

**GREAT ASPIRATIONS
SCHOLARSHIP PROGRAM, INC.**

Compiled Financial Statements

**Years Ended
June 30, 2009 and 2008**

Owen & Company, PLC

Accounting • Tax • Consulting

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SCHOLARSHIP PROGRAM, INC.**

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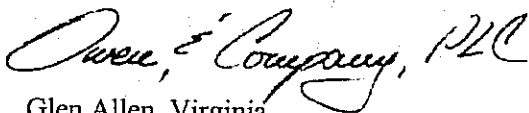
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Accountants' Compilation Report

To the Board of Directors
GREAT Aspirations Scholarship Program, Inc.
D/B/A GRASP
Glen Allen, Virginia 23060

We have compiled the accompanying statements of financial position of GREAT Aspirations Scholarship Program, Inc. (a non-profit corporation) as of June 30, 2009 and 2008, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



Glen Allen, Virginia
November 10, 2009

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF FINANCIAL POSITION

June 30,	ASSETS	2009	2008
Current assets			
Cash		\$ 45,631	\$ 30,909
Total current assets		<u>45,631</u>	<u>30,909</u>
Total assets		<u>\$ 45,631</u>	<u>\$ 30,909</u>
	LIABILITIES AND NET ASSETS		
Current liabilities			
Due to related parties		\$ -	\$ 8,495
Accrued consulting services		8,600	-
Accrued payroll taxes		-	2,373
Total current liabilities		<u>8,600</u>	<u>10,868</u>
Total liabilities		<u>8,600</u>	<u>10,868</u>
Net assets (deficit)			
Unrestricted		(6,069)	15,041
Temporarily restricted		43,100	5,000
Total net assets		<u>37,031</u>	<u>20,041</u>
Total liabilities and net assets		<u>\$ 45,631</u>	<u>\$ 30,909</u>

See accompanying notes and accountants' compilation report.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended June 30,	2009	2008
Unrestricted Net Assets		
Unrestricted Revenue		
Donated (in - kind) services	\$ 52,322	\$ 17,500
Donations	129,948	-
Fees earned scholarships	4,533	7,892
Library program fees	-	100
Miscellaneous income	2,049	100
College and Career Fair	853	-
Public school adoption fees	9,500	-
Public school advisor fees	42,500	27,500
Shopping Center Malls Coin Toss	1,248	876
Interest income	546	2,247
Total unrestricted revenue	243,499	56,215
Expenses		
Program services	231,073	67,520
Management and general support services	33,536	5,604
Total costs and expenses	264,609	73,124
Decrease in unrestricted net assets	(21,110)	(16,909)
Temporarily Restricted Net Assets		
Temporarily Restricted Revenue		
Donations for scholarships	38,100	5,000
Increase in temporarily restricted net assets	38,100	5,000
Increase (decrease) in net assets	16,990	(11,909)
Net assets, beginning of period	20,041	31,950
Net assets, end of period	\$ 37,031	\$ 20,041

See accompanying notes and accountants' compilation report.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30,	2009		2008	
	Program Services	Management and General	Program Services	Management and General
Expenses				
Advertising	\$ 52,322	\$ -	\$ 152	\$ -
Bank service charges	-	-	-	45
College and Career Fair expenses	606	-	-	-
Consulting administrative services	-	2,668	8,004	-
Dues and subscriptions	-	-	-	100
Fundraising expenses	20,297	-	-	-
Information technology services	11,755	-	-	-
Liability insurance	812	191	-	-
Miscellaneous	416	-	-	159
Office supplies and expenses	7,753	-	850	-
Salaries and wages	105,770	24,266	39,067	-
Payroll taxes	8,091	1,856	4,438	-
Postage and delivery	1,012	-	86	-
Professional fees	8,600	2,734	12,500	5,300
Rent	4,261	999	-	-
Scholarships	650	-	1,250	-
Taxes and licenses	-	160	150	-
Telephone	1,200	282	814	-
Travel	1,351	-	209	-
Training expenses	4,557	-	-	-
Tuition reimbursement	1,620	380	-	-
Total expenses	\$ 231,073	\$ 33,536	\$ 67,520	\$ 5,604

