

COMPASS WORKING CAPITAL, INC.

FINANCIAL STATEMENTS

with

INDEPENDENT AUDITORS' REPORT

YEAR ENDED AUGUST 31, 2010

**Smith  Sullivan
& Company PC**

CERTIFIED PUBLIC ACCOUNTANTS

80 Flanders Road, Suite 200, Westborough, Massachusetts 01581
Tel: 508.871.7178 Fax: 508.871.7179 www.smithsullivancpa.com

COMPASS WORKING CAPITAL, INC.
REPORT ON FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2010

Mission Statement

Compass Working Capital, Inc. (“Compass”) provides incentive-based savings and financial coaching programs that enable low-income families to access opportunities, build assets, and achieve their financial aspirations. More broadly, Compass seeks to catalyze and expand asset building opportunities for low-income families by sharing innovative, replicable ideas that help place families on the pathway to economic security.


COMPASS WORKING CAPITAL, INC.
REPORT ON FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2010

C O N T E N T S

	<i>Pages</i>
Independent Auditors' Report.....	1
Statement of Financial Position as of August 31, 2010.....	2
Statement of Activities for the Year Ended August 31, 2010.....	3
Statement of Functional Expenses for the Year Ended August 31, 2010.....	4
Statement of Cash Flows for the Year Ended August 31, 2010.....	5
Notes to Financial Statements.....	6 - 12

Smith Sullivan & Company PC

CERTIFIED PUBLIC ACCOUNTANTS

80 Flanders Road, Suite 200  Westborough, Massachusetts 01581
Tel: 508.871.7178 Fax: 508.871.7179 www.smithsullivancpa.com

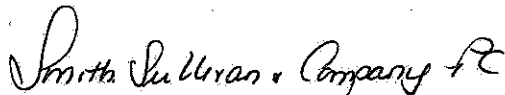
INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Compass Working Capital, Inc.
Boston, Massachusetts

We have audited the accompanying statement of financial position of Compass Working Capital, Inc. (a Massachusetts nonprofit organization) as of August 31, 2010 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based upon our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Compass Working Capital, Inc. as of August 31, 2010 and the changes in their net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Westborough, Massachusetts
June 22, 2011

COMPASS WORKING CAPITAL, INC.

STATEMENT OF FINANCIAL POSITION AS OF AUGUST 31, 2010

ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	\$ 124,723
Accounts Receivable, Program Services	27,396
Grant Receivable (Notes 3 and 8)	300,368
Contributions Receivable	6,854
Advances on Behalf of Participants	14,380
Prepaid Expenses and Deposits	<u>655</u>
Total Current Assets	<u>474,376</u>

PROPERTY AND EQUIPMENT: (Note 3)

Equipment and Software	13,149
Less: Accumulated Depreciation	<u>(7,899)</u>
Net Property and Equipment	<u>5,250</u>

NON-CURRENT ASSETS:

Non-Current Grant Receivable (Notes 3, 7 and 8)	<u>152,426</u>
---	----------------

TOTAL ASSETS

\$ 632,052

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accrued Expenses	\$ 12,525
Accrued IDA Program Matching Funds (Note 3)	117,461
Deferred Revenue	<u>43,763</u>
Total Current Liabilities	<u>173,749</u>

NET ASSETS:

Unrestricted Net Assets (Deficit)	(7,387)
Temporarily Restricted Net Assets (Note 4)	<u>465,690</u>
Total Net Assets	<u>458,303</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 632,052

COMPASS WORKING CAPITAL, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2010

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL ACTIVITIES</u>
<u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u>			
<i>Program Service Revenues:</i>			
Financial Coaching, Training and Consultation Fees	\$ 56,248	\$ -	\$ 56,248
Total Program Service Revenues	56,248	-	56,248
<i>Public Support:</i>			
Contributions, Foundation and Corporate Grants <i>(Note 8)</i>	149,916	472,794	622,710
Special Event Revenue, Net of Direct Costs <i>(Note 9)</i>	887	-	887
Government Grants	17,367	-	17,367
In-Kind Goods and Services <i>(Note 5)</i>	76,887	-	76,887
Total Public Support	245,057	472,794	717,851
<i>Other Revenues:</i>			
Interest Income	252	-	252
Total Other Revenues	252	-	252
<i>Reclassification of Net Assets:</i>			
Net Assets Released from Restriction <i>(Note 4)</i>	14,533	(14,533)	-
<u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u>	316,090	458,261	774,351
<u>FUNCTIONAL EXPENSES:</u>			
Program Services	261,065	-	261,065
Administrative	52,323	-	52,323
Fund Raising	15,173	-	15,173
<u>TOTAL FUNCTIONAL EXPENSES</u>	328,561	-	328,561
<u>CHANGE IN NET ASSETS</u>	(12,471)	458,261	445,790
<u>NET ASSETS - BEGINNING OF YEAR</u>	5,084	7,429	12,513
<u>NET ASSETS (DEFICIT) - END OF YEAR</u>	\$ (7,387)	\$ 465,690	\$ 458,303

