



JUMPSTART FOR YOUNG CHILDREN, INC.

**FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015**

JUMPSTART FOR YOUNG CHILDREN, INC.

Contents
August 31, 2016 and 2015

	<u>Pages</u>
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Statements of Functional Expenses	5 - 6
Notes to Financial Statements	7 - 12



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Independent Auditor's Report

To the Board of Directors of
Jumpstart for Young Children, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Jumpstart for Young Children, Inc. (a Massachusetts corporation, not for profit) which comprise the statements of financial position as of August 31, 2016 and 2015, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jumpstart for Young Children, Inc. as of August 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Alexander, Brown, Fenning & Co., P.C.

Boston, Massachusetts
January 30, 2017

JUMPSTART FOR YOUNG CHILDREN, INC.Statements of Financial Position
August 31, 2016 and 2015

Assets	2016	2015
Current Assets:		
Cash and cash equivalents	\$ 2,499,561	\$ 3,019,005
Grants and pledges receivable	2,825,819	5,091,675
Prepaid expenses and other	379,026	253,154
Total current assets	5,704,406	8,363,834
Note Receivable	55,000	75,000
Security Deposit	129,713	154,747
Property and Equipment, net	130,065	145,853
Total assets	<u>\$ 6,019,184</u>	<u>\$ 8,739,434</u>
Liabilities and Net Assets		
Liabilities:		
Capital lease obligation	\$ -	\$ 15,345
Accounts payable and accrued expenses	645,433	807,705
Payable to affiliates	1,198,660	1,352,470
Total liabilities	<u>1,844,093</u>	<u>2,175,520</u>
Net Assets:		
Unrestricted:		
Operating	3,092,722	2,951,784
Property and equipment	130,065	130,508
Total unrestricted	3,222,787	3,082,292
Temporarily restricted	952,304	3,481,622
Total net assets	<u>4,175,091</u>	<u>6,563,914</u>
Total liabilities and net assets	<u>\$ 6,019,184</u>	<u>\$ 8,739,434</u>

JUMPSTART FOR YOUNG CHILDREN, INC.

Statements of Activities and Changes in Net Assets
For the Years Ended August 31, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Operating Revenues:						
Grants and contributions:						
Government	\$ 4,666,601	\$ -	\$ 4,666,601	\$ 7,413,590	\$ -	\$ 7,413,590
Individuals	3,131,711	16,100	3,147,811	3,568,594	2,079,633	5,648,227
Foundations	2,371,093	848,529	3,219,622	1,631,494	913,001	2,544,495
Corporations	2,045,248	87,675	2,132,923	2,120,430	434,008	2,554,438
In-kind goods and services	6,481,965	-	6,481,965	6,285,857	-	6,285,857
Other revenue	30,349	-	30,349	33,088	-	33,088
Net assets released from restrictions:						
Satisfaction of purpose restriction	640,322	(640,322)	-	197,500	(197,500)	-
Satisfaction of time restriction	2,841,300	(2,841,300)	-	1,377,418	(1,377,418)	-
Total operating revenues	<u>22,208,589</u>	<u>(2,529,318)</u>	<u>19,679,271</u>	<u>22,627,971</u>	<u>1,851,724</u>	<u>24,479,695</u>
Operating Expenses:						
Program services	18,339,495	-	18,339,495	18,711,754	-	18,711,754
General and administrative	1,638,344	-	1,638,344	1,800,324	-	1,800,324
Fundraising	2,090,255	-	2,090,255	2,110,704	-	2,110,704
Total operating expenses	<u>22,068,094</u>	<u>-</u>	<u>22,068,094</u>	<u>22,622,782</u>	<u>-</u>	<u>22,622,782</u>
Changes in net assets	140,495	(2,529,318)	(2,388,823)	5,189	1,851,724	1,856,913
Net Assets:						
Beginning of year	<u>3,082,292</u>	<u>3,481,622</u>	<u>6,563,914</u>	<u>3,077,103</u>	<u>1,629,898</u>	<u>4,707,001</u>
End of year	<u>\$ 3,222,787</u>	<u>\$ 952,304</u>	<u>\$ 4,175,091</u>	<u>\$ 3,082,292</u>	<u>\$ 3,481,622</u>	<u>\$ 6,563,914</u>