See accompanying notes and accountants' compilation report.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30,	2009	2008
Cash flows from operating activities		
Cash received from program activities	\$ 191,177	\$ 56,215
Cash paid to vendors and employees	(206,060)	(72,862)
Interest received	38,100	5,000
Net cash provided by (used in) operating activities	23,217	(11,647)
Cash flows from financing activities		
Advances (repayments) from related parties	(8,495)	8,495
Net cash provided by (used in) financing activities	(8,495)	8,495
Net increase (decrease) in cash and cash equivalents	14,722	(3,152)
Cash and cash equivalents, beginning of period	30,909	34,061
Cash and cash equivalents, end of period	\$ 45,631	\$ 30,909
Reconciliation of net income to net cash provided by (used in) operating activities		
Change in net assets	\$ 16,990	\$ (11,909)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Changes in:		
Accrued consulting services	8,600	-
Payroll taxes payable	(2,373)	262
	\$ 23,217	\$ (11,647)
Supplemental Information:		
Non-cash transactions:		
In kind donations	\$ 52,322	\$ 17,500

See accompanying notes and accountants' compilation report.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

NOTE 1 - Organization and Business

Great Aspirations Scholarship Program, Inc. ("GRASP") is a non-profit, 501(c)(3) tax exempt organization founded in 1983 to provide resources to students and families in need to access financial aid, scholarships, private financial support and counseling to encourage and maximize each student's educational opportunities. GRASP's mission is to increase the college attendance and the graduation rate, particularly among families without sufficient financial resources to accomplish such mission without GRASP's guidance and financial assistance. GRASP expects to accomplish its mission by assisting and advising students that are eligible for scholarships and financial aid with the development of an educational "game plan" after the completion of their high school education.

Services are provided at no cost to families and students and such services are financially supported principally by private donors, business sponsors, fees from managing private companies' scholarship plans, public schools and community fund raising activities, such as fountain coin toss locations in public malls and shopping centers.

Since its founding in 1983, GRASP, through its cadre of trained advisors visiting public schools and libraries weekly, has advised thousands of young people providing inspiration, motivation and direct assistance in the financial decisions accompanying post secondary education decisions. GRASP advisors also assist families with the completion of the Free Application for Student Aid, known as the FAFSA. During the fiscal years ended June 30, 2009 and 2008, GRASP advisors provided individual counseling services to 4,085 and 3,569 graduating seniors, respectively, in area high schools and public libraries, without charge to the students, leading to substantial amounts of financial aid (scholarships, grants and other financial aid packages) being awarded to the assisted students.

In addition to in-school and library advising to the students directly, GRASP manages scholarship plans for a number of businesses and community organizations, such as the Greater Richmond Urban League, which call upon GRASP, as an independent and objective advisor, to aid the companies and organizations in the selection and monitoring of scholarship recipients.

GRASP anticipates expanding its role materially in the future into two areas to take advantage of a Virginia tax credit program. The Virginia program provides significant tax benefits to Virginia private and business donors who support scholarships and other tuition assistance programs of (1) students and families of low to modest financial means and (2) provide scholastic assistance in developing post secondary academic and vocational plans for children with one or more disabilities as defined under the federal IDEA legislation. GRASP intends that more than 50% of college financial support will be provided to students and families with income at or below 180% of the recognized poverty level of income. In the case of financial assistance to families with children with disabilities, while the program is not means tested, the program is targeted at children in public schools in need of alternative services in private specialized schools.

During the fiscal year ending June 30, 2009, GRASP changed its legal name from Greater Richmond Area Scholarship Program, Inc. to Great Aspirations Scholarship Program, Inc.

NOTE 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

See accountants' compilation report.

NOTE 2 - Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation

The accompanying financial statements of GRASP have been prepared in accordance with Accounting Standards Codification ("ASC") 958-205-45, formerly Statement of Financial Accounting Standards Board ("FASB") No. 117, Financial Statements of Not-for-Profit Organizations. This Codification establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions as follows:

Unrestricted Net Assets – The unrestricted net assets represents net assets not subject to donor imposed restrictions, or stipulations and are available for current support of GRASP activities. As of June 30, 2009 and 2008, unrestricted net assets (deficit) amounted to (\$6,069) and \$15,041, respectively.

Temporarily Restricted Net Assets – Temporarily restricted net assets include planned giving and gifts that may have restrictions, as requested by the donors. Earnings on temporarily restricted net assets are reported as an increase in temporarily restricted net assets. When a restriction expires, (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as "released from restrictions". As of June 30, 2009 or 2008, temporarily restricted net assets amounted to \$43,100 and \$5,000, respectively.

Permanently Restricted Net Assets – Permanently restricted net assets consist of endowment fund assets to be held indefinitely. The income from the endowment fund assets can be used to support general activities and are to be reported on in the Statement of Activities. As of June 30, 2009 or 2008, there were no permanently restricted assets.

