JUMPSTART INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

June 30, 2025

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MEADEN & MOORE

INDEPENDENT AUDITOR'S REPORT

Board of Directors
JumpStart Inc. and Subsidiaries
Cleveland, Ohio

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of JumpStart Inc. and Subsidiaries (a nonprofit organization) which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of JumpStart Inc. and Subsidiaries as of June 30, 2025 and 2024, and the changes in their net assets and their 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 JumpStart Inc. and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about JumpStart Inc. and Subsidiaries' ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS and *Government 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 JumpStart Inc. and Subsidiaries' 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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about JumpStart Inc. and Subsidiaries' 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 31 through 41 including the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information identified above is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025 on our consideration of JumpStart Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of JumpStart Inc. and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering JumpStart Inc. and Subsidiaries' internal control over financial reporting and compliance.

Meaden & Moore, Ltd.
Cleveland, Ohio

December 30, 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JumpStart Inc. and Subsidiaries

June 30

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	**$ 3,487,617**	$ 1,968,732
Beneficial interest in the Cleveland Foundation	**10,788,189**	20,637,276
Investments - other	**-**	240
Accounts receivable - trade	**4,482,643**	3,851,978
Grants receivable	**6,351,691**	4,106,693
Prepaid expenses and deposits	**214,688**	266,045
Notes receivable	**1,000,000**	-
Total Current Assets	**26,324,828**	30,830,964
OTHER ASSETS:		
Notes receivable	**5,136,602**	5,593,399
Equity investments	**48,679,425**	43,561,974
Property and equipment - net	**2,967,928**	496,070
Right of use asset - net	**5,899,971**	5,855,700
Total Other Assets	**62,683,926**	55,507,143
Total Assets	**$ 89,008,754**	$ 86,338,107

See accompanying notes.

	2025	2024
LIABILITIES		
CURRENT LIABILITIES:		
Line-of-credit	**$ -**	$ 3,250,000
Accounts payable	**2,629,135**	1,226,282
Payable to collaborators	**811,147**	1,007,136
Fiscal agency liability	**-**	113,212
Accrued compensation and other expenses	**878,447**	435,454
Deferred revenue - current	**974,545**	-
Lease liabilities - current	**236,599**	345,863
Collaborative fund liability	**447,574**	747,565
Total Current Liabilities	**5,977,447**	7,125,512
LONG-TERM LIABILITIES:		
Program related investment liability	**73,000**	60,250
Accrued interest	**783,831**	507,105
Deferred revenue - long-term	**639,066**	-
Lease liabilities - long-term	**5,663,372**	5,509,837
Long-term debt - net of current portion	**14,136,512**	12,966,710
Total Long-term Liabilities	**21,295,781**	19,043,902
Total Liabilities	**27,273,228**	26,169,414
NET ASSETS		
Without donor restrictions	**59,932,267**	57,837,132
With donor restrictions:		
For specific purpose or passage of time	**1,803,259**	2,331,561
Total Net Assets	**61,735,526**	60,168,693
Total Liabilities and Net Assets	**$ 89,008,754**	$ 86,338,107

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

JumpStart Inc. and Subsidiaries

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	**Total**
SUPPORT AND REVENUE			
Contributions and grants	$ 18,313,518	$ 9,605,794	**$ 27,919,312**
Program fees	4,080,814	-	**4,080,814**
Other income	1,952,300	-	**1,952,300**
Total Support and Revenue	24,346,632	9,605,794	**33,952,426**
Net Assets Released from Restrictions:			
Satisfaction of program restrictions	10,134,096	(10,134,096)	**-**
	34,480,728	(528,302)	**33,952,426**
EXPENSES			
Program services	29,624,057	-	**29,624,057**
Management and general	5,565,475	-	**5,565,475**
Development and fundraising	224,939	-	**224,939**
Total Expenses	35,414,471	-	**35,414,471**
Change in Net Assets Before Portfolio Activities	(933,743)	(528,302)	**(1,462,045)**
PORTFOLIO ACTIVITIES			
Capital contributions	31,250	-	**31,250**
Net investment gain on equity investments and notes receivable	1,376,468	-	**1,376,468**
Net investment gain on beneficial interest investments	1,621,160	-	**1,621,160**
Total Portfolio Activities	3,028,878	-	**3,028,878**
Change in Net Assets	2,095,135	(528,302)	**1,566,833**
NET ASSETS - Beginning of the Year	57,837,132	2,331,561	**60,168,693**
NET ASSETS - End of the Year	**$ 59,932,267**	**$ 1,803,259**	**$ 61,735,526**

See accompanying notes.

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

JumpStart Inc. and Subsidiaries

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	$ 7,712,894	$ 9,600,318	$ 17,313,212
Program fees	1,066,460	-	1,066,460
Other income	1,340,939	-	1,340,939
Total Support and Revenue	10,120,293	9,600,318	19,720,611
Net Assets Released from Restrictions:			
Satisfaction of program restrictions	12,218,708	(12,218,708)	-
	22,339,001	(2,618,390)	19,720,611
EXPENSES			
Program services	21,540,934	-	21,540,934
Management and general	4,975,817	-	4,975,817
Development and fundraising	1,009,725	-	1,009,725
Total Expenses	27,526,476	-	27,526,476
Change in Net Assets Before Non-Operating Activities	(5,187,475)	(2,618,390)	(7,805,865)
PORTFOLIO ACTIVITIES			
Net investment loss on equity investments and notes receivable	(3,068,457)	-	(3,068,457)
Net investment gain on beneficial interest investments	2,560,879	-	2,560,879
Total Portfolio Activities	(507,578)	-	(507,578)
Change in Net Assets	(5,695,053)	(2,618,390)	(8,313,443)
NET ASSETS - Beginning of the Year	63,532,185	4,949,951	68,482,136
NET ASSETS - End of the Year	$ 57,837,132	$ 2,331,561	$ 60,168,693