JUMPSTART FOR YOUNG CHILDREN, INC.Statements of Cash Flows
For the Years Ended August 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ (2,388,823)	\$ 1,856,913
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation	80,295	124,641
Bad debt	56,516	36,250
Forgiveness of note receivable	20,000	15,000
Decrease in discount of grants and pledges receivable	-	(1,782)
Changes in operating assets and liabilities:		
Grants and pledges receivable	2,209,340	(111,367)
Prepaid expenses and other	(125,872)	1,770
Security deposit	25,034	(58,544)
Accounts payable and accrued expenses	(162,272)	189,595
Payable to affiliates	(153,810)	(667,232)
Net cash (used in) provided by operating activities	(439,592)	1,385,244
Cash Flows from Investing Activities:		
Acquisition of property and equipment	(64,507)	(101,814)
Cash Flows from Financing Activities:		
Principal payments on capital lease obligation	(15,345)	(28,764)
Net Change in Cash and Cash Equivalents	(519,444)	1,254,666
Cash and Cash Equivalents:		
Beginning of year	3,019,005	1,764,339
End of year	<u>\$ 2,499,561</u>	<u>\$ 3,019,005</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	<u>\$ -</u>	<u>\$ 1,234</u>

JUMPSTART FOR YOUNG CHILDREN, INC.

Statement of Functional Expenses

For the Year Ended August 31, 2016

(With Summarized Comparative Totals for the Year Ended August 31, 2015)

	2016			2015	
	Program Services	General and Administrative	Fund-raising	Total	Total
Payroll and Related:					
Salaries	\$ 4,898,133	\$ 911,609	\$ 880,126	\$ 6,689,868	\$ 6,744,300
Fringe benefits and taxes	915,014	188,622	172,400	1,276,036	1,301,912
Corps member stipends	790,662	-	-	790,662	796,741
Total payroll and related	6,603,809	1,100,231	1,052,526	8,756,566	8,842,953
Other:					
Grants to affiliates	3,012,203	-	-	3,012,203	3,465,465
Occupancy	535,085	90,099	124,813	749,997	752,217
Printing and program supplies	440,560	78,063	187,339	705,962	777,535
Consultants and professional services	336,803	152,882	43,688	533,373	621,357
Special events	-	-	523,793	523,793	448,648
Meals, travel and lodging	453,995	12,374	34,506	500,875	469,441
Office supplies	115,200	20,882	18,043	154,125	180,244
Licenses	122,474	12,358	16,058	150,890	81,686
Telecommunication and computers	107,049	18,943	20,500	146,492	215,382
Depreciation	54,115	16,059	10,121	80,295	124,641
Subscriptions	46,705	13,724	12,697	73,126	87,430
Other	1,412	66,015	-	67,427	100,306
Bad debt	-	56,516	-	56,516	36,250
Training events and institutes	44,481	-	7,429	51,910	112,644
Membership dues	18,261	198	3,579	22,038	20,676
Advertising	75	-	466	541	50
Total other	5,288,418	538,113	1,003,032	6,829,563	7,493,972
In-Kind:					
Salaries and corps member stipends	5,395,828	-	-	5,395,828	5,176,863
Occupancy	794,896	-	-	794,896	827,480
Program supplies	211,047	-	-	211,047	188,438
Special events	-	-	34,697	34,697	37,163
Professional services	16,060	-	-	16,060	34,454
Other	12,770	-	-	12,770	9,595
Meals, travel and lodging	9,589	-	-	9,589	7,984
Office supplies	7,078	-	-	7,078	3,880
Total in-kind	6,447,268	-	34,697	6,481,965	6,285,857
Total expenses	<u>\$ 18,339,495</u>	<u>\$ 1,638,344</u>	<u>\$ 2,090,255</u>	<u>\$ 22,068,094</u>	<u>\$ 22,622,782</u>

JUMPSTART FOR YOUNG CHILDREN, INC.Statement of Functional Expenses
For the Year Ended August 31, 2015

