



Financial Statements
June 30, 2011
COMPAS, Inc.

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Independent Auditor's Report

The Board of Directors
COMPAS, Inc.
St. Paul, Minnesota

We have audited the accompanying statement of financial position of COMPAS, Inc. (the Organization) as of June 30, 2011, and the related statements of activities and changes in net assets, 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 on our audit. The prior year summarized comparative information has been derived from the Organization's 2010 financial statements, and in our report dated February 25, 2011, we expressed an unqualified opinion on those financial statements.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express such an opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 COMPAS, Inc. as of June 30, 2011, and the changes in its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Minneapolis, Minnesota
December 7, 2011

COMPAS, Inc.
Statement of Financial Position
June 30, 2011 (With Comparative Totals for 2010)

	2011	2010
Assets		
Current Assets		
Cash and cash equivalents	\$ 121,208	\$ 168,549
Investments	161,315	196,810
Grants receivable	50,787	4,833
Accounts receivable (net of allowance for doubtful accounts of \$3,295 in 2011 and \$20,712 in 2010)	61,246	30,369
Pledges receivable	128,533	125,222
Prepaid expenses	9,428	13,368
Total current assets	532,517	539,151
Property and Equipment		
Equipment	89,585	75,025
Accumulated depreciation	(66,963)	(64,244)
	22,622	10,781
Other Assets		
Long-term grants receivable	8,000	-
Investments restricted for endowment purposes	187,784	187,784
	195,784	187,784
	\$ 750,923	\$ 737,716
Liabilities and Net Assets		
Current Liabilities		
Line of credit	\$ 75,000	\$ -
Grants payable	389,757	361,262
Accounts payable	54,354	27,642
Accrued expenses	34,933	34,328
Total current liabilities	554,044	423,232
Net Assets		
Unrestricted	(161,397)	(123,455)
Temporarily restricted	170,492	250,155
Permanently restricted	187,784	187,784
	196,879	314,484
	\$ 750,923	\$ 737,716

COMPAS, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2011 (With Comparative Totals for 2010)

	2011			Totals	2010 Totals
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Support and Revenue					
Support					
Foundation and corporation grants	\$ 153,201	\$ 408,040	\$ -	\$ 561,241	\$ 559,444
Government grants	167,943	-	-	167,943	95,781
Public contributions	311,442	-	-	311,442	314,611
In-kind contributions	23,120	-	-	23,120	13,703
Total support	<u>655,706</u>	<u>408,040</u>	<u>-</u>	<u>1,063,746</u>	<u>983,539</u>
Revenue					
Program service fees	431,660	-	-	431,660	403,462
Special event	5,588	-	-	5,588	14,309
Investment income	7,340	-	-	7,340	8,362
Net gain on investments	36,716	-	-	36,716	25,126
Total revenue	<u>481,304</u>	<u>-</u>	<u>-</u>	<u>481,304</u>	<u>451,259</u>
Net assets released from restrictions	<u>487,703</u>	<u>(487,703)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>1,624,713</u>	<u>(79,663)</u>	<u>-</u>	<u>1,545,050</u>	<u>1,434,798</u>
Expenses					
Program services	1,248,287	-	-	1,248,287	1,326,652
Management and general	278,606	-	-	278,606	281,442
Fundraising	135,762	-	-	135,762	151,722
Total expenses	<u>1,662,655</u>	<u>-</u>	<u>-</u>	<u>1,662,655</u>	<u>1,759,816</u>
Change in Net Assets	<u>(37,942)</u>	<u>(79,663)</u>	<u>-</u>	<u>(117,605)</u>	<u>(325,018)</u>
Net Assets, Beginning of Year	<u>(123,455)</u>	<u>250,155</u>	<u>187,784</u>	<u>314,484</u>	<u>639,502</u>
Net Assets, End of Year	<u>\$ (161,397)</u>	<u>\$ 170,492</u>	<u>\$ 187,784</u>	<u>\$ 196,879</u>	<u>\$ 314,484</u>

COMPAS, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2011 (With Comparative Totals for 2010)

