

**GREAT ASPIRATIONS
SCHOLARSHIP PROGRAM, INC.**

Compiled Financial Statements

**Years Ended
June 30, 2010 and 2009**

Owen & Company, PLC

*Certified Public Accountants
Accounting • Tax • Consulting*

4551 Cox Road, Suite 110 Office: (804) 527-7705
Richmond, Virginia 23060-6740 Fax: (804) 864-3660
E-mail: towen@owenco.com

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

Contents

	Page
Accountants' Compilation Report	1
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6-10

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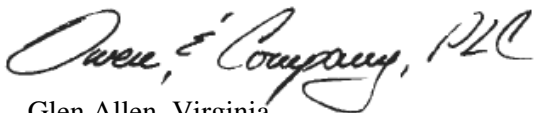
Certified Public Accountants
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Accountants' Compilation Report

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, 2010 and 2009, 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 5, 2010

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF FINANCIAL POSITION

June 30,	2010	2009
ASSETS		
Current assets		
Cash	\$ 510,970	\$ 45,631
Grant receivable	18,427	-
Total current assets	529,397	45,631
Total assets	\$ 529,397	\$ 45,631
LIABILITIES AND NET ASSETS		
Current liabilities		
Due to related parties	\$ 500	\$ -
Accrued consulting services	-	8,600
Total current liabilities	500	8,600
Total liabilities	500	8,600
Net assets (deficit)		
Unrestricted	272,291	(6,069)
Temporarily restricted	256,606	43,100
Total net assets	528,897	37,031
Total liabilities and net assets	\$ 529,397	\$ 45,631

See accompanying notes and accountants' compilation report.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended June 30,	2010	2009
Unrestricted Net Assets		
Unrestricted Revenue		
Angel Emergency Fund	\$ 1,606	\$ -
Donated (in - kind) services	11,950	52,322
Donations	210,939	129,948
Fees earned scholarships	12,061	4,533
Miscellaneous income	250	2,049
College and career fair	-	853
Public school adoption fees	26,250	9,500
Public school advisor fees	51,250	42,500
Reach for the Stars Event	13,264	-
State Council Higher of Education for Virginia grant	49,988	-
Shopping Center Malls Coin Toss	-	1,248
Commonwealth of Virginia	225,000	-
Interest income	1,168	546
Total unrestricted revenue	603,726	243,499
Expenses		
Program services	265,130	231,073
Management and general support services	60,236	33,536
Total costs and expenses	325,366	264,609
Increase (decrease) in unrestricted net assets	278,360	(21,110)
Temporarily Restricted Net Assets		
Temporarily Restricted Revenue		
Donations for scholarships	213,506	38,100
Increase in temporarily restricted net assets	213,506	38,100
Increase in net assets	491,866	16,990
Net assets, beginning of period	37,031	20,041
Net assets, end of period	\$ 528,897	\$ 37,031

See accompanying notes and accountants' compilation report.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.**STATEMENTS OF FUNCTIONAL EXPENSES**

Years Ended June 30,	2010		2009	
	Program Services	Management and General	Program Services	Management and General
Expenses				
Administrative consulting services	\$ 861	\$ -	\$ -	\$ -
Advertising	-	-	52,322	-
Background checks	520	-	-	-
Bank service charges	28	-	-	-
Broker fees on securities donated	360	-	-	-
College and Career Fair expenses	(367)	-	606	-
Consulting administrative services	-	-	-	2,668
Fundraising expenses	6,707	-	20,297	-
Information technology services	12,459	-	11,755	-
Liability insurance	1,630	515	812	191
Miscellaneous	4,084	-	416	-
Office supplies and expenses	10,658	-	7,753	-
Salaries and wages	153,735	48,133	105,770	24,266
Payroll taxes	11,737	3,707	8,091	1,856
Postage and delivery	1,568	-	1,012	-
Professional fees	9,234	2,916	8,600	2,734
Rent	9,711	3,067	4,261	999
Scholarships	30,400	-	650	-
Taxes and licenses	-	755	-	160
Telephone	1,339	423	1,200	282
Travel	1,972	-	1,351	-
Training expenses	6,214	-	4,557	-
Tuition reimbursement	2,280	720	1,620	380
Total expenses	\$ 265,130	\$ 60,236	\$ 231,073	\$ 33,536