	Program Services	General and Adminis- trative	Fund- raising	Total
Payroll and Related:				
Salaries	\$ 4,557,634	\$ 1,151,473	\$ 1,035,193	\$ 6,744,300
Fringe benefits and taxes	950,832	172,180	178,900	1,301,912
Corps member stipends	796,741	-	-	796,741
Total payroll and related	<u>6,305,207</u>	<u>1,323,653</u>	<u>1,214,093</u>	<u>8,842,953</u>
Other:				
Grants to affiliates	3,465,465	-	-	3,465,465
Occupancy	579,448	65,105	107,664	752,217
Printing and program supplies	683,291	579	93,665	777,535
Consultants and professional services	413,400	154,136	53,821	621,357
Special events	-	-	448,648	448,648
Meals, travel and lodging	410,234	5,853	53,354	469,441
Office supplies	135,329	30,664	14,251	180,244
Licenses	35,000	27,491	19,195	81,686
Telecommunication and computers	169,126	19,234	27,022	215,382
Depreciation	92,844	15,491	16,306	124,641
Subscriptions	45,255	25,203	16,972	87,430
Other	9,990	90,046	270	100,306
Bad debt	-	36,250	-	36,250
Training events and institutes	107,794	-	4,850	112,644
Membership dues	16,946	300	3,430	20,676
Advertising	50	-	-	50
Total other	<u>6,164,172</u>	<u>470,352</u>	<u>859,448</u>	<u>7,493,972</u>
In-Kind:				
Salaries and corps member stipends	5,176,863	-	-	5,176,863
Occupancy	827,480	-	-	827,480
Program supplies	188,438	-	-	188,438
Special events	-	-	37,163	37,163
Professional services	28,135	6,319	-	34,454
Other	9,595	-	-	9,595
Meals, travel and lodging	7,984	-	-	7,984
Office supplies	3,880	-	-	3,880
Total in-kind	<u>6,242,375</u>	<u>6,319</u>	<u>37,163</u>	<u>6,285,857</u>
Total expenses	<u>\$ 18,711,754</u>	<u>\$ 1,800,324</u>	<u>\$ 2,110,704</u>	<u>\$ 22,622,782</u>

JUMPSTART FOR YOUNG CHILDREN, INC.

Notes to Financial Statements
August 31, 2016 and 2015

1. OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES

OPERATIONS

Founded in 1993, Jumpstart for Young Children, Inc. (Jumpstart) is a national early education organization that helps children develop the language, literacy and social skills they need to succeed in kindergarten, setting them on a path for lifelong success. Jumpstart served 11,300 and 11,400 children during the 2016 and 2015 fiscal years, respectively, by engaging 3,824 and 4,253 Corps members in 2016 and 2015, respectively, across fourteen states and the District of Columbia.

Jumpstart operates 71 sites under two models: corporate and affiliate. Jumpstart's corporate programs are run by Jumpstart's employees, whereas affiliate sites implement the program with university staff members and pay their expenses directly. Affiliate universities are awarded a reimbursement grant by Jumpstart to cover these expenses. Of Jumpstart's 71 sites, 37 were classified as affiliate sites. This classification is a fiscal distinction only as all program fidelity requirements must be equally met under both models. During 2015, Jumpstart operated 75 sites of which, 39 were affiliate sites.

Throughout the past twenty years, Jumpstart's unique program has excelled at training caring adults to engage preschool-aged children in a carefully designed curriculum that ensures children enter kindergarten prepared to succeed. The program is intensive and intentional; children participate in twenty weeks of sessions targeted at building the specific skills research tells us children need. An external study conducted by Illinois State University showed that Jumpstart children showed gains that were two to three times larger than the gains of comparison children, "Harris, S. (2010)." *Early intervention for poverty-stricken children: A study of preschoolers receiving Jumpstart*. (Unpublished doctoral dissertation, Illinois State University, Normal, IL).

Jumpstart's high quality, cost-effective and replicable program, along with its ability to work collaboratively with partners and parents, has been recognized by major industry awards and featured in national media. Learn more at www.jstart.org.

NONPROFIT STATUS

Jumpstart is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). Jumpstart is also exempt from state income taxes. Donors may deduct contributions made to Jumpstart within IRC requirements.

SIGNIFICANT ACCOUNTING POLICIES

Jumpstart prepares its financial statements in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standards Board (FASB). References to U.S. generally accepted accounting principles (U.S. GAAP) in these notes are to the FASB Accounting Standards Codification (ASC).

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents consist of checking and small business money market savings accounts.

JUMPSTART FOR YOUNG CHILDREN, INC.

Notes to Financial Statements
August 31, 2016 and 2015

1. OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

Jumpstart follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that Jumpstart would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

Jumpstart uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of Jumpstart. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities are valued using Level 1 inputs.

