benefits	68,817	-	-	20,740	4,714	94,271
Cellular communications	23,015	-	-	7,148	-	30,163
Postage and delivery	4,247	-	-	-	-	4,247
Bank service charges	6	-	-	3,873	-	3,879
Liability insurance	-	-	-	5,912	-	5,912
Program expenses	34,692	-	-	7,103	2,005	43,800
Licenses and permits	650	-	-	975	-	1,625
Background checks	420	-	-	-	-	420
Dues and subscriptions	3,396	-	-	320	35	3,751
	<u>\$ 1,250,214</u>	<u>\$ 506,805</u>	<u>\$ 261,154</u>	<u>\$ 397,928</u>	<u>\$ 71,904</u>	<u>\$ 2,488,005</u>

See accompanying notes to financial statements.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2025

Cash Flows from Operating Activities	
Change in net assets	\$ 419,590
Adjustments to reconcile change in net assets to net cash and cash equivalents used by operating activities	
Realized and unrealized gain on investments	(403,918)
Depreciation	6,586
 (Increase) decrease in operating assets	
Accounts receivable	3,650
Prepays	(6,200)
Operating lease right of use asset	26,699
 Increase (decrease) in operating liabilities	
Accounts payable and accrued expenses	(26,796)
Deferred revenue	(7,736)
Operating lease right of use liabilities	<u>(34,492)</u>
 Net cash and cash equivalents used by operating activities	<u>(22,617)</u>
 Cash Flows from Investing Activities	
Proceeds from sale of investments	<u>24,000</u>
 Net cash and cash equivalents provided by investing activities	<u>24,000</u>
 Increase in cash and cash equivalents	1,383
 Cash and Cash Equivalents, beginning of year	<u>2,252,742</u>
 Cash and Cash Equivalents, end of year	<u>\$ 2,254,125</u>

See accompanying notes to financial statements.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

1. Nature of Organization

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, enrolled in, and on track to 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. Through a combination of in-school advising, family engagement, and ongoing support, we help students navigate the complex journey to and through postsecondary education.

GRASP advisors work directly in schools, providing both classroom presentations and one-on-one advising sessions. They help students and families explore a range of postsecondary options—including community colleges, universities, and workforce credential programs—and guide them through the necessary steps to pursue these paths. Advisors are available during the school day and outside regular hours via virtual appointments, ensuring flexible access to support.

A key component of GRASP’s work is demystifying the financial aid process. Our advisors offer expert, hands-on assistance with completing the Free Application for Federal Student Aid (FAFSA), the gateway to grants, loans, and scholarships. Missing the FAFSA can mean losing out on thousands of dollars in financial aid, such as Pell Grants and institutional support. According to national data, students who complete the FAFSA are 84% more likely to enroll in postsecondary education immediately after high school, a figure that rises to 127% for students from the lowest income backgrounds.

Even high-achieving, low-income students may miss out on opportunities because they are unaware of how or where to apply or how to finance their education. GRASP bridges this gap by helping students and families understand their options and believe in the possibility of success.

We believe that the cycle of poverty can be broken by allowing students to build fulfilling lives through post-secondary educational pathways. For every student that walks across a college graduation stage, at least two generations benefit. With a GRASP advisor’s encouragement and skilled hands-on help, students establish a path that overcomes financial and motivational constraints.

GRASP advisors play a critical role in helping students and families interpret and compare financial aid offers, which often contain confusing language and significant loan burdens. By helping students assess true costs and long-term impacts, we guide them toward informed, financially sound decisions.

GRASP’s commitment does not end at high school graduation. Our Summer Texting Program provides recent graduates with timely assistance during the critical summer months, helping them navigate unexpected challenges that could derail college plans. Additionally, the College Success Program offers mentorship throughout students’ postsecondary journeys. The program seeks to increase college graduation rates by helping our participants file financial aid and scholarship forms each year; provide valuable tips regarding internships and summer jobs; acting as a liaison between the college financial aid offices and students should a problem arise; and awarding scholarships to those students with unmet financial need who attend Virginia colleges or technical programs. The College Success Advisor uses social media, email, and direct outreach to support students’ retention and degree completion, while also leveraging campus resources to ensure students remain on track.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

1. Nature of Organization - Continued

In 2024, GRASP launched the Pathways Scholarship Program, a 4-year pilot initiative designed to help Richmond's youth overcome the barriers that too often prevent them from reaching their full potential. Many young people in Richmond face significant but surmountable challenges as they transition from high school to postsecondary education. The initiative helps students explore postsecondary pathways, set and pursue long-term goals, and navigate the financial aid and community college application process with confidence. In addition, participants will receive a scholarship and a monthly stipend to cover basic living needs for up to three years while attending community college. This crucial support reduces the financial stress that can derail academic progress, especially for students at risk of disengagement or dropping out. Initial funding from the City of Richmond ensures that the program will be sustainable throughout its four-year pilot phase.

GRASP has received nine 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 an acknowledgment of a well-managed, responsibly governed organization.

