

**GREAT ASPIRATIONS
SCHOLARSHIP PROGRAM, INC.**

Compiled Financial Statements

**Years Ended
June 30, 2011 and 2010**

Owen & Company, PLC

*Certified Public Accountants
Accounting • Tax • Consulting*

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GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

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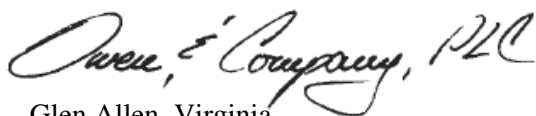
Independent Accountants' Compilation Report

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, 2011 and 2010, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.



Glen Allen, Virginia
November 9, 2011

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF FINANCIAL POSITION

| June 30, | 2011 | 2010 |
|---|-------------------|-------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 768,427 | \$ 510,970 |
| Grant receivable | 13,165 | 18,427 |
| Total current assets | 781,592 | 529,397 |
| Property and equipment | | |
| Office equipment | 7,907 | - |
| Accumulated depreciation | (930) | - |
| Property and equipment, net | 6,977 | - |
| Total assets | \$ 788,569 | \$ 529,397 |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Due to related parties | \$ - | \$ 500 |
| Total current liabilities | - | 500 |
| Total liabilities | - | 500 |
| Net assets | | |
| Unrestricted | 410,392 | 272,291 |
| Temporarily restricted | 378,177 | 256,606 |
| Total net assets | 788,569 | 528,897 |
| Total liabilities and net assets | \$ 788,569 | \$ 529,397 |

See accompanying notes and independent accountants' compilation report.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

| Years Ended June 30, | 2011 | 2010 |
|--|-------------------|-------------------|
| Unrestricted Net Assets | | |
| Unrestricted Revenue | | |
| Angel Emergency Fund | \$ - | \$ 1,606 |
| Donated (in - kind) services | 18,750 | 11,950 |
| Donations | 158,034 | 210,939 |
| Fees earned scholarships | 16,343 | 12,061 |
| Miscellaneous income | 11 | 250 |
| Public school adoption fees | 31,500 | 26,250 |
| Public school advisor fees | 51,000 | 51,250 |
| Reach for the Stars Event | 8,483 | 35,728 |
| State Council of Higher Education for Virginia grant | 150,419 | 49,988 |
| SOAR Virginia | 35,954 | - |
| Commonwealth of Virginia | 212,500 | 225,000 |
| Interest income | 1,455 | 1,168 |
| Total unrestricted revenue | 684,449 | 626,190 |
| Expenses | | |
| Program services | 436,208 | 287,594 |
| Management and general support services | 110,140 | 60,236 |
| Total costs and expenses | 546,348 | 347,830 |
| Increase in unrestricted net assets | 138,101 | 278,360 |
| Temporarily Restricted Net Assets | | |
| Temporarily Restricted Revenue | | |
| Donations for scholarships | 121,571 | 213,506 |
| Increase in temporarily restricted net assets | 121,571 | 213,506 |
| Increase in net assets | 259,672 | 491,866 |
| Net assets, beginning of period | 528,897 | 37,031 |
| Net assets, end of period | \$ 788,569 | \$ 528,897 |

See accompanying notes and independent accountants' compilation report.

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

| Years Ended June 30, | 2011 | | 2010 | |
|---|-------------------------|-------------------------------|-------------------------|-------------------------------|
| | Program Services | Management and General | Program Services | Management and General |
| Expenses | | | | |
| Administrative consulting services | \$ - | \$ 515 | \$ 861 | \$ - |
| Background checks | 460 | - | 520 | - |
| Bank service charges | 95 | - | 28 | - |
| Broker fees on securities donated | - | - | 360 | - |
| College and Career Fair expenses | - | - | (367) | - |
| Costs associated with Reach for the Stars | 10,926 | - | 22,464 | - |
| Depreciation | 930 | - | - | - |
| Fundraising expenses | 4,742 | - | 6,707 | - |
| Information technology services | 4,222 | - | 12,459 | - |
| Liability insurance | 1,407 | 662 | 1,630 | 515 |
| Miscellaneous | 5,426 | - | 4,084 | - |
| Office supplies and expenses | 15,974 | - | 10,658 | - |
| Salaries and wages | 191,107 | 89,882 | 153,735 | 48,133 |
| Payroll taxes | 14,620 | 6,876 | 11,737 | 3,707 |
| Postage and delivery | 1,235 | - | 1,568 | - |
| Professional fees | 14,038 | 6,602 | 9,234 | 2,916 |
| Rent | 8,190 | 3,852 | 9,711 | 3,067 |
| SCHEV grant expenses | 6,282 | - | - | - |
| Scholarships | 143,426 | - | 30,400 | - |
| Scholarships 2+2 | 1,500 | - | - | - |
| SOAR project expenses, excluding payroll | 1,803 | - | - | - |
| Taxes and licenses | - | 366 | - | 755 |
| Telephone | 2,248 | 1,057 | 1,339 | 423 |
| Travel | 3,648 | - | 1,972 | - |
| Training expenses | 3,231 | - | 6,214 | - |
| Tuition reimbursement | - | - | 2,280 | 720 |
| Workers' compensation insurance | 698 | 328 | - | - |
| Total expenses | \$ 436,208 | \$ 110,140 | \$ 287,594 | \$ 60,236 |