COMPASS WORKING CAPITAL, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2010

	<u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>TOTAL</u> <u>FUNCTIONAL</u> <u>EXPENSES</u>
Salaries and Wages	\$ 88,404	\$ 13,732	\$ -	\$ 102,136
In-Kind Salaries <i>(Note 5)</i>	31,435	4,491	8,981	44,907
Payroll Taxes	6,705	1,043	-	7,748
Employee Benefits	11,235	1,718	-	12,953
Staff Recruitment, Development and Training	-	95	-	95
Matching Funds for IDA Program Participants <i>(Note 2)</i>	53,800	-	-	53,800
Program and Participant Incentives	8,600	-	-	8,600
Reimbursable Participant Expenses	820	-	-	820
Rent <i>(Note 6)</i>	15,175	1,897	1,897	18,969
Insurance	772	96	96	964
Marketing	2,475	-	3,075	5,550
Depreciation <i>(Note 3)</i>	5,082	458	458	5,998
Conferences, Meetings and Events	236	1,695	-	1,931
Accounting and Auditing	-	15,603	-	15,603
In-Kind Professional Fees <i>(Note 5)</i>	26,624	5,356	-	31,980
Other Professional Fees	778	-	-	778
Program Supplies and Materials	2,436	-	118	2,554
Office Supplies and Expenses	416	1,185	160	1,761
Telecommunications	5,895	1,116	388	7,399
Postage	177	356	-	533
Bank, Payroll and Filing Fees	-	2,780	-	2,780
Miscellaneous	-	702	-	702
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Functional Expenses	<u>\$ 261,065</u>	<u>\$ 52,323</u>	<u>\$ 15,173</u>	<u>\$ 328,561</u>

COMPASS WORKING CAPITAL, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets \$ 445,790

*Adjustments to Reconcile the Above to Net Cash
(Used) by Operating Activities:*

Depreciation	5,998
<i>(Increase) Decrease in Current Assets:</i>	
Accounts Receivable, Program Services	(16,384)
Grant Receivable	(296,368)
Contributions Receivable	13,260
Advances on Behalf of Participants	(820)
Prepaid Expenses and Deposits	(495)
<i>Increase (Decrease) in Current Liabilities:</i>	
Accounts Payable	(1,500)
Accrued Expenses	10,376
Accrued IDA Program Matching Funds	949
Deferred Revenue	(17,367)
<i>(Increase) Decrease in Non-Current Assets:</i>	
Non-Current Grant Receivable	<u>(152,426)</u>
Net Adjustment	<u>(454,777)</u>

NET CASH (USED) BY OPERATING ACTIVITIES **(8,987)**

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Software (1,999)

NET (DECREASE) IN CASH AND CASH EQUIVALENTS **(10,986)**

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR **135,709**

CASH AND CASH EQUIVALENTS - END OF YEAR **\$ 124,723**

Supplemental Disclosures :

Interest and Finance Charges Paid \$ -

Income Taxes Paid \$ -

COMPASS WORKING CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

NOTE 1 ORGANIZATION

Compass Working Capital, Inc. (“Compass” or the “Organization”) was incorporated on December 30, 2005 under the provisions of Massachusetts General Laws Chapter 180 and qualifies as a tax-exempt not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code. Compass Working Capital, Inc. has been classified as an organization which is not a private foundation under IRC Section 509(a); accordingly, contributions made to this Organization qualify for the maximum charitable deduction for federal income tax purposes.

NOTE 2 PROGRAM SERVICES

Compass Working Capital, Inc. provides incentive-based savings and financial coaching programs that help low-income families access opportunities, build assets, and achieve their financial aspirations. More broadly, Compass seeks to catalyze and expand asset-building opportunities for low-income families by sharing innovative, replicable ideas that help place families on the pathway to economic security. Compass’ work builds on the principles of a national asset development field which has demonstrated that asset ownership reduces the intergenerational transfer of poverty, stabilizes families and neighborhoods, and enhances children’s educational achievement.