Cash and Cash Equivalents

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

Investments

GRASP follows ASC 958-320-50, formerly FASB No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under ASC 958-320-50, investments in marketable securities with readily determinable fair values and all investments in marketable debt securities are valued at their fair values. Unrealized gains and losses are included in the change in net assets. Donated securities are recorded at their estimated value at date of receipt.

Property and Equipment

Property and equipment are recorded at cost, or if donated, at fair market value at the time of the donation. Such donations are to be reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. It is management's policy to capitalize certain purchases and donations with a useful life greater than one year and a value greater than \$500. Depreciation is to be calculated using the straight-line method over an estimated useful life of five to ten years. As of June 30, 2009 or 2008, GRASP had no investment in property and equipment.

Credit Risk

Financial instruments which potentially subject GRASP to the concentration of credit risk consist of temporary cash investments. GRASP maintains its cash investments with high credit quality financial institutions and, by policy, reviews the amount of credit exposure to any one financial institution. At June 30, 2009 and 2008, GRASP maintained its cash with two financial institution. All cash maintained with these financial institutions did not exceed the federally established limits for deposit insurance with a single institution at June 30, 2009 and 2008. The scholarships managed for businesses generate fees for such services and are subject to cancellation by the sponsoring companies; public school support of activities are dependent on continued appropriation by local school boards for such purpose. Additionally, the anticipated use of future tax credits as incentives for increased private and business donations to GRASP's continued mission are subject to future legislative changes.

Income Taxes

GRASP is a Virginia nonprofit corporation, which is exempt from income taxes under Internal Revenue Code Section number 501(c)(3) and Commonwealth of Virginia Title 58; therefore, no provision for income taxes is required. GRASP qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1), of the Internal Revenue Service Code.

See accountants' compilation report.

NOTE 2 - Summary of Significant Accounting Policies (Continued)

Pledges Receivable and Donations

Donations are recognized when a donor makes a promise to give to GRASP that is, in substance, unconditional. Donations that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire during the current fiscal year in which the contributions are recognized. All other donor – restricted donations are reported as increases to temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

GRASP uses the allowance method to determine uncollectible unconditional pledges receivable. GRASP does not have any pledges receivable. The allowance will be based on management's analysis of specific promises made.

Donated (In Kind) Services

During the fiscal years ended June 30, 2009 and 2008, volunteers gave considerably of their time and expertise to GRASP in a wide variety of areas including committees; administrative, technical and financial advice; and office and public relations activities. The fair value of donated services during the fiscal year ended June 30, 2009 consisted of advertising with a fair value of \$52,322. The fair value of donated services during the fiscal year ended June 30, 2008 consisted of professional fees with a fair value of \$17,500. These amounts are reflected in the statements of activities as donated services revenue and advertising and professional fees expense in the amounts of \$52,322 and \$17,500, respectively, for the years ended June 30, 2009 and 2008, respectively. These services included advertising, accounting, tax and legal services.

Grants

Grants are recorded as expenses when they are approved by the Board of Directors or their designee and payment made. Conditional grant liabilities, which require certain performance on the part of the recipient prior to disbursement, may be granted from time to time as an incentive for performance by students who are beneficiaries of support.

Functional Expenses

GRASP allocates its expenses on a functional basis among its various program and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their expenditure classification. Other expenses that are common to several functions are allocated by services offered.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Advertising

Advertising costs are expensed as incurred, unless such costs are for future periods. Advertising costs amounted to \$52,322 and \$152 during the fiscal years ended June 30, 2009 and 2008, respectively. In kind donations in the amount of \$52,322 were provided for advertising services during the fiscal year ended June 30, 2009.

NOTE 3 - Restrictions on Net Assets

Substantially all of the restrictions on net assets at June 30, 2009 and 2008 are related to donations made by individuals, businesses and foundations to fund scholarships for the purpose of attending institutions of higher learning for qualifying students from certain low – income families. During the fiscal years ended June 30, 2009 and 2008, donations received for this purpose amounted to \$5,000 and \$38,100. Cumulative temporary restrictions on net assets that are available for the funding of scholarships at June 30, 2009 whose restriction has not been released is \$43,100.

See accountants' compilation report.

NOTE 4 - Pledges Receivables

Unconditional promises to give may be recognized as revenue in the period when made as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There were no unconditional promises as of June 30, 2009 or 2008.

NOTE 5 - Grants

Scholarships awarded during the years ended June 30, 2009 and 2008 were modest as GRASP invested available funds in direct student counseling and assistance with applying for and securing scholarships and other financial aid available from public and private sources.