See accompanying notes and accountants' compilation report.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30,	2010	2009
Cash flows from operating activities		
Cash received from program activities	\$ 572,181	\$ 190,631
Cash received temporarily restricted donations	213,506	38,100
Cash paid to vendors and employees	(322,016)	(206,060)
Interest received	1,168	546
Net cash provided by operating activities	464,839	23,217
Cash flows from financing activities		
Advances (repayments) from related parties	500	(8,495)
Net cash provided by (used in) financing activities	500	(8,495)
Net increase in cash and cash equivalents	465,339	14,722
Cash and cash equivalents, beginning of period	45,631	30,909
Cash and cash equivalents, end of period	\$ 510,970	\$ 45,631
Reconciliation of net income to net cash provided by (used in) operating activities		
Change in net assets	\$ 491,866	\$ 16,990
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Changes in:		
Grants receivable	(18,427)	-
Accrued consulting services	(8,600)	8,600
Payroll taxes payable	-	(2,373)
	\$ 464,839	\$ 23,217
Supplemental Information:		
Non-cash transactions:		
In kind donations	\$ 11,950	\$ 52,322

See accompanying notes and accountants' compilation report.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010 and 2009

NOTE 1 - Organization and Business

GGreat 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 students and their families with scholarship and financial aid opportunities and with the development of an educational plan for implementation 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 Commonwealth of Virginia and related agency grants, private donors, business sponsors, grants from private foundations, fees from managing private companies’ scholarship plans, public schools and community fund raising activities.

Since its founding in 1983, GRASP, through its cadre of trained advisors visiting public schools and other venues at least weekly, has advised thousands of young people providing inspiration, motivation and direct assistance in the financial aid decisions accompanying post secondary education. 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, 2010 and 2009, GRASP advisors provided individual counseling services to 3,700 and 4,085 graduating seniors, respectively, in area high schools and other venues, without charge to the students, leading to substantial amounts of financial aid (scholarships, grants, loans and other financial aid packages) being awarded to the assisted students. GRASP assisted students with obtaining approximately \$37 million in financial aid and scholarships during the fiscal year ended June 30, 2010.

In addition to in-school 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 due to demand and 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 and young adults in need of alternative educational and job training services.

During the fiscal year ending June 30, 2009, GRASP changed its legal name from Greater Richmond Area Scholarship Program, Inc. to GGreat 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, 2010 and 2009, unrestricted net assets (deficit) amounted to \$272,291 and (\$6,069), 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, 2010 or 2009, temporarily restricted net assets amounted to \$256,606 and \$43,100, 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, 2010 or 2009, 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, 2010 or 2009, 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. On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act permanently raised the current standard maximum FDIC deposit insurance limit to \$250,000. At June 30, 2010 and 2009, GRASP maintained its cash with one and two financial institutions, respectively. At June 30, 2010, the amount of cash maintained by GRASP with its only financial institution exceeded federally established limits by \$260,970. At June 30, 2009, all cash maintained by GRASP with its financial institutions did not exceed the federally established limits for deposit insurance.

The scholarships managed for businesses generate fees for such services and are subject to cancellation by the sponsoring companies; public school and state support of activities are dependent on continued appropriation by the respective governing organizations for such purpose. Additionally, the anticipated use of future tax credits as incentives for increased private and business donations to GRASP's continued mission are subject to future legislative changes.

See accountants' compilation report.

NOTE 2 - Summary of Significant Accounting Policies (Continued)

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.

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, 2010 and 2009, 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, 2010 consisted of professional fees with a fair value of \$11,950. The fair value of donated services during the fiscal year ended June 30, 2009 consisted of advertising with a fair value of \$52,322. These amounts are included in the statements of activities and functional expenses as donated services revenue and professional fees and advertising expenses in the amounts of \$11,950 and \$52,322, respectively, for the years ended June 30, 2010 and 2009, respectively. These services included accounting, tax, legal and advertising 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. There were no advertising costs incurred during the fiscal year ended June 30, 2010. Advertising costs amounted to \$52,322 during the fiscal year ended June 30, 2009. In kind donations in the amount of \$52,322 were provided for advertising services during the fiscal year ended June 30, 2009.