CONSOLIDATED STATEMENT OF CASH FLOWS

JumpStart Inc. and Subsidiaries

Years Ended June 30

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from state, federal, and local governments, foundations, corporations, individuals	**$ 33,021,004**	$ 18,705,465
Cash paid to intermediaries and for awards, prizes and gifts	**(7,376,134)**	(5,216,245)
Cash paid to suppliers and employees	**(25,709,855)**	(21,245,603)
Cash Used in Operating Activities	**(64,985)**	(7,756,383)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from beneficial interest	**11,470,000**	7,500,000
Proceeds from notes receivable	**176,008**	93,199
Proceeds on sale of equity investments	**1,784,101**	146,723
Capital expenditures	**(2,935,612)**	(159,152)
Purchases of equity investments	**(5,569,949)**	(3,602,137)
Capital commitments paid - notes receivable	**(1,365,530)**	(1,783,002)
Investments made from collaborative arrangements	**105,050**	614,731
Cash Provided by Investing Activities	**3,664,068**	2,810,362
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings from (repayments of) line-of-credit	**(3,250,000)**	1,750,000
Repayment of long-term debt	**(29,937)**	(40,055)
Borrowings of long-term debt	**1,199,739**	2,058,071
Cash Provided by (Used in) Financing Activities	**(2,080,198)**	3,768,016
Increase (Decrease) in Cash and Cash Equivalents	**1,518,885**	(1,178,005)
Cash and Cash Equivalents - Beginning of the Year	**1,968,732**	3,146,737
Cash and Cash Equivalents - End of the Year	**$ 3,487,617**	$ 1,968,732

See accompanying notes.

	2025	2024
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Change in Net Assets	**$ 1,566,833**	$ (8,313,443)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	**463,754**	337,130
Amortization of right-of-use asset	**264,366**	308,520
Program related investment liability	**12,750**	18,055
Change in losses reserve	**(228,681)**	883,966
Fair value net loss (gain) on equity investments and notes receivable	**(831,363)**	2,589,467
Interest on conversion of notes	**(30,041)**	(15,041)
Change in fair value of the beneficial interest	**(1,353,072)**	(2,390,064)
Dividends reinvested	**(267,841)**	(170,815)
Increase (Decrease) in Cash from Changes in:		
Accounts receivable - trade	**(630,665)**	(2,054,299)
Grants receivable	**(2,244,998)**	631,163
Prepaid expenses and deposits	**51,357**	205,055
Accounts payable	**1,402,853**	618,961
Payable to collaborators	**(195,989)**	655,593
Fiscal agency liability	**(113,212)**	(83,300)
Accrued compensation and other expenses	**442,993**	(737,466)
Change in lease liability	**(264,366)**	(308,520)
Deferred revenue	**1,613,611**	-
Accrued interest	**276,726**	68,655
Total Adjustments	**(1,631,818)**	557,060
Cash Used in Operating Activities	**$ (64,985)**	$ (7,756,383)
Supplemental Disclosures of Noncash Investing and Financing Activities:		
Capitalization of right-of-use asset	**$ 308,637**	$ -
Equity investments converted from notes receivable	**$ 300,000**	$ 250,000

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

JumpStart Inc. and Subsidiaries

Year Ended June 30, 2025

	Program Services	Management and General	Development and Fundraising	**Total**
Personnel Costs				
Salaries and wages	$ 4,557,469	$ 3,057,475	$ 95,434	**$ 7,710,378**
Payroll taxes and fringe benefits	1,255,739	1,018,674	30,872	**2,305,285**
Consultants	11,225,811	391,184	79,976	**11,696,971**
Total Personnel Costs	17,039,019	4,467,333	206,282	**21,712,634**
Non-Personnel Costs				
Intermediary Grants/Collaborators	7,049,700	-	-	**7,049,700**
Intermediary Grants/CoreCity	130,445	-	-	**130,445**
Awards/Prizes	175,987	4,233	1,000	**181,220**
Total Non-Personnel Costs	7,356,132	4,233	1,000	**7,361,365**
Other Costs				
Marketing/Events/Education	2,360,664	127,232	2,770	**2,490,666**
General office	762,273	708,354	7,784	**1,478,411**
Professional services	3,092	103,977	-	**107,069**
Occupancy	1,540,764	154,346	7,103	**1,702,213**
Program expenses	562,113	-	-	**562,113**
Total Other Costs	5,228,906	1,093,909	17,657	**6,340,472**
Total Expenses	$ 29,624,057	$ 5,565,475	$ 224,939	**$ 35,414,471**

See accompanying notes.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

JumpStart Inc. and Subsidiaries

Year Ended June 30, 2024

	Program Services	Management and General	Development and Fundraising	Total
Personnel Costs				
Salaries and wages	$ 5,384,885	$ 2,740,772	$ 624,433	$ 8,750,090
Payroll taxes and fringe benefits	1,326,315	1,026,566	220,809	2,573,690
Consultants	4,314,743	241,758	100,851	4,657,352
Total Personnel Costs	11,025,943	4,009,096	946,093	15,981,132
Non-Personnel Costs				
Intermediary Grants/Collaborators	5,509,059	-	-	5,509,059
Intermediary Grants/CoreCity	362,779	-	-	362,779
Awards/Prizes	1,266,137	55,581	4,400	1,326,118
Total Non-Personnel Costs	7,137,975	55,581	4,400	7,197,956
Other Costs				
Marketing/Events/Education	1,641,488	165,168	13,811	1,820,467
General office	552,576	476,479	8,650	1,037,705
Professional services	68,522	90,852	-	159,374
Occupancy	957,671	178,641	36,771	1,173,083
Program expenses	156,759	-	-	156,759
Total Other Costs	3,377,016	911,140	59,232	4,347,388
Total Expenses	$ 21,540,934	$ 4,975,817	$ 1,009,725	$ 27,526,476

1 Summary of Significant Accounting Policies

Principles of Consolidation:

The consolidated financial statements include the accounts of JumpStart Inc. and JumpStart Enterprises, Inc. JumpStart Inc. ("JSI") is 100% owner of JumpStart Enterprises Inc. JumpStart Enterprises Inc. ("JEI") maintains a controlling voting interest in North Coast Angel Fund Management, LLC, North Coast Angel Fund Management II, LLC, North Coast Angel Fund Management III, LLC ("NCAF Mgmt I, II & III" respectively), and is 100% owner of the for-profit JNF Management, LLC, JNF Management II, LLC, and JNF Management III, LLC ("JNF, JNF II, JNF III" respectively), JS Evergreen Fund IV Management, LLC ("JS EFIV Mgmt") and JS Focus Fund II Management, LLC ("JS FFII Mgmt"). JumpStart Focus Fund II, GP LLC ("JS FFII GP") is the sole member of JumpStart Focus Fund II, LLC ("JS FFII") and is 100% owned by JEI. JumpStart Evergreen Fund IV GP, LLC ("JS EFIV GP") is the sole member of JumpStart Evergreen Fund IV, LLC ("JS EFIV") and is 100% owned by JEI.

The consolidated entity is referred to as JumpStart. All material intercompany balances and transactions have been eliminated.