Property, Equipment and Depreciation

Property and equipment are recorded at cost, if purchased, or at fair value at the date of donation. Property and equipment consist of the following as of August 31:

	<u>2016</u>	<u>2015</u>
Equipment and technology	\$ 459,363	\$ 763,660
Leasehold improvements	174,154	174,154
Furniture and fixtures	<u>139,273</u>	<u>139,273</u>
	772,790	1,077,087
Less - accumulated depreciation	<u>642,725</u>	<u>931,234</u>
Net property and equipment	<u>\$ 130,065</u>	<u>\$ 145,853</u>

JUMPSTART FOR YOUNG CHILDREN, INC.

Notes to Financial Statements
August 31, 2016 and 2015

1. OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Equipment and Depreciation (Continued)

Leasehold improvements are depreciated using the straight-line method over the life of the lease. Equipment and technology and furniture and fixtures are depreciated using the straight-line method over an estimated useful life of three years. Depreciation expense was \$80,295 and \$124,641 for the years ended August 31, 2016 and 2015, respectively.

Revenue Recognition

Unrestricted contributions are recorded as unrestricted revenue when unconditionally pledged or received. Grant revenue is recorded as services are provided.

Jumpstart records unconditional grants and contributions as temporarily restricted revenue and net assets, if they are received with donor stipulations that limit the use of the assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions. Restricted grants and contributions received and expended in accordance with donor restrictions within the same fiscal year are reported as unrestricted revenues.

Grants and Pledges Receivable

Grants and pledges receivable are recorded at their net realizable value. At August 31, 2016 and 2015, all grants and pledges receivable are expected to be collected in the subsequent fiscal year.

Allowance for Doubtful Accounts

Estimates of uncollectible grants and pledges receivable are based on past collection experience together with a review of the current status of existing receivables. There was no allowance for uncollectible grants and pledges receivable at August 31, 2016 and 2015.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Expense Allocation

Expenses related directly to a function are distributed to that function, while other expenses are allocated based upon management's estimate of the percentage attributable to each function.

Grants to Affiliates

Jumpstart awards one-year cost reimbursable grants to its affiliates. These grants are recognized as expenses as costs are incurred. Amounts expensed but not yet disbursed are recorded as payable to affiliates in the accompanying statements of financial position.

JUMPSTART FOR YOUNG CHILDREN, INC.

Notes to Financial Statements
August 31, 2016 and 2015

1. OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

Unrestricted net assets include amounts which bear no external restrictions and are currently available for operations. Jumpstart has classified its unrestricted net assets into the following categories:

Operating represents the portion of net assets that are available for general operations.

Property and equipment represent the portion of net assets invested in property and equipment, net of related debt.

Temporarily restricted net assets include contributions and grants which are designated by donors for specific purposes or time periods. These contributions are recorded as temporarily restricted net assets until they are expended for their designated purposes or the time period lapses.

Temporarily restricted net assets are restricted as follows as of August 31:

	<u>2016</u>	<u>2015</u>
Time	\$ 865,529	\$ 2,841,300
Purpose	<u>86,775</u>	<u>640,322</u>
Total temporarily restricted net assets	<u>\$ 952,304</u>	<u>\$ 3,481,622</u>

Special Events

Jumpstart records special events revenue using the gross method. Special events revenue is included in grants and contributions and totaled \$2,063,966 and \$2,115,260 for the years ended August 31, 2016 and 2015, respectively. Special events expenses totaled \$558,490 and \$485,811 for the years ended August 31, 2016 and 2015, respectively, and are included in special events in the accompanying statements of functional expenses.

Uncertainty in Income Taxes

Jumpstart accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statement regarding a tax position taken or expected to be taken in a tax return. Jumpstart has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at August 31, 2016 and 2015. Jumpstart's information returns are subject to examination by the Federal and state jurisdictions.

Advertising

Advertising costs are expensed as incurred.

JUMPSTART FOR YOUNG CHILDREN, INC.

Notes to Financial Statements
August 31, 2016 and 2015

1. OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events have been evaluated through January 30, 2017, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

2. IN-KIND GOODS AND SERVICES

Jumpstart receives significant in-kind goods and services in various aspects of its programs. The value of these goods and services is reflected in the accompanying financial statements based upon a value assigned by the donors or a reasonable estimate determined by management.