During the years ended June 30, 2009 and 2008, GRASP served as an intermediary for individuals, private and public companies and received a modest fee for passing \$50,000 and \$34,000, respectively, though GRASP in the form of scholarships that were remitted to colleges and universities on behalf of selected students through the companies. During the years ended June 30, 2009 and 2008, additional GRASP's revenues supported another \$650 and \$1,250, respectively, generated for that purpose of funding scholarships. The remainder of generated revenues was invested primarily in the salaries of counselors and related payroll expenses to conduct weekly in-school and public library counseling directly to students.

NOTE 6 - Leases

GRASP leases its administrative offices under a noncancellable office sharing arrangement with other tenants. This lease is scheduled to expire on February 28, 2011. GRASP operates primarily in public schools. It is anticipated that office facilities will be leased in the near future to provide training, meeting and administrative space. Rent expense incurred during the fiscal year ended June 30, 2009 was \$5,260. Rent expense included allocated telephone, utilities, computer server and basic office supplies costs. Future minimum rentals under the noncancellable operating lease will be \$9,788 and \$6,525 for the fiscal years ended June 30, 2010 and 2011, respectively. The total remaining operating lease commitment at June 30, 2009 is \$16,313.

NOTE 7 - Affiliations

GRASP is not considered part of another organization and it is not a member of an affiliated group for tax reporting purposes

NOTE 8 - Related Parties

As mentioned in Note 1, GRASP is a participant in the Virginia Neighborhood Assistance Tax Credit program. A member of the Board of Directors of GRASP, who is an advocate of this tax credit program, is also a member of the Senate of Virginia. This Senator and a member of his staff have devoted substantial time with administrative services to successfully operate GRASP. Additionally, this Senator, through an entity for which he is a nonshareholder principal, has been involved with accounting, payroll tax filings and tax preparation services for GRASP.

As of June 30, 2008, GRASP owed \$8,495 to an organization for which the Senator has an affiliation for administrative consulting services of \$8,004 that had been provided by an employee of that organization and for other reimbursed expenses in the amount of \$491, respectively. The amount of \$8,495 is reflected in the balance sheet at June 30, 2008 under the caption of "due to related parties". The amount of \$8,004 is included in the statements of activities and changes in net assets under the caption of "consulting administrative services" that were incurred during the year ended June 30, 2008. Other reimbursed expenses in the amount of \$491 during the year ended June 30, 2008 have been included in the statement of activities and changes in net assets and are for office supplies and expenses in the amount of \$349, \$109 for travel costs and \$33 for miscellaneous meeting expenses. No amounts were paid or owed to this organization during the fiscal year ended June 30, 2009.

See accountants' compilation report.

NOTE 8 - Related Parties (Continued)

During the year ended June 30, 2008, GRASP incurred expenses that were donated as "in-kind" services by the certified public accounting firm for which the Senator was formerly a principal in the amount \$12,500 that was associated with accounting, payroll tax filings and tax preparation services in addition to other accounting consulting related matters. There were no such services rendered during the fiscal year ended June 30, 2009. As previously mentioned, due to GRASP's participation in Virginia's Neighborhood Assistance Tax Credit program, certain businesses and individuals may be entitled to a Virginia income tax credit for "in-kind" donated services provided once such credits are certified by the Virginia Department of Education and the Virginia Department of Taxation.

NOTE 9 - Future Prospects

The Commonwealth of Virginia has appropriated \$200,000 for GRASP to support its mission of scholastic assistance. The first installment of this appropriation in the amount of \$50,000 was received by GRASP in July 2009 to support scholarships paid on behalf of students. The remainder of the appropriation is expected to be received in installments over the period from September 2009 through June 2010. The GRASP Executive Committee has directed that such future appropriation payments from the Commonwealth of Virginia be deposited and maintained in a money market account that is temporarily restricted to meet any future scholarships that may be awarded by GRASP. Such scholarships awarded are expected to be primarily to students with family incomes at or below 180% of poverty.

Additionally, during July 2009, temporary restrictions in the amount of \$30,150 were awarded as scholarships to needy students and removed from the \$38,100 in temporary restricted donations that were received during fiscal year 2009.

NOTE 10 - Contingencies

GRASP is not currently a party to any litigation or claims arising in the normal course of business. The Board of Directors, after consultation with legal counsel, believes that the liabilities, if any, arising from any litigation and claims will not be material to GRASP's financial position.

See accountants' compilation report.