Nature of the Organization:

JSI is a not-for-profit organization established in 2004 with a current mission to drive economic vitality by connecting entrepreneurs to the opportunities and resources they need to succeed.

JSI's sole members are TeamNEO and Case Western Reserve University.

JEI was created to manage various taxable activities as well as hold various interests. Several of JSI interests were assigned to JEI effective July 1, 2021.

NCAF Mgmt I, II & III were established as Ohio limited liability companies organized primarily for the purpose of managing the North Coast Angel Fund. Members of the North Coast Angel Fund have substantial kick-out and participation rights and, accordingly, NCAF Mgmt I, II & III have not consolidated North Coast Angel Fund in these accompanying consolidated financial statements. Members of JSI's Board of Trustees own less than 1% (2025) and (2024) of the North Coast Angel Fund, less than 1% (2025) and (2024) of the North Coast Angel Fund II, and 0% (2025 and 2024) of the North Coast Angel Fund III.

JumpStart Next Fund, LLC ("Next Fund"), JumpStart Next Fund II, LLC ("Next Fund II") and JumpStart Next Fund III, LLC ("Next Fund III") are for-profit entities with the primary purpose to provide equity investments to start-up companies as part of JSI's mission. In January 2015, JumpStart amended and restated the original operating agreement to admit new members and name JNF as the managing member of the Next Fund. In its July 2021 operating agreement, JNF II is named as the managing member of the Next Fund II. The intent is for JEI to retain a minority interest, and the remaining ownership is outside investors.

JNF, JNF II and JNF III were established as for-profit entities to manage the operations of Next Fund, Next Fund II and Next Fund III. JumpStart collects a management fee.

1 Summary of Significant Accounting Policies, Continued

Nature of the Organization, Continued:

JS EFIV Mgmt and JS FFII Mgmt were established as for-profit entities to manage the operations of JS EFIV and JS FFII, respectively. JEI collects management fees which are eliminated upon consolidation.

There is a difference in fiscal periods of JSI, NCAF Mgmt I, II & III, JNF, JNF II & III, JS EFIV Mgmt & JS EVIV, JS FFII Mgmt & JS FFII and JEI. For consolidation purposes, the financial statements of NCAF Mgmt I, II & III, JNF, JNF II and JEI have been restated to correspond with the fiscal period of JSI.

Classification of Net Assets:

Net assets, contributions, grants, gains, and losses are classified as with or without donor restrictions based on donor specifications. Designations by the Board, while separately stated, are considered without donor restrictions.

Funds with similar characteristics have been combined in the following net asset groups:

Net Assets Without Donor Restrictions: Net assets available for general operations are used for JumpStart's continuing activities and operations, the use of which is at the discretion of JumpStart's governing body.

Net Assets With Donor Restrictions: Net assets subject to donor-imposed restrictions include amounts with time or purpose restrictions designated by the donor or grantor which cannot be changed by the Board. When the time or purpose restriction is satisfied, the donor restricted net assets are reclassified as without donor restrictions net assets and reported in the accompanying consolidated statement of activities as net assets released from restrictions.

Grants and contributions received with donor-imposed restrictions are recorded as without restriction if the restrictions are expected to be met within the same period. This policy is also followed for investment income received with donor-imposed restrictions.

There are no endowment funds that would be classified as perpetual in nature net assets with donor restrictions.

Use of Estimates:

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

1 Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents:

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

At times during the year, JumpStart maintained funds on deposit at its banks in excess of FDIC insurance limits.

Program Related Investments:

JumpStart, as part of its mission and operations provides benefits to their constituencies in the form of financial instruments instead of cash grants. These financial instruments are in the form of formal convertible notes receivable made to selected early stage and high growth potential businesses as detailed in Note 3. Also, as part of its mission and operations, JumpStart may provide an option for these notes to be converted into convertible preferred stock as detailed in Note 4.

Convertible Notes Receivable:

Program related notes receivable at inception bear market interest rates and JumpStart expects to collect all contractually required payments when due. Therefore, the notes receivable is recognized at the amount of cash transferred. The notes receivable is tested for collectability annually based on the present value of expected future cash flows discounted at the loan's effective interest rate.

Equity Investments - Preferred Stock:

Program related equity investments typically do not meet the definition of an equity security with a readily determinable fair value and therefore are not subject to fair value measurement requirements. These investments would normally be reported on the equity or cost method. However, JumpStart has elected the fair value option and reports the preferred stocks at fair value (Level 3).

Fair Value of Financial Instruments:

FASB ASC 825, "Financial Instruments" requires that JumpStart disclose estimated fair values of financial instruments. The carrying amounts reported in the consolidated statement of financial position for assets and liabilities qualifying as financial instruments is a reasonable estimate of fair value.

Fair Value Measurements:

As defined in FASB ASC 820, fair value is 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. In determining fair value, JumpStart utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable firm inputs. JumpStart utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

1 Summary of Significant Accounting Policies, Continued

Fair Value Measurements, Continued:

Based on the examination of the inputs used in the valuation techniques, JumpStart is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that JumpStart has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by JumpStart in determining fair value is greatest for securities categorized in Level 3.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, JumpStart's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. JumpStart uses documented guidelines to determine estimated fair value of the investments held. Refer to Note 4 for a description of the valuation methods.

Accounts Receivable:

JumpStart recognizes an allowance for losses on accounts receivable in an amount equal to the current expected credit losses. The estimation of the allowance is based on an analysis of historical loss experience, current receivables aging, and management’s assessment of current conditions and reasonable and supportable expectation of future conditions, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. The expense associated with the allowance for expected credit losses is recognized in selling, general and administrative expenses.

1 Summary of Significant Accounting Policies, Continued

Accounts Receivable, Continued:

Accounts receivable are net of allowance for credit losses of $0 (2025) and $4,250 (2024).

The net accounts receivable - trade balance at July 1, 2023, June 30, 2024, June 30, 2025, was $1,797,679, $3,851,978, and $4,482,643, respectively.

Grants Receivable:

JumpStart was awarded several grants from various sources including government and foundations during the year. The grants receivable balance awarded and unpaid at July 1, 2023, June 30, 2024, and June 30, 2025 was $4,737,856, $4,106,693, and $6,351,691, respectively.

Revenue Recognition - Grants, Contracts and Contributions:

JumpStart follows Accounting Standards Update (ASU) No. 2018-08: *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance includes clarification regarding the accounting for grants and contracts as exchange transactions or contributions and improves guidance to better distinguish between conditional and unconditional contributions.