See accompanying notes and independent accountants' compilation report.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

STATEMENTS OF CASH FLOWS

| Years Ended June 30, | 2011 | 2010 |
|---|-------------------|-------------------|
| Cash flows from operating activities | | |
| Cash received from program activities | \$ 669,506 | \$ 594,645 |
| Cash received temporarily restricted donations | 121,571 | 213,506 |
| Cash paid to vendors and employees, including scholarships | (526,668) | (344,480) |
| Interest received | 1,455 | 1,168 |
| Net cash provided by operating activities | 265,864 | 464,839 |
| Cash flows from investing activities | | |
| Purchase of office equipment | (7,907) | - |
| Net cash used in investing activities | (7,907) | - |
| Cash flows from financing activities | | |
| Advances (repayments) from related parties | (500) | 500 |
| Net cash provided by (used in) financing activities | (500) | 500 |
| Net increase in cash and cash equivalents | 257,457 | 465,339 |
| Cash and cash equivalents, beginning of period | 510,970 | 45,631 |
| Cash and cash equivalents, end of period | \$ 768,427 | \$ 510,970 |
| Reconciliation of net income to net cash provided by (used in) operating activities | | |
| Change in net assets | \$ 259,672 | \$ 491,866 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation | 930 | - |
| Changes in: | | |
| Grants receivable | 5,262 | (18,427) |
| Accrued consulting services | - | (8,600) |
| | \$ 265,864 | \$ 464,839 |
| Supplemental Information: | | |
| Non-cash transactions: | | |
| In kind donations | \$ 18,750 | \$ 11,950 |

See accompanying notes and independent accountants' compilation report.

GREAT ASPIRATIONS SCHOLARSHIP PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011 and 2010

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, 2011 and 2010, GRASP advisors provided individual counseling services to 5,000 and 3,700 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 \$52 million and \$37 million in financial aid and scholarships during the fiscal years ended June 30, 2011 and 2010, respectively.

During the 2010-2011 school year, GRASP expanded its reach to the Central Blue Ridge area of Virginia, thus putting GRASP financial aid advisors as far east as Charles City County and as far west as Highland County. Within this area, GRASP covered 55 schools and venues.

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 West Richmond Kiwanis Club, 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 200% of the recognized poverty level of income.

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 independent 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, 2011 and 2010, unrestricted net assets amounted to \$410,392 and \$272,291, 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, 2011 or 2010, temporarily restricted net assets amounted to \$378,177 and \$256,606, 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, 2011 or 2010, 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.

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.

Effective December 31, 2010 through December 31, 2012, all funds in noninterest-bearing transaction accounts held at insured depository institutions (“IDIs”) will be fully insured under the Dodd-Frank Deposit Insurance Provision. A “noninterest-bearing transaction account” is defined as an account (1) with respect to which interest is neither accrued nor paid; (2) on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone or other electronic media transfers, or other similar items for the purpose of making payments or transfers to third parties or others; and (3) on which the IDI does not reserve the right to require advance notice of an intended withdrawal. Therefore, all funds in a “noninterest-bearing transaction account” are insured in full by the Federal Deposit Insurance Corporation from December 31, 2010, through December 31, 2012. This temporary unlimited coverage is in addition to, and separate from, the coverage of at least \$250,000 available to depositors under the FDIC’s general deposit insurance rules.

See independent accountants’ compilation report.

NOTE 2 - Summary of Significant Accounting Policies (Continued)

Credit Risk (Continued)

The term “noninterest-bearing transaction account” includes a traditional checking account or demand deposit account on which the insured depository institution pays no interest. It does *not* include other accounts, such as traditional checking or demand deposit accounts that may earn interest, NOW accounts and money-market deposit accounts.

At June 30, 2011 and 2010, GRASP maintained its cash with a single financial institution. At June 30, 2011, the amount of interest – bearing cash maintained by GRASP with its financial institution exceeded federally established limits by \$481,155. At June 30, 2010, the amount of cash maintained by GRASP with its only financial institution exceeded federally established limits by \$260,970.

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.

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, 2011 and 2010, 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, 2011 and June 30, 2010 consisted of professional fees with a fair value of \$18,750 and \$11,950, respectively. These amounts are reflected in the statements of activities as donated services revenue and professional fees expense in the amounts of \$18,750 and \$11,950, respectively, for the years ended June 30, 2011 and 2010. These services included accounting and tax 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.