Expanding and strengthening its core Individual Development Account (IDA) program has been the focus of the Organization’s efforts over the last five years. Building on this successful first IDA product, Compass has analyzed growth opportunities and recently launched new programs that would enable it to promote asset building more broadly for working poor families. Key program services are summarized below:

Individual Development Account (IDA) Program:

Compass’ IDA program provides financial education, financial coaching, and matched savings accounts for working, low-income parents to help them save toward homeownership, small business development, or post-secondary education. Participants commit to a monthly savings goal of \$25-\$75 and receive a 3:1 match on their savings. At the end of the two years savings period, participants can apply their savings toward an asset purchase. Compass offers the IDA program in Boston, Brookline, and Lynn and has enrolled 120 families in this flagship program.

College Savings Initiative:

Building on its successful first IDA product, Compass launched a college savings initiative as a strategy to promote asset building more broadly for working poor families. Through education and outreach, Compass helps low-income families access 529 college savings plans, which offer an affordable but powerful means to save for college. In addition to helping families save for college, college savings plans have a significant impact on low-income students’ aspirations and expectations about college. Through partnerships with Fidelity Investments, the Massachusetts Educational Financing Authority (MEFA), and local schools and nonprofit organizations, Compass has opened more than 125 college savings plans for families.

Financial Coaching Programs:

In FY2010, Compass expanded a contract-based financial coaching program designed to help other community organizations integrate asset building into their work. Notably, Compass provides a customized financial coaching program for a Boston-based nonprofit organization that offers college scholarships for formerly homeless and low-income single parents. Through this contract, Compass provides financial education and individual financial coaching for approximately 75 low-income women.

COMPASS WORKING CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

(Continued)

NOTE 2 *(Continued)*

The early results of this financial coaching program are promising. Participants have demonstrated strong gains in key financial health indicators, including utilization of high quality financial products, increased credit scores, decreased debt burdens, and higher savings.

Family Self Sufficiency (FSS) Program:

In FY2010, Compass launched a new, asset building model for the Family Self-Sufficiency (FSS) program. Administered by the federal Department of Housing and Urban Development (HUD), FSS is an employment and savings program for families who live in federally subsidized housing. Building on proven asset development strategies, the Compass FSS program seeks to promote economic security for participating families and, more broadly, to expand the impact of FSS in Massachusetts and beyond. Offered through a unique partnership with Lynn Housing Authority and Neighborhood Development (LHAND), the Compass FSS program is currently open to Section 8 voucher holders from LHAND.

The Compass FSS program provides financial education, financial coaching, and a savings account for participants to help them achieve their financial goals. Compass provides customized financial coaching for participants to help them reach benchmark targets in five core areas: income and employment; credit and debt; savings; utilization of high quality financial services, and asset development. In addition, per federal guidelines, as participants increase their income at work, part of their rent goes into an escrow savings account. This account is held in the participant's name by the housing authority, for up to five years. When participants graduate from the FSS program, they can use their savings for any goal, such as their children's education, their own education, a home, a business, paying off debts, or starting an emergency savings account. Overall, the FSS program provides a cost-effective and potentially scalable asset building program for Section 8 and public housing residents in Massachusetts.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies which affect significant elements of the Organization's financial statements are described below to enhance the usefulness of the financial statements to the reader. The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates; however, adherence to generally accepted accounting principles has, in management's opinion, resulted in reliable and consistent financial reporting by the Organization. The following policies should be read in conjunction with the accompanying notes to the financial statements.

Basis of Accounting:

The Organization's policy is to maintain its books and prepare its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when a liability has been incurred.

Fair Value of Financial Instruments:

In accordance with generally accepted accounting principles, the Organization adopted the provisions of Fair Value Measurements, and has applied its provisions to assets and liabilities that are recognized or disclosed at fair value on a recurring or nonrecurring basis (at least annually).

COMPASS WORKING CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

(Continued)

NOTE 3 (Continued)

Fair value measurement defines fair value, establishes a framework for measuring fair value, establishes a three-level fair value hierarchy based on the quality of inputs used to measure fair value and enhances the disclosure requirements for fair value measurements.

The three levels of the fair value hierarchy are as follows:

- Level 1 - inputs to the valuation methodology are quoted market prices for identical assets or liabilities in active markets.
- Level 2 - inputs to the valuation methodology include quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3 - inputs to the valuation methodology are based on prices or valuation techniques that are unobservable.