JumpStart also follows Accounting Standards Update (ASU) No. 2014-09: *Revenue from Contracts with Customers (Topic 606),* as amended. This guidance provides the framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and not-for-profit entities.

JumpStart receives grants from federal, state, county, and municipal government sources under a variety of programs. Amounts received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by grantor agencies.

Revenue from certain grants and contracts are derived from cost-plus-fixed-fee, fixed price, and cost reimbursement arrangements. Revenue is generally recognized on these grants and contracts to the extent of allowable direct and indirect costs incurred plus a pro rata portion of the fixed fee, if any. Funds received from contracts not yet earned are recorded as deferred revenue.

Contributions and grants are recognized when awarded as with or without donor restrictions in accordance with donor specifications. When a restriction expires through accomplishment of purpose or passage of time, the restricted net assets are reclassified to without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions. Contributions whose restrictions are met in the same fiscal year are recorded as without donor restrictions.

1 Summary of Significant Accounting Policies, Continued

In-kind Contributions:

Contributed nonfinancial assets include donated professional services, and other in-kind contributions which are considered at the respective fair value of the goods or services received. No significant contributions of such goods or services were received during the years ended June 30, 2025 and 2024. In additional to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration and other activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet the criteria prescribed by generally accepted accounting principles.

Through JumpStart's Mentoring Program, JumpStart clients receive donated professional services. These services help JumpStart fulfill its mission to drive economic vitality by connecting entrepreneurs to the opportunities and resources they need to succeed. The estimated value of these services was approximately $2,783,000 (2025) and $638,000 (2024), which is not recorded or required to be recorded in the consolidated financial statements.

Property and Equipment:

Property and equipment purchased by JumpStart are carried at cost. Donated property and equipment are recorded at estimated fair value at the date of donation. Expenditures for maintenance and repairs are charged to income as incurred. Additions and betterments are capitalized. The cost and related accumulated depreciation of properties sold or otherwise disposed of are removed from the accounts and any gain or loss is reflected in the current year's activities.

The details of property and equipment in the consolidated statement of financial position at June 30 is as follows:

	2025	2024
Leasehold improvements	**$ 2,666,432**	$ -
Computer equipment	**767,987**	767,987
Furniture and fixtures	**1,294,204**	887,532
Construction in progress	**-**	141,742
	4,728,623	1,797,261
Less: Accumulated depreciation	**(1,760,695)**	(1,301,191)
	$ 2,967,928	$ 496,070
Depreciation Expense	**$ 463,754**	$ 337,130

1 Summary of Significant Accounting Policies, Continued

Property and Equipment, Continued:

JumpStart primarily follows the straight-line method of depreciation utilizing the following lives:

Class	Years
Leasehold improvements	3-10
Computer equipment	3
Furniture and fixtures	5

Functional Expense Allocations:

Personnel costs include salaries, wages, taxes, and benefits of employees as well as expenses paid to outside consultants. Non-personnel costs are mostly all directly related to the program services provided by JumpStart to support entrepreneurs through various directly funded programs. Expenses are charged to functional areas based on specific identification when possible. Expenses that cannot be specifically identified to a function are allocated to the functional areas based on factors such as direct relationship of expense, time spent by employees and square footage of space used for various programs. Other costs including marketing, office, professional services, and occupancy are allocated using this process as appropriate to functional areas.

Accrued Compensation:

In accordance with JumpStart's performance compensation policies, amounts are accrued in the period earned based on achieving performance and operating metrics and final approval of a formal compensation committee. The total amount determined as earned and accrued as a current liability in the consolidated statement of financial position was $874,105 (2025) and $422,919 (2024).

Fiscal Agency Liability:

JumpStart was awarded fiscal agency support to be managed and disbursed in future periods. The remaining fiscal agency liability was $0 (2025) and $113,212 (2024).

Income Tax:

JSI is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and operates as a public charity.

JEI is taxed as a C Corporation. The provision for income taxes will be calculated based on the taxable portion of JEI. No significant income tax liability was incurred during 2025 or 2024.

Included in the taxable income of JEI, NCAF Mgmt I, II & III, JNF, JNF II, JNF III, JS EFIV Mgmt and JS FFII Mgmt are limited liability companies pursuant to Section 1705.04 of the Ohio Revised Code and are taxed as partnerships under the provisions of the Internal Revenue Code.

1 Summary of Significant Accounting Policies, Continued

Accounting for Uncertainty in Income Taxes:

The provisions of "Accounting for Uncertainty in Income Taxes" prescribe a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The amount recognized is measured as the amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. JumpStart recognizes interest and penalties accrued, if any, related to unrecognized tax uncertainties in income tax expense. JumpStart determined that there are no material uncertain tax positions.

Subsequent Events:

Management evaluates events occurring subsequent to the date of the consolidated financial statements in determining the accounting for and disclosure of transactions and events that affect the consolidated financial statements.

See footnote 15 for subsequent events related to the guaranteed note payable of Growth Opportunity Partners.

Subsequent events have been evaluated through December 30, 2025, which is the date the consolidated financial statements were available to be issued.

Reclassifications:

Certain prior year amounts have been reclassified to conform to the presentation used in the current year.

2 Liquidity and Availability

JumpStart receives contributions with donor restrictions to be used in accordance with the associated purpose restrictions as well as receiving support without donor restrictions. A significant portion of JumpStart’s revenue also is derived from portfolio activity related to transactions from preferred stock and notes receivable directly related to the mission of JumpStart.

JumpStart manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that support mission fulfillment will continue to be met, ensuring the sustainability of JumpStart.