NOTE 2 - Summary of Significant Accounting Policies (Continued)

See independent accountants’ compilation report.

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, 2011 or 2010.

NOTE 3 - Restrictions on Net Assets

Substantially all of the restrictions on net assets at June 30, 2011 and 2010 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, 2011 and 2010, donations received for this purpose amounted to \$121,571 and \$213,506. Cumulative temporary restrictions on net assets that are available for the funding of scholarships at June 30, 2011 whose restriction has not been released is \$378,177.

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 2011 or 2010.

NOTE 5 - Grants

Scholarships awarded during the year ended June 30, 2011 were \$144,926, as compared with \$30,400 for the same period a year earlier. Scholarships awarded during the year ended June 30, 2010 were modest in comparison with the 2011 fiscal year as GRASP continued to invest 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, 2011 than in earlier periods.

During the years ended June 30, 2011 and 2010, GRASP served as an intermediary for individuals, private and public companies and received a modest fee for managing the scholarship process in the amount of \$25,848 and \$43,825, respectively. GRASP, as intermediary, managed scholarships that were then remitted to colleges and universities on behalf of selected students. During the years ended June 30, 2011 and 2010, additional GRASP's revenues supported \$113,029 and \$30,400, respectively, generated for the 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 years ended June 30, 2011 and 2010, the Commonwealth of Virginia awarded \$212,500 and \$225,000, respectively, in grants to be used for in-school advisor services and scholarships by GRASP.

The State Council of Higher Education for Virginia awarded \$150,419 and \$49,988 for the fiscal years ended June 30, 2011 and 2010, respectively, 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, 2011 and 2010, these awards are included in a money market checking account in the amount of \$573,169 and \$248,166, respectively, 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 at June 30, 2010 that was received in September 2010.

See independent accountants' compilation report.

NOTE 5 - Grants (Continued)

During its fiscal year ending June 30, 2011, GRASP entered into an agreement with the Virginia College Savings Plan, an independent agency of the Commonwealth of Virginia, to promote and administer SOAR Virginia at participating Virginia high schools.

SOAR Virginia is an early commitment scholarship program created to inspire and assist high school students to reach their post-secondary education goals. To participate, eligible students pledge to meet program requirements. In return, participating students receive a range of assistance and accumulate scholarship support of up to \$2,000 to apply toward their post-secondary education expenses.

SOAR Virginia is a unique program created by the Virginia College Savings Plan to further its mission to make college more affordable and accessible to all Virginians. The Program is currently in pilot in the Central Virginia area and Highland County

GRASP was reimbursed \$35,954 by SOAR Virginia for the fiscal year ended June 30, 2011 for the implementation and administration of SOAR Virginia in participating high schools to support eligible students that meet certain program requirements. Of this amount, \$12,250 is an outstanding receivable at June 30, 2011.

NOTE 6 - Leases

GRASP subleases its administrative offices under a noncancellable office sharing arrangement with other tenants. Lease payments are made to the accounting firm mentioned below in “related parties” for which the Chairman of the Board was formerly a principal. This lease is scheduled to expire on February 28, 2014. 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.

Future minimum lease payments under noncancellable operating leases at June 30, 2011 are as follows:

| | <u>June 30,</u> |
|------|------------------|
| 2012 | \$ 13,140 |
| 2013 | 13,140 |
| 2014 | 8,760 |
| | <u>\$ 35,040</u> |

Rent expense incurred during the fiscal year ended June 30, 2011 and 2010 was \$12,042 and \$12,778, respectively. Rent expense included allocated telephone, utilities, computer server and basic office supplies costs.

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. The Senator has devoted substantial volunteer time with administrative services to successfully operate GRASP. Additionally, the Senator, through an entity from which he is a retired nonshareholder principal, has been involved with accounting, payroll tax filings and tax preparation services for GRASP.

During the year ended June 30, 2011 and 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 \$9,225 and \$6,950 that was associated with accounting, payroll tax filings and tax preparation services in addition to other accounting consulting related matters. 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.

See independent accountants’ compilation report.

NOTE 8 - Related Parties (Continued)

Additionally, as described above under “leases”, lease payments are made to the accounting firm mentioned above in “related parties”.

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 15, 2011) that provide additional evidence about conditions that existed at June 30, 2011, 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, 2011 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 2012. During its 2012 fiscal year, GRASP is expected to also receive approximately \$150,000 from the State Council of Higher Education for Virginia. These amounts are expected to be received in installments during the next fiscal year. 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. At June 30, 2011, the amounts held in temporarily restricted cash was \$573,169. Scholarships awarded from these funds after July 1, 2011 are expected to be primarily to students with family incomes at or below 200% of poverty.

See independent accountants’ compilation report.