3. NOTE RECEIVABLE

The note receivable in the accompanying statements of financial position relates to an amount due from Jumpstart's Chief Executive Officer (CEO) as part of a relocation assistance agreement. The note bears no interest. Repayment was due upon the sale of the CEO's former residence. During fiscal year 2013, the note receivable was renegotiated. Beginning in 2013, after a cash payment of \$25,000, Jumpstart will forgive a portion of this loan each year as compensation. During 2016 and 2015, Jumpstart forgave \$20,000 and \$15,000, respectively, which is included in salaries in the accompanying statements of functional expenses. If the CEO's employment with Jumpstart terminates prior to August 31, 2018, the remaining balance of the note receivable is due. At August 31, 2016 and 2015, \$55,000 and \$75,000, respectively, was outstanding.

4. LEASES

Jumpstart leases office space for its National and Regional offices under various non-cancelable operating leases. The initial terms of these leases are from one to five years, expiring at various dates through January 2022. Jumpstart is responsible for its proportionate share of real estate taxes and operating costs where applicable. Jumpstart has the option to renew certain leases as defined in the lease agreements. Total facility expense for the years ended August 31, 2016 and 2015, was \$631,038 and \$659,622, respectively, and is included in occupancy in the accompanying statements of functional expense.

Jumpstart has three operating leases for office equipment expiration dates through June 30, 2018. Minimum monthly payments were \$1,816 at August 31, 2016.

Future minimum lease payments under these agreements are as follows:

<u>Fiscal Year</u>	<u>Facility</u>	<u>Equipment</u>
2017	\$ 654,041	\$ 21,789
2018	\$ 419,628	\$ 16,416
2019	\$ 439,716	\$ -
2020	\$ 231,528	\$ -
2021	\$ 143,313	\$ -
Thereafter	\$ 45,611	\$ -

JUMPSTART FOR YOUNG CHILDREN, INC.

Notes to Financial Statements
August 31, 2016 and 2015

5. FUNDING

Jumpstart received approximately \$4,660,000 and \$7,414,000 of its funding from government agencies for the years ended August 31, 2016 and 2015, respectively, all of which is subject to audit by the specific government agency. In the opinion of management, the results of such audits, if any, will not have a material effect on the financial position of Jumpstart as of August 31, 2016 and 2015, or on the changes in its net assets for the years then ended. For the years ended August 31, 2016 and 2015, 92% and 95%, respectively, of the total government funding was from one Federal program.

6. CONCENTRATIONS

Jumpstart maintains its cash balances in a bank that is insured within the limits of the Federal Deposit Insurance Corporation (FDIC). At certain times during the year, the cash balances exceeded the insured amount. Jumpstart has not experienced any losses in this account. Jumpstart believes it is not exposed to any significant credit risk on its cash and cash equivalents. Jumpstart maintains a money market account with an investment firm, which totaled \$224,243 at August 31, 2015. The account had a zero balance as of August 31, 2016. This account is not FDIC insured.

The following table reflects grants and pledges receivable concentrations as of August 31:

<u>Agency/Individual</u>	<u>2016</u>	<u>2015</u>
Governmental Entity - A	18%	11%
Governmental Entity - B	14%	- %
Governmental Entity - C	11%	- %
Governmental Entity - D	11%	- %
Governmental Entity - E	- %	16%
Individual Donor - A	- %	15%
Individual Donor - B	- %	12%

7. RETIREMENT PLAN

Jumpstart maintains a qualified profit sharing retirement plan under the provisions of Section 401(k) of the IRC. Jumpstart matches a percentage of each employee's contributions to the plan at its discretion. During fiscal years 2016 and 2015, Jumpstart matched up to 4% of contributions by employees. Jumpstart's contributions were \$148,015 and \$130,856 for fiscal years 2016 and 2015, respectively, which are included in fringe benefits and taxes in the accompanying statements of functional expenses.

8. LINE OF CREDIT

Jumpstart has a \$1,000,000 working capital line of credit arrangement with a bank. Borrowings are due on demand. Interest is payable monthly at the bank's prime rate (3.50% and 3.25% at August 31, 2016 and 2015, respectively), plus 0.75%. As of August 31, 2016 and 2015, there were no outstanding balances under this agreement. This line of credit is unsecured and expires on April 30, 2017. Jumpstart is required to comply with certain covenants under the terms of this agreement. Jumpstart was in compliance with these covenants as of August 31, 2016 and 2015.