2 Liquidity and Availability, Continued

The table below presents financial assets available at June 30 for general expenditures within one year:

	2025	2024
Financial Assets at Year-End:		
Cash and cash equivalents	**$ 3,487,617**	$ 1,968,732
Beneficial interest in the Cleveland Foundation	**10,788,189**	20,637,276
Investments - other	**-**	240
Accounts receivable - trade	**4,482,643**	3,851,978
Grants receivable	**6,351,691**	4,106,693
Notes receivable - current portion	**1,000,000**	-
Total Financial Assets	**26,110,140**	30,564,919
Less: Financial assets not available to be used within one year		
Investments held for specified payroll related liabilities	**-**	240
Donor restricted assets for specific purpose or time	**1,803,259**	2,331,561
Financial assets available to meet general expenditures within one year	**$ 24,306,881**	$ 28,233,118

3 Notes Receivable and Commitments

JumpStart, as part of its operations, receives funding, which is in turn loaned to early stage, high growth potential businesses. JumpStart's policy is to record all new notes receivable at cost. A reconciliation of notes receivable as of June 30 is as follows:

	2025	2024
Notes receivable beginning balance	**$ 7,523,542**	$ 5,815,690
Capital commitments paid - new notes	**1,365,530**	2,079,051
Notes converted to equity investments	**(300,000)**	(250,000)
Notes repaid	**(176,008)**	(93,199)
Notes written off	**(575,000)**	(28,000)
	7,838,064	7,523,542
Less: Unrealized losses reserve	**(1,701,462)**	(1,930,143)
Total Notes Receivable	**$ 6,136,602**	$ 5,593,399
Current portion	**$ 1,000,000**	$ -
Long-term portion	**5,136,602**	5,593,399
Total Notes Receivable	**$ 6,136,602**	$ 5,593,399

3 Notes Receivable and Commitments, Continued

Since inception, JumpStart has provided loans to 111 startup entities with 28 company balances written off, and 75 loans either repaid or converted into equity.

As of June 30, 2025 and 2024, JumpStart did not have any outstanding commitments for additional loans to businesses.

JumpStart executed promissory notes of $35,000 or less with 95 companies to be used for a specific business purpose as identified in a formal agreement. The terms of repayments vary by loan. JumpStart also disbursed a $1,000,000 loan to UBIZ Venture Capital since 2020 for the purpose of making loans to businesses owned or led by minority entrepreneurs located in Cleveland and Cuyahoga County. The value of these notes included in notes receivable are $3,554,140 (2025) and $2,939,618 (2024).

4 Program Related Equity and Investment Valuation

JumpStart's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with FASB ASC 820. See Note 1 for a discussion of JumpStart's policies. This fair value measurement standard changes the definition of fair value from valuation based on the price paid to acquire the asset to the price that would be received upon the sale of the asset.

As part of its operations and mission, JumpStart received funding which may be used to purchase convertible preferred stock of high growth potential businesses. Preferred stock is only purchased when there is an outside co-investor in the company. JumpStart has an established Valuation Committee that follows specific guidelines in assessing fair market value and these guidelines are applied to each individual company.

JumpStart's investments measured at fair value as of June 30 include investments in private companies classified as being valued with significant unobservable inputs (Level 3) and are stated at $48,679,425 (2025) and $43,561,974 (2024).

A description of the guidelines is as follows:

JumpStart's investments consist of investments in stock of privately held companies. The transaction price is typically JumpStart's best estimate of fair value at inception. Reviews by JumpStart's management and formal investment valuation committee will consider reductions in valuation based on the company’s historical performance, significant deterioration of further prospects, and/or consistently missed performance milestones. Other valuations may be adjusted to reflect subsequent equity financing from an unrelated new financial investor.

JumpStart may have risk associated with its concentration of investments in certain geographic regions and certain industries. All the investments are domiciled in the United States at June 30, 2025 and 2024.

4 Program Related Equity and Investment Valuation, Continued

The changes in investments measured at fair value as of June 30 and a reconciliation from year-to year for which JumpStart has used Level 3 inputs to determine fair value are as follows:

	2025	2024
Beginning Balance	**$ 43,561,974**	$ 42,789,597
Sale of equity investments	**(1,783,861)**	(12,994)
Write off of equity investments	**(1,274,191)**	(500,000)
Interest on conversion of notes	**30,041**	15,041
Converted from notes receivable	**300,000**	250,000
Valuation gain on original investment	**3,007,970**	592,005
Valuation loss on original investment	**(327,416)**	(2,956,521)
Investments from collaborating organizations	**(405,041)**	(217,291)
Investments made	**5,569,949**	3,602,137
Ending Balance	**$ 48,679,425**	$ 43,561,974
Additional investment information:		
Number of equity investments by company outstanding	**79**	79

Since inception JumpStart has made equity investments in 138 companies, either through purchase of equity or conversion of debt to equity. Of the equity investments 42 have been written off and 20 have exited from the portfolio through a sale. The total includes notes that were converted.

5 Beneficial Interest in the Cleveland Foundation

The value of the beneficial interest is recorded at fair value based on the fair value of the underlying assets held at the Cleveland Foundation ("Foundation"). The fair value is allocated among the contract holders based on a unit value of JumpStart's ownership percentage of the value of the underlying assets, as confirmed by the Foundation. These investments are measured at fair value using the NAV (net asset value) per share (or its equivalent) practical expedient.

Additional information as of June 30, 2025 is as follows:

Asset Category	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Beneficial Interest in the Cleveland Foundation	**$ 10,788,189**	**$ -**	**Daily**	**None**

5 Beneficial Interest in the Cleveland Foundation, Continued

Additional information as of June 30, 2024 is as follows:

Asset Category	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Beneficial Interest in the Cleveland Foundation	$ 20,637,276	$ -	Daily	None

6 Fair Value Measurements

In addition to the beneficial interest described in Note 5 and the program related equity described in Note 4, the following is a description of the valuation methodologies used for the instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

Mutual Funds:

These securities are primarily valued at quoted market prices in active markets for identical assets (Level 1).

The following tables present the financial instruments carried at fair value, on a recurring basis, as of June 30:

	2025			
	Quoted Market Prices in Active Markets (Level 1)	**Models with Significant Observable Market Parameters (Level 2)**	**Unobservable Inputs that are not Corroborated by Market Data (Level 3)**	**Total Carrying Value in the Consolidated Statement of Financial Position**
Program related equity	**$ -**	**$ -**	**$ 48,679,425**	**$ 48,679,425**
Investments at Net Asset Value (NAV):				
Beneficial interest in the Cleveland Foundation				**10,788,189**
Total Investments at Fair Value				**$ 59,467,614**

6 Fair Value Measurements, Continued

	2024			
	Quoted Market Prices in Active Markets (Level 1)	Models with Significant Observable Market Parameters (Level 2)	Unobservable Inputs that are not Corroborated by Market Data (Level 3)	Total Carrying Value in the Consolidated Statement of Financial Position
Mutual funds	$ 240	$ -	$ -	$ 240
Program related equity	-	-	43,561,974	43,561,974
Total	$ 240	$ -	$ 43,561,974	43,562,214
Investments at Net Asset Value (NAV):				
Beneficial interest in the Cleveland Foundation				20,637,276
Total Investments at Fair Value				$ 64,199,490

7 Deferred Revenue

JSI has entered into various agreements with outside parties whereby a cash payment is received upfront and is earned as over the term of the agreement. This includes upfront payments for a twelve-month membership to JumpStart's Preferred Client Membership Program. Deferred revenue also includes payments received for tenant allowances on leases which are being recognized as revenue over the life of the lease. The following table presents deferred revenue by source, as of June 30:

	Current Portion	**Total**	
	2025	**2025**	2024
Preferred Partners/Sponsorship	**$ 881,750**	**$ 881,750**	$ -
Tenant allowances	**92,795**	**731,861**	-
	$ 974,545	**1,613,611**	-
Less: Current portion		**974,545**	-
Total Long-Term Portion		**$ 639,066**	$ -

8 Line-of-Credit

JumpStart has a line-of-credit that allows for borrowings up to $3,500,000 through February 1, 2026. The line is collateralized by the assets of JumpStart. The line-of-credit bears interest at the Prime rate of 7.50% at year-end. The amount outstanding under this agreement at June 30 was $0 (2025) and $3,250,000 (2024).