Financial Statement Presentation:

In accordance with generally accepted accounting principles, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. These classifications are related to the existence or absence of donor-imposed restrictions as listed below:

Unrestricted Net Assets - consists of assets, public support and program revenues which are available and used for operations, programs, and capital expenditures. Unrestricted net assets represents the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Contributions are considered available for unrestricted use unless specifically restricted by the donor. In addition, unrestricted net assets of the Organization includes funds which represent unrestricted resources designated by the Board of Directors for specific purposes.

Temporarily Restricted Net Assets - includes funds with donor-imposed restrictions which permit the Organization to expend the assets as specified and is satisfied either by the passage of time or by actions of the Organization. Resources of this nature originate from gifts, grants, bequests, contracts and investment income earned on restricted funds.

Permanently Restricted Net Assets - includes resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the Organization to expend part or all of the income derived from the donated assets. For the year presented, the Organization did not have any assets of this nature.

Cash and Cash Equivalents:

For the purpose of these financial statements, Compass Working Capital, Inc. considers equivalent to cash all money market funds and savings deposits which can be and are intended to be converted to cash within ninety days of issuance. Fair value approximates carrying value due to the short maturities of those instruments and are classified within Level 1 of the fair value hierarchy.

COMPASS WORKING CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

(Continued)

NOTE 3 (Continued)

Accounts Receivable, Program Services:

Accounts Receivable, Program Services represents amounts due in connection with training and consulting services. These amounts are considered fully collectible by management; accordingly, these financial statements do not contain a provision for uncollectible receivables. If amounts owed become uncollectible, they will be charged to activities when that determination is made. The Organization did not experience any loss on uncollectible receivables for the year presented.

Grant Receivable:

Grant Receivable represents one multi-year grant commitment for the FSS program. Amounts scheduled for receipt within one year are reported as current, and amounts are reported as non-current when the expected date of receipt exceeds one year. The outstanding grant payments with expected receipt dates that extend beyond one year, have not been discounted in these financial statements because these amounts are considered to be immaterial. According to the grant agreement, 42% of the final year, amounting to \$47,206, is conditional upon the program's achievement of certain milestones, and therefore, has not been reflected in the accompanying financial statements.

Management believes that this grant receivable is fully collectible, and therefore, no allowance for doubtful amounts has been established. If grants are determined to be uncollectible in subsequent periods, they will be charged to activities at that time. The Organization did not experience any loss on uncollectible grants for the year presented.

Property and Equipment:

Property, equipment and software, furnishing and improvement purchases in excess of \$1,000 are capitalized at cost, if purchased, or if donated, at fair market value at the date of receipt. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas, major betterments are capitalized as additions to property and equipment. Depreciation of equipment and software is computed using the straight-line method, and is charged against income over the estimated useful lives of the assets, as expressed in terms of years. As of August 31, 2010, property and equipment consisted of computer software and equipment with an estimated useful life of two years. Depreciation expense was \$5,998 for the year ended August 31, 2010.

Accrued IDA Program Matching Funds:

Under the Organization's IDA program, participants set aside a minimum of \$25 per month for a two-year period. Compass then matches these funds on a 3:1 ratio for participant contributions up to \$75 per month, per participant, with a maximum match of \$225 per month or \$5,400 for the two-year savings period. *Accrued IDA Program Matching Funds* represents the cumulative earned (but unpaid) match funds recognized by Compass for each participant as of August 31, 2010. The accrued matching funds are disbursed upon successful completion of the IDA program.

COMPASS WORKING CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

(Continued)

NOTE 3 (Continued)

Deferred Revenue:

Deferred Revenue represents the portion of grant funds from the Massachusetts Department of Housing and Community Development (“DHCD”) and the Lynn Housing Authority, which have been received by the Organization for IDA matching purposes and have not yet been earned by the participant. At the time the match is earned, the amounts are released from deferred revenue and recognized as government grant revenue.

Contributions, Gifts and Grants:

In accordance with generally accepted accounting principles, contributions are required to be recorded as receivables and revenues and the Organization is required to distinguish between contributions received for each net asset category in accordance with donor imposed restrictions. Contributions may include gifts of cash, collection items, or promises to give.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved when such amounts are considered material.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction until the restriction expires, at which time temporarily restricted net assets are reclassified to unrestricted net assets.

In-Kind Goods and Services:

In accordance with generally accepted accounting principles, the Organization maintains a policy whereby the value of the donated goods and services which require a specialized skill; and/or which would have otherwise been purchased by the Organization are recognized as revenue on the Statement of Activities and are listed as expenses on the Statement of Functional Expenses.