See accountants' compilation report.

NOTE 3 - Restrictions on Net Assets

Substantially all of the restrictions on net assets at June 30, 2010 and 2009 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, 2010 and 2009, donations received for this purpose amounted to \$213,506 and \$38,100. Cumulative temporary restrictions on net assets that are available for the funding of scholarships at June 30, 2010 whose restriction has not been released is \$256,606.

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, 2010 or 2009.

NOTE 5 - Grants

Scholarships awarded during the year ended June 30, 2010 were \$30,400, as compared with \$650 for the same period a year earlier. Scholarships awarded during the year ended June 30, 2009 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. GRASP was able to secure substantially greater access to donors and grant funds that would have a more meaningful impact on the Program’s mission during the fiscal year ended June 30, 2010 than in earlier periods.

During the years ended June 30, 2010 and 2009, GRASP served as an intermediary for individuals, private and public companies and received a modest fee for passing \$43,825 and \$50,000, 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, 2010 and 2009, additional GRASP’s revenues supported another \$30,400 and \$650, 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.

During the fiscal year ended June 30, 2010, the Commonwealth of Virginia awarded \$225,000 in grants to be used for in-school advisor services and scholarships by GRASP. At June 30, 2010, these awards are included in a money market checking account of \$248,166 designated for these funds to be used for scholarships to be awarded in future years and other education services.

The State Council of Higher Education for Virginia awarded \$49,988 in grants to be used to support in-school advisor services, particularly for students from low income families, and for scholarships by GRASP. At June 30, 2010, these awards are included in a money market checking account of \$248,166 designated for these funds to be used for advisor program costs and scholarships to be awarded in future years and \$18,427 is an outstanding receivable that was received in September 2010.

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 and has no central office or leased space. 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, 2010 and 2009 was \$12,778 and \$5,260, respectively. Rent expense included allocated telephone, utilities, computer server and basic office supplies costs. Future minimum rentals under the noncancellable operating lease will be \$8,752 for the fiscal years ended June 30, 2011. The total remaining operating lease commitment at June 30, 2010 is \$8,752.

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

See accountants’ compilation report.

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. The Senator has devoted substantial volunteer time with administrative services to successfully operate GRASP. Additionally, the 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.

During the year ended June 30, 2010, 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 \$6,950 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.

Also during the year ended June 30, 2010, GRASP held an event known as “Reach for the Stars”. A spouse of a director contributed \$500 toward a raffle for this event on behalf of an unrelated third party for which it was subsequently learned could not be honored. As a result, GRASP decided to refund the raffle proceeds.

NOTE 9 - 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.

NOTE 10 - Subsequent Events and Future Prospects

Management has evaluated the Program’s financial statements for events and transactions (through the date of issuance of its financial statements on November 10, 2010) that provide additional evidence about conditions that existed at June 30, 2010, including the estimates inherent in the process of preparing financial statements (recognized subsequent events), as well as events and transactions that provide evidence about conditions that did not exist at June 30, 2010 but arose subsequent to that date (nonrecognized subsequent events).

The Commonwealth of Virginia has appropriated an additional \$212,500 for GRASP to support its mission of scholastic assistance for its fiscal year ending in June 2011. During its 2011 fiscal year, GRASP is expected to also receive an additional \$150,000 from the State Council of Higher Education for Virginia. These appropriations are expected to be received in installments over the period from December 2010 through June 2011. 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 and to support GRASP’s in-school advisor program. At June 30, 2010, the amounts held in temporarily restricted cash was \$324,172. Scholarships awarded from these funds after July 1, 2010 are expected to be primarily to students with family incomes at or below 200% of poverty.

Additionally, during July 2010 and 2009, temporary restrictions in the amount of \$57,750 and \$30,150 were awarded as scholarships to needy students and removed from the \$213,506 and \$38,100 in temporary restricted donations that were received during fiscal years 2010 and 2009, respectively.

See accountants’ compilation report.