9 Notes Payable

	Current Portion	Total	
	2025	**2025**	2024
Two unsecured term loans that allows for borrowings up to $5,000,000 each through the Ohio Department of Development (ODOD). Beginning April 2019, the loans bear interest at the applicable federal interest rate (approx. 1.5%), accrued $643,485 (2025) and $507,105 (2024). The total loan balances are due April 2026, but include a five-year renewal option which JumpStart intends on exercising.	**$ -**	**$ 5,892,001**	$ 5,921,938
Two unsecured term loans that allows for borrowings up to $9,000,000 in total through the Ohio Department of Development (ODOD). Beginning June 2024, the loans bear interest at the applicable federal interest rate (approx. 1.5%), accrued $140,46 (2025) and $0 (2024). The total loan balances are due June 2031, but include a five-year renewal option.	**-**	**7,248,678**	6,944,772
Three unsecured term loans that allows for borrowings up to $20,000,000 in total through the Ohio Department of Development (ODOD). The loans bear interest at 3.5%. The total loan balances are due December 2034, but include a five-year renewal option.	**-**	**895,833**	-
Unsecured revolving loan with an unrelated foundation renewed annually, with no immediate plans of termination. Beginning in January 2022, the loan bears interest at 2%, due annually.	**-**	**100,000**	100,000
	$ -	**14,136,512**	12,966,710
Less: Current portion		**-**	-
Total Long-Term Portion		**$ 14,136,512**	$ 12,966,710

9 Notes Payable, Continued

Minimum principal payments under all agreements are due as follows:

2026	**$ -**
2027	-
2028	-
2029	-
2030	-
Thereafter	**14,136,512**
Total	**$ 14,136,512**

10 Collaborative Arrangements

In 2023, JumpStart was awarded two grant agreements by the Ohio Department of Development ("ODOD"). These agreements provide financial assistance to continue delivering the Entrepreneurial Services Provider ("ESP") Program of the State of Ohio for three years, 2023 through 2025.

In 2022, the thirty-month grant award for Northeast Ohio was approximately $33,800,000. Approximately $14,700,000 of this grant was awarded to various collaborators for the grant period. These collaborators are Bounce Innovation Hub, Braintree Partners, Case Western Reserve University ("CWRU"), Lorain County Community College ("GLIDE"), Manufacturing Advocacy and Growth Network ("MAGNET"), Northeast Ohio Medical University ("NEOMED"), Ohio Aerospace Institute ("OAI"), Tech Belt Energy Innovation Center ("TBEIC/Brite"), University of Akron Research Foundation ("UARF"), and Youngstown Business Incubator ("YBI").

The consolidated financial statements of JumpStart reflect the receipts and disbursements for the collaborators. Total program services for Northeast Ohio under these grants included in the consolidated statement of functional expenses to the collaborators amounted to $6,284,642 (2025) and $4,774,226 (2024).

In 2022, the thirty-month grant award for Northwest Ohio was approximately $5,650,000. Approximately $3,950,000 of this grant was awarded to various collaborators for the three-year calendar period. These collaborators are Mercy Health Systems, ProMedica Innovations, and the University of Toledo.

The consolidated financial statements of JumpStart reflect the receipts and disbursements for the collaborators. Total program services for Northwest Ohio under this grant included in the consolidated statement of functional expenses to the collaborators amounted to $765,058 (2025) and $734,833 (2024).

Amounts payable to collaborators included in the consolidated statement of financial position was $811,147 (2025) and $1,007,136 (2024).

10 Collaborative Arrangements, Continued

In 2021, JumpStart was awarded $4,000,000 of pre-seed funds from the Ohio Third Frontier Pre-Seed/Seed Plus Fund Capitalization Program and committed $2,500,000 with an additional $1,500,000 commitment from University Hospitals Ventures to form the $8,000,000 Healthcare Collaboration Fund. JumpStart, in collaboration with University Hospitals Ventures, provides capital in conjunction with access to clinical experts and practical use cases to accelerate commercialization for innovative technologies at the Incubating phase.

11 Leases

JumpStart recognizes leases in accordance with ASC 842, “Leases (Topic 842)”. The lease standard increases transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the consolidated balance sheet. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

JumpStart has elected the package of practical expedients permitted in ASC 842, as well as the use of a risk-free discount rate for its leases. Accordingly, JumpStart accounted for its existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs, if any, before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

JumpStart currently leases office space which has a termination clause that was enacted in December 2024. JumpStart has signed a lease for a new office space beginning January 2025 through December 2044, assuming all renewal periods are elected. JumpStart has a lease agreement for office equipment through December 2029. Lease expense for the years ended June 30, 2025 and 2024 were approximately $303,000 and $322,000, respectively.

	2025	2024
Right-of-use assets, net	**$ 5,899,971**	$ 5,855,700
Lease Liabilities:		
Lease liabilities - current	**$ 236,599**	$ 345,863
Lease liabilities - long-term	**5,663,372**	5,509,837
Total Lease Liabilities	**$ 5,899,971**	$ 5,855,700

The weighted-average remaining lease term related to JumpStart's lease liabilities as of June 30, 2025 and 2024 was 18.9 years and 19.5 years, respectively. The weighted-average discount rate related to JumpStart's lease liabilities as of June 30, 2025 and 2024 was 3.7% and 3.6%, respectively. The cash paid for amounts included in the measurement of lease liabilities for the years ended June 30, 2025 and 2024 was $301,697 and $322,004, respectively.