Our services are funded through a diverse base of support, including private donors, corporate sponsors, foundation grants, public schools, community fundraising efforts, and the Commonwealth of Virginia and its agencies. To ensure sustainability and meet our commitments to the 117 Virginia schools we serve, GRASP sets aside funds in specially designated Virginia529 inVESTSM plans, guided by the investment expertise of the Virginia College Savings PlanSM.

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.

GRASP is a trusted partner in education, working hand-in-hand with schools, families, and communities to ensure that every student—regardless of background—has the opportunity to pursue a brighter future through postsecondary education. By providing personalized advising, financial aid support, and scholarship resources, we empower students to overcome barriers and build meaningful, successful lives.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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 principles generally accepted in the United States of America.

Cash and Cash Equivalents: GRASP considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable: Accounts receivable are due primarily within one year.

Investments: Investments are stated at fair market value. Investment transactions are accounted for on the trade date. Realized gains and losses on investments sold are computed using the average historical cost of the investments sold as of the trade date.

Property and Equipment: Acquisitions of property and equipment are recorded at cost and capitalized over estimated useful lives ranging from 5-10 years. 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.

Refundable Advances from Grant Contracts: Funds received in advance of program services or activities to be performed or delivered in future periods are deferred to the applicable period upon the completion of the related exchange transaction.

Leases: GRASP calculates its operating lease right of use asset and operating lease liability using the risk-free rate and terms under the lease agreements. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized. GRASP amortizes the operating lease right of use asset over the lease term.

Net Assets: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor-imposed restrictions.
- Net assets with donor restrictions - Net assets subject to donor-imposed restrictions that can be filled by actions of GRASP pursuant to those restrictions or that expire by the passage of time. Some donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. When restrictions are met in the same period the contribution is received, the contribution is recorded as without donor restrictions for financial statement purposes. GRASP did not have any donor-restricted net assets in perpetuity as of June 30, 2025.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

2. Summary of Significant Accounting Policies - Continued

Contributions: Unconditional contributions, including unconditional promises to give, are recognized when received. Contributions received are recorded as net assets with or without donor restrictions, depending on the existence and nature of any donor restrictions. Unconditional promises to give with payments due in future years have an implied restriction to be used in the year the payment is due and, therefore, are reported as donor-restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year.

Conditional grants, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Funds received but not yet earned are shown as deferred revenue. Expenditures under contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, GRASP will record such disallowance at the time the final assessment is made.

Contributions are conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor's obligation to transfer assets. Conditional promises to give are not recognized until they become unconditional. They become unconditional when the barriers on which they depend are met. The conditional contributions are related to funding for the establishment of new programs or continuation of current programs within GRASP's overall mission, subject to the terms of each agreement.

Donated (In Kind) Services: Donated services include professional fees consisting of accounting and tax services.

Deferred Revenue: Deferred revenue consists of conditional grants that have been paid, but not yet earned.

Functional Allocation of Expenses: The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. Salaries and benefits are allocated based on a reasonable estimate of time and effort. Other expenses are allocated based on the business purpose of the expense.

Income Taxes: GRASP is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Use of Estimates: GRASP uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Evaluation of Subsequent Events: Management has evaluated subsequent events through November 12, 2025, which is the date the financial statements were available to be issued.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

3. Liquidity

GRASP manages its liquid resources by focusing on its fundraising efforts to ensure the entity has adequate contributions to cover the programs that are being conducted. GRASP prepares detailed budgets and has been active in cutting costs to ensure that the entity remains liquid.

The following reflects GRASP's financial assets as of June 30, 2025 expected to be available within one year to meet the cash needs for general expenditures.

Cash and cash equivalents		\$ 2,254,125
Investments		6,038,005
Accounts receivable		8,750
Less cash unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions		
Board designation		(376,918)
Purpose-restricted		(155,484)
		\$ 7,768,478

4. Investments

Financial Accounting Standards Board Accounting Standards Codification 820-10, "Fair Value Measurements and Disclosures", establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs have the lowest priority. GRASP uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. At June 30, 2025, all of GRASP's investments were valued based on Level 2 inputs.

The following table summarizes fair values of GRASP's investments as of June 30, 2025:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
74th District Fund	\$ 22,291	\$ -	\$ 22,291	\$ -
All Saints Fund	14,680	-	14,680	-
Pathways Program	1,249,105	-	1,249,105	-
GRASP Master Scholarship	4,751,929	-	4,751,929	-
	\$ 6,038,005	\$ -	\$ 6,038,005	\$ -

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

4. Investments - Continued

Fair values and unrealized appreciation are summarized as follows:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Appreciation</u>
74th District Fund	\$ 17,386	\$ 22,291	\$ 4,905
All Saints Fund	11,712	14,680	2,968
Pathways Program	1,000,000	1,249,105	249,105
GRASP Master Scholarship	<u>3,564,256</u>	<u>4,751,929</u>	<u>1,187,673</u>
	<u>\$ 4,593,354</u>	<u>\$ 6,038,005</u>	<u>\$ 1,444,651</u>

GRASP's investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near-term would materially affect investment assets reported in the financial statements.