Functional Expenses:

Compass Working Capital, Inc. allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated according to the Organization’s cost allocation plan as well as other payroll and level-of-effort based formulas. Supporting services are those related to operating and managing Compass Working Capital, Inc. and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

Administrative - includes all activities related to Compass Working Capital, Inc.’s internal management and accounting for program services.

Fund Raising - includes all activities related to maintaining contributor information, writing grant proposals, indirect costs of special events, distribution of materials and other similar projects related to the procurement of funds for Compass Working Capital, Inc.’s programs.

COMPASS WORKING CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

(Continued)

NOTE 3 *(Continued)*

Fund raising expenses which represent direct costs of special events are netted against the related revenues. For the year ended August 31, 2010, total fund raising expenses were \$19,286.

Tax Position:

Accounting Standards for Income Taxes provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an organization's financial statements. The Organization adopted the provisions of this standard on September 1, 2009. The implementation of this standard did not have any impact on the financial position or net assets of the Organization.

The primary tax positions made by the Organization are the existence of Unrelated Business Income Tax and the Organization's status as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Organization currently evaluates all tax positions, and makes a determination regarding the likelihood of those positions being upheld under review. For the year presented, the Organization has not recognized any tax benefits or loss contingencies for uncertain tax positions based on this evaluation. The FY 2006 through FY 2009 tax periods are still subject to examination by tax authorities.

NOTE 4 RESTRICTED NET ASSETS

As of August 31, 2010, temporarily restricted net assets reflect grants and donations restricted for the following donor-specified purposes:

<u>Nature of Restriction</u>	<u>Amount</u>
FSS Program	\$445,690
Brookline IDA Program	<u>20,000</u>
Total	<u>\$465,690</u>

For the year presented, net assets were released from restriction for the following programs and purposes:

<u>Nature of Restriction</u>	<u>Amount</u>
IDA Program	\$ 7,429
FSS Program	<u>7,104</u>
Total	<u>\$14,533</u>

NOTE 5 IN-KIND GOODS AND SERVICES

Compass Working Capital, Inc. receives volunteer involvement in the direct service, outreach and administrative capacities of the Organization. For the year ended August 31, 2010, the Organization recognized the following in-kind contributions in its financial statements:

<u>Description</u>	<u>Amount</u>
Salaries	\$44,907
Professional Fees	<u>31,980</u>
Total	<u>\$76,887</u>

COMPASS WORKING CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

(Continued)

NOTE 6 LEASE COMMITMENT

Effective October 1, 2009, the Organization entered into a license agreement with Third Sector New England to occupy office space within the NonProfit Center in Boston, Massachusetts with monthly payments of \$1,690. The term of the annual license agreement is for the period October 1, 2009 through September 30, 2010. Rent expense for the year ended August 31, 2010 related to this lease was \$18,969. This agreement was renewed for the period beginning October 1, 2010 through September 30, 2011. As of August 31, 2010, future lease obligations under the existing lease obligation are as follows:

<u>Year Ending</u>	<u>Amount</u>
August 31, 2011	\$20,280
August 31, 2012	<u>1,690</u>
Total	<u>\$21,970</u>

NOTE 7 NON-CURRENT GRANT RECEIVABLE

As of August 31, 2010, the non-current portion of the grant receivable was due for payment as follows:

<u>Year Funds to be Paid</u>	<u>Amount</u>
August 31, 2012	\$143,434
August 31, 2013	<u>8,992</u>
Total	<u>\$152,426</u>

NOTE 8 REVENUE CONCENTRATION

For the year ended August 31, 2010, one grant totaling \$452,794, accounted for 58% of total support and revenue and 100% of current and non-current grant receivable.

NOTE 9 SPECIAL EVENT REVENUE

Compass hosts an annual fund raising breakfast. For the year ended August 31, 2010, sponsorship revenue of \$5,000 (net of \$4,113 in direct costs) was recognized in the accompanying Statement of Activities as *Special Event Revenue, Net of Direct Costs*. Additional contributions received as a result of this event amounted to \$1,560 and is included in *Contributions, Foundations and Corporate Grants* in the accompanying Statement of Activities.

NOTE 10 SUBSEQUENT EVENTS

Management is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the financial statements. Therefore, Management has evaluated subsequent events through June 22, 2011, the date which the financial statements were available for issue, and noted no events which met the criteria.