11 Leases, Continued

Minimum lease payments due under lease obligations are due as follows:

2026	**$ 448,193**
2027	**446,347**
2028	**446,347**
2029	**446,347**
2030	**441,253**
Thereafter	**5,937,623**
Total Undiscounted Liabilities	**8,166,110**
Less: Present Value Discount	**(2,266,139)**
Total Lease Liabilities	**$ 5,899,971**

12 Retirement Plans

JumpStart has a 401(k) Deferred Compensation Plan covering substantially all employees immediately. JumpStart's contributions to the Plan amount to a non-elective safe harbor contribution of 3% of compensation to each eligible participant.

Contributions to this Plan amounted to $225,649 (2025) and $261,670 (2024).

JumpStart had a Nonqualified 457(b) Retirement Plan in place restricted to key managerial employees. JumpStart's contributions to the Plan were discretionary at an amount determined each plan year. The plan was terminated on July 16, 2024.

Contributions to this Plan amounted to $0 (2025 and 2024).

13 Donor Restricted Net Assets

Donor restricted net assets at June 30 consist of the following:

	2025	2024
Subject to Expenditure for a Specific Purpose:		
Program Services	**$ 1,778,259**	$ 2,329,561
Intermediary Grants	**25,000**	2,000
Total	**$ 1,803,259**	$ 2,331,561

13 Donor Restricted Net Assets, Continued

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

	2025	2024
Satisfaction of Purpose Restrictions:		
Program Services	**$ 10,107,096**	$ 12,127,965
Intermediary Grants	**27,000**	90,743
Total	**$ 10,134,096**	$ 12,218,708

14 Related Parties: NCAF Mgmt I, NCAF Mgmt II, NCAF Mgmt III

JumpStart is one of the managing members of NCAF Mgmt I, II & III as described in Note 1, Significant Accounting Policies. Since NCAF Mgmt I, II & III's inception, JumpStart has made annual commitments of financial support to each entity. The amounts paid are eliminated in these consolidated financial statements.

JumpStart is entitled to a carried interest in the underlying funds managed by NCAF Mgmt I, II & III. JumpStart has determined that the fair value of its carried interest in the underlying funds is undeterminable and uncertain at June 30, 2025 and 2024. As such no amount is recorded in the consolidated statement of financial position.

15 Commitments and Guarantees

JumpStart guaranteed a note payable of Growth Opportunity Partners ("GO") from the County of Cuyahoga in the amount of $1,250,000. On November 3, 2025, the County of Cuyahoga made JumpStart aware that GO defaulted on their loan payments and that JumpStart would be responsible for missed interest and principal payments on the loan until remedied. As a result, JumpStart will pay principal and interest on behalf of Growth Opportunity Partners that is intended to be repaid through a Promissory Note to JumpStart that is pending execution by both parties. JumpStart will issue payment to the County of Cuyahoga in the amount of $197,499 in December 2025 if payments remain unpaid as of December 30, 2025.

JUMPSTART INC. AND SUBSIDIARIES

UNIFORM GUIDANCE AUDIT REQUIREMENTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JumpStart Inc. and Subsidiaries

June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	AL Number	Pass Through Number	Federal Expenditures
U.S. DEPARTMENT OF COMMERCE			
Economic Development Administration (EDA): Scaling O.H.I.O.	11.020	N/A	$ 833,069
Total U.S. Department of Commerce			833,069
U.S. SMALL BUSINESS ADMINISTRATION			
Congressional Earmarks Initiatives	59.059	N/A	153,205
Total U.S. Small Business Administration			153,205
Total Expenditures of Federal Awards			**$ 986,274**

See accompanying notes.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JumpStart Inc. and Subsidiaries

For the Year Ended June 30, 2025

1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of JumpStart Inc. and Subsidiaries and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements.

2 Summary of Significant Accounting Policies

Expenditures reported in the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

3 Indirect Cost Rate

The Organization has elected to use the 10 percent, or less de minimis indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDPENEDENT AUDITOR'S REPORT

Board of Directors
JumpStart Inc. and Subsidiaries
Cleveland, Ohio

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of JumpStart Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered JumpStart Inc. and Subsidiaries' internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of JumpStart Inc. and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of JumpStart Inc. and Subsidiaries' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2025-001 and 2025-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2025-003 to be a significant deficiency.

Meaden & Moore, Ltd.
(A Meaden & Moore Affiliate Company)
1375 East Ninth Street, Suite 1800 | Cleveland, OH 44114-1790 | P (216) 241-3272 | F (216) 771-4511 | meadenmoore.com

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether JumpStart Inc. and Subsidiaries' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

JumpStart Inc. and Subsidiaries' Responses to Findings

JumpStart Inc. and Subsidiaries' responses to the findings identified in our audit is described in the accompanying schedule of findings and responses. JumpStart Inc. and Subsidiaries' response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Meaden & Moore, Ltd.
Cleveland, Ohio

December 30, 2025

MEADEN & MOORE

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Board of Directors
JumpStart Inc. and Subsidiaries
Cleveland, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited JumpStart Inc. and Subsidiaries' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of JumpStart Inc. and Subsidiaries' major federal programs for the year ended June 30, 2025. JumpStart Inc. and Subsidiaries' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, JumpStart Inc. and Subsidiaries complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of JumpStart Inc. and Subsidiaries and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of JumpStart Inc. and Subsidiaries' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to JumpStart Inc. and Subsidiaries' federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on JumpStart Inc. and Subsidiaries' compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about JumpStart Inc. and Subsidiaries' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 JumpStart Inc. and Subsidiaries' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of JumpStart Inc. and Subsidiaries' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of JumpStart Inc. and Subsidiaries' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Meaden & Moore, Ltd.
Cleveland, Ohio

December 30, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JumpStart Inc. and Subsidiaries

June 30, 2025

Section I - Summary of Auditor's Results:

Consolidated Financial Statements

Type of report the auditor issued on whether the consolidated financial statements audited were prepared in accordance with GAAP: Unmodified Opinion

Internal control over financial reporting:		
Material weakness(es) identified?	X Yes	No
Significant deficiency(ies) identified?	X Yes	None Reported
Noncompliance material to consolidated financial statements noted?	Yes	X No

Federal Awards

Internal control over major federal programs:		
Material weakness(es) identified?	Yes	X No
Significant deficiency(ies) identified?	Yes	X None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes	X No

Identification of major federal programs:

AL Numbers	Name of Federal Program or Cluster
11.020*	U.S. Department of Commerce, Economic Development Administration (EDA): Scaling O.H.I.O.