Net investment income for the year ended June 30, 2025 consisted of the following:

Interest and dividends	\$ 324,813
Restricted Investment Income on Pathways Program	139,174
Restricted 529 Investment Income	1,289
Restricted Pathways Scholarship Income	232,736
Investment expenses	-
	<u>\$ 698,012</u>

5. Grants

During the year ended June 30, 2025, GRASP served as an intermediary for individuals, private companies, and community service organizations and received a fee in the amount of \$4,380 for managing the scholarship process. GRASP, as intermediary, managed scholarships that were then remitted to colleges and universities on behalf of selected students.

During the fiscal year ended June 30, 2025, the Commonwealth of Virginia awarded \$500,000 in grants to be used for in-school advisor services and assembly of financial aid sources by GRASP.

During the fiscal year ended June 30, 2025, revenue from the SOAR Virginia® program amounted to \$108,500. SOAR Virginia® is an early commitment scholarship program created by the Virginia College Savings Plan to inspire and assist high school students to reach their postsecondary education goals.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

6. Concentration of 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 Virginia 529. 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. Deposits held in noninterest-bearing transaction accounts are 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. From time to time, balances in these accounts exceed the federally insured limit.

6. Net Assets Without Restrictions - Designated by Board

The following schedule summarizes net assets without restrictions - designated by board as of June 30, 2025:

	Balance <u>6/30/2024</u>	Receipts	Transferred/ Released from Restriction	Balance 6/30/2025
Designated by Board				
Pathways	\$ 205,914	\$ 171,004	\$ -	\$ 376,918
Total net assets with donor restrictions	<u>\$ 205,914</u>	<u>\$ 171,004</u>	<u>\$ -</u>	<u>\$ 376,918</u>

7. Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2025, are restricted for the following purposes:

	Balance <u>6/30/2024</u>	Receipts	Transferred/ Released from Restriction	Balance 6/30/2025
Purpose-restricted:				
EISTC	193,300	240,000	(314,787)	118,513
Postsecondary	<u>39,568</u>	<u>1,403</u>	<u>(4,000)</u>	<u>36,971</u>
Total net assets with donor restrictions	<u>\$ 232,868</u>	<u>\$ 241,403</u>	<u>\$ (318,787)</u>	<u>\$ 155,484</u>

8. Pathways Scholarship Program

The Pathways Scholarship Program (the "Program") is a 4-year pilot initiative established during the year ended June 30, 2024, designed to help Richmond's youth overcome the barriers that prevent them from reaching their full potential. As described in Note 1, the Program provides advising, scholarships, and cost of living stipends. Upon the establishment of the Program, the City of Richmond provided funding to GRASP totaling \$1,752,780 which is to be used for this purpose. In addition, during the year ended June 30, 2025, the City provided an additional grant of \$250,000 for this purpose.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

8. Pathways Scholarship Program - Continued

GRASP is obligated to return to the City any unused funds if certain requirements in the grant agreement are not met. GRASP may utilize no more than 10% of the total grant funds on administrative costs associated with the implementation and oversight of the Pathways Program. The grant contract will expire upon GRASP's expenditure of all remaining grant funds.

Usage of the grant funding during the fiscal year ending June 30, 2025, is as follows:

Deferred revenue from grant contract as of June 30, 2024	\$ 1,653,441
Additional funding awarded during the year ended June 30, 2025	250,000
Scholarships awarded	(116,000)
Administrative costs, including wages, associated with the grant contract	<u>(116,736)</u>
Deferred revenue from grant contract as of June 30, 2025	<u>\$ 1,670,705</u>

In addition to the funding from the City of Richmond, the organization has also received grant funding from private donors totaling \$779,000 designated for the Pathways program. The sum of the two grant sources is included on the Statement of Financial Position under the caption "Deferred Revenue – Pathways Program".

9. Operating Leases

GRASP leases office space under an operating lease which requires monthly rental payments of \$2,839 with annual increases. This lease ends February 2027. Rent expense under these leases was \$30,371 for the year ended June 30, 2025.

The components of operating lease expenses that are included in the statement of activities for the year ended June 30, 2025, are as follows:

Total lease expense	\$ 39,212
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The following summarizes the cash flow information related to operating leases for the year ended June 30, 2025:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows for operating leases	\$ 39,212

The weighted-average lease term and discount rate as of June 30, 2025, for operating leases were as follows:

Weighted-average remaining lease term	3.3 years
Weighted-average discount rate	0.46%

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

9. Operating Leases - Continued

The future minimum lease payments under non-cancelable operating leases as of June 30, 2025, are as follows:

2026	\$ 39,212
2027	40,388
2028	<u>14,557</u>
Total lease payments	94,157
Less: Interest	<u>(530)</u>
Total operating lease liabilities	93,627
Less: current portion of operating lease liabilities	<u>(39,212)</u>
Long-term operating lease liabilities	<u>\$ 54,415</u>