Dollar threshold used to distinguish between type A and type B programs: $ 750,000

Auditee qualified as a low-risk auditee	Yes	X No

Section II - Financial Statement Findings:

2025-001 Improper Identification of Federal Awards and Incomplete Schedule of Expenditures of Federal Awards (SEFA)

2025-002 Periodic Account Reconciliations

2025-003 Consolidation of Related Party Entities

Section III - Federal Award Findings:

None.

*Tested as a major program

SCHEDULE OF FINDINGS AND RESPONSES

JumpStart Inc. and Subsidiaries

Internal Control over Financial Reporting Finding:

Finding Number:

2025-001 Improper Identification of Federal Awards and Incomplete Schedule of Expenditures of Federal Awards (SEFA)

Condition:

Management was unaware that the expenditures from federal funding exceeded the threshold for additional compliance audits to be conducted in the fiscal year ending June 30, 2025. Management did not prepare a complete and accurate Schedule of Expenditures of Federal Awards (SEFA). In addition, management did not notify the auditors in advance of the audit fieldwork.

Criteria:

The Office of Management and Budget (OMB) requires the completion of additional compliance audits as provided through the Uniform Grant Guidance (UGG) if expenditures from federal funding exceeds $750,000 in a fiscal year. The Schedule of Expenditures of Federal Awards (SEFA) is to be prepared by management. The independent auditor performs certain procedures over the SEFA.

Cause:

Management did not communicate to the auditors that the federal funding threshold was exceeded in the current fiscal year until after audit fieldwork began.

Effect:

JumpStart was not prepared for the additional procedures identified in the criteria. The preparation of the SEFA was incomplete and inaccurate. Management was unable to properly identify and correct errors without the assistance of the auditors.

Recommendation:

The auditors recommend that management seek education and training specific to federal financial reporting requirements and practices. JumpStart should closely monitor all federal grant expenditures specific to federal funding expended on the accrual basis and ensure that proper procedures are being applied to these grants. Management should improve processes to detect when thresholds are exceeded that trigger additional reporting requirements. Management should also be able to prepare a complete and accurate SEFA. If necessary, management should consult with other professionals including the auditors as part of this process.

Management's Response:

Fiscal year 2025 represented significant changes including organization leadership and direction. Additionally, the finance team, onboarded a new Chief Financial Officer who reorganized the team to focus a senior level position specifically on grant compliance and reporting. This transition took more time than was expected and was slowed by additional changes across the team. Management believes these changes will provide enhanced focus on grant compliance across all funders and enhanced communication with our auditors.

Management acknowledges the need for additional education around federal grant requirements and has incorporated this need in staff training and development plans for fiscal year 2026.

SCHEDULE OF FINDINGS AND RESPONSES

JumpStart Inc. and Subsidiaries

Internal Control over Financial Reporting Finding:

Finding Number:

2025-002 Periodic Account Reconciliations

Condition:

Various significant account balances, most notably the portfolio reserve, fixed assets, and accounts receivable were not reconciled to the general ledger.

Criteria:

To ensure an effective and efficient accounting close process, all account balances should be reconciled to the general ledger monthly and particularly at year-end. All accounts should be properly supported as well as reconciled.

Cause:

Support for several significant accounts were not in agreement with the general ledger balance at June 30, 2025. As a result, as part of the audit process, the auditors identified several significant adjustments to correct and restate balances identified as official audit adjustments. The fact that account balances were not properly stated demonstrates that management did not accurately close the books for the year and the potential for material financial misstatements was elevated.

Effect:

More than twenty adjustments were proposed over the course of the audit to true-up various general ledger account balances. The adjustments were from management as well as adjustments from audit procedures. The effect of not proposing these adjustments could have had a material effect on the financial statements as a whole.

Recommendation:

The auditors recommend the Organization perform monthly account reconciliations for all account balances to verify accuracy and completeness. We also recommend that the Organization revisit the current close process to identify changes that should be made during the month-end and fiscal year end close to ensure accounts are properly reconciled, accurate, and adequately supported.

Management's Response:

Fiscal year 2025 represented significant changes including organization leadership and direction. Additionally, the finance team onboarded a new Chief Financial Officer who reorganized the team to focus the most senior level finance position on the entirety of the month-end close process. This transition took more time than was expected and was slowed by additional changes across the team. The change, also, identified skill gaps that will be addressed in short-term performance improvement plans to ensure that the appropriate qualifications exist in the appropriate finance positions.

In the meantime, the Chief Financial Officer has assumed oversight of the monthly close process including reconciliations of every balance in the statement of financial position account, and in-depth analysis of revenue and expense accounts through preparation of Monthly Operating Reviews. Additionally, the team participates in daily standups to report out on progress and priorities as well as weekly deep dives on technical and/or process improvement subject matters. Management is confident that the items identified in this finding are not systemic but, more so, borne from the amount of change absorbed in this fiscal year.

SCHEDULE OF FINDINGS AND RESPONSES

JumpStart Inc. and Subsidiaries

Internal Control over Financial Reporting Finding:

Finding Number:

2025-003 Consolidation of Related Party Entities

Condition:

Related party activity between related party entities included in the consolidated financial information did not properly eliminate on the trial balances that were provided by management. In addition, potential eliminating adjustments were not provided by management.

Criteria:

As prescribed by United States Generally Accepted Accounting Principles (GAAP), all transactions between related entities should be eliminated upon consolidation to prevent the understatement or overstatement of JumpStart's financial position.

Cause:

Management did not prepare a complete consolidation/elimination schedule as part of the year-end closing process.

Effect:

Financial information used to prepare a consolidating statement were incomplete and overstated creating the potential for materially misstated financial statements.

Recommendation:

The auditors recommend JumpStart develop a process to consider related party activity and prepare a comprehensive elimination schedule which is reconciled on a monthly basis as part of its closing process. As JumpStart becomes more complex, it is important that all intercompany activity be identified and tracked on an entity level to avoid misleading financial statements.

Management's Response:

Fiscal year 2025 represented significant changes including organization leadership and direction. Additionally, the finance team onboarded a new Chief Financial Officer who reorganized the team to focus the most senior level finance position on the entirety of the month-end close process. This transition took more time than was expected and was slowed by additional changes across the team. The change, also, identified skill gaps that will be addressed in short-term performance improvement plans to ensure that the appropriate qualifications exist in the appropriate finance positions. Management is confident that the items identified in this finding are not systemic but, more so, borne from the amount of change absorbed in this fiscal year.

Effective immediately, the finance team is reconciling intercompany accounts monthly and is utilizing an account dimension in the account string to identify and reconcile eliminations at the transaction level.