	2011			Totals	2010 Totals
	Program Services	Management and General	Fund- raising		
Salaries and Related Expenses					
Salaries	\$ 222,215	\$ 114,903	\$ 63,812	\$ 400,930	\$ 423,190
Related payroll taxes and benefits	43,285	22,462	12,430	78,177	111,002
Total salaries and related expenses	265,500	137,365	76,242	479,107	534,192
Other Expenses					
Advertising	1,629	-	135	1,764	5,770
Bad debt	-	8,526	-	8,526	17,041
Contract services	383,389	-	1,755	385,144	367,856
Conferences and meetings	6,882	4,221	1,945	13,048	12,268
Consulting and professional services	116,261	82,182	32,425	230,868	162,962
Depreciation	1,488	804	427	2,719	6,572
Dues and subscriptions	4,703	2,505	2,368	9,576	5,404
Equipment lease/rental	1,499	810	430	2,739	2,387
Grants (United Arts)	213,052	-	-	213,052	209,769
Grants (other programs)	175,569	-	-	175,569	278,335
Insurance	1,860	1,005	534	3,399	4,775
Internet/technology	7,732	5,350	5,292	18,374	19,080
Office equipment	409	-	75	484	83
Other	2,686	14,421	1,470	18,577	14,263
Postage	3,170	1,714	910	5,794	7,952
Printing/copying	1,891	1,186	5,382	8,459	23,358
Publications	5,472	-	-	5,472	-
Rent	12,454	14,591	4,849	31,894	29,621
Repair and maintenance	781	422	224	1,427	1,661
Supplies	14,380	1,087	577	16,044	11,827
Telephone	2,382	2,272	474	5,128	5,473
Travel	25,098	145	248	25,491	39,167
Total expenses	\$ 1,248,287	\$ 278,606	\$ 135,762	\$ 1,662,655	\$ 1,759,816
	<u>75%</u>	<u>17%</u>	<u>8%</u>	<u>100%</u>	

COMPAS, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2011 (With Comparative Totals for 2010)

	<u>2011</u>	<u>2010</u>
Operating Activities		
Change in net assets	\$ (117,605)	\$ (325,018)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation	2,719	6,572
Net realized (gain) loss on investment	(46,083)	6,701
Net unrealized (gain) loss on investment	9,367	(31,986)
Changes in operating assets and liabilities		
Grants receivable	(53,954)	227,834
Accounts receivable	(30,877)	(7,299)
Pledges receivable	(3,311)	(1,723)
Prepaid expenses	3,940	(4,955)
Grants payable	28,495	(46,447)
Accounts payable	26,712	(3,462)
Accrued expenses	605	(12,291)
Net Cash used for Operating Activities	<u>(179,992)</u>	<u>(192,074)</u>
Investing Activities		
Purchases of equipment	(14,560)	-
Proceeds from sale of investments	72,211	71,295
Purchase of investments	-	(3,204)
Net Cash from Investing Activities	<u>57,651</u>	<u>68,091</u>
Financing Activities		
Advances on line of credit	<u>75,000</u>	-
Change in Cash and Cash Equivalents	(47,341)	(123,983)
Cash and Cash Equivalents, Beginning of Year	<u>168,549</u>	<u>292,532</u>
Cash and Cash Equivalents, End of Year	<u>\$ 121,208</u>	<u>\$ 168,549</u>

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

COMPAS, Inc. (COMPAS or the Organization) strengthens people and communities in Minnesota by engaging them in creating art. COMPAS enables people to experience and create the arts by connecting communities, cultures and artists.

COMPAS achieves its mission through the following programs and services:

- Arts Education Programs: Provides approximately 55,000 children and adults with participatory artist-led residencies, workshops, performances and exhibits in 190 schools and community sites around the state and in all eight congressional districts. During the fiscal year ending June 30, 2011, COMPAS provided 157 weeks of residencies, 270 workshops, 161 performances and two exhibit programs utilizing 202 artists.
- Arts in Health Care/Artful Aging Programs: Reaches patients and healthcare providers in hospitals, clinics, other health-related facilities and retirement centers through arts projects that increase wellness, speed recovery and build community. During the fiscal year ending June 30, 2011, over 1,964 people were reached at 24 sites led by 12 artists.
- ArtsWork: A summer employment program in the arts. ArtsWork provides youth artistic training with professional literary, visual and performing artists, as well as skills vital to the workplace. Thirty-eight youth were mentored by four professional artists at four separate sites in the Twin Cities this year.
- The United Arts Fund: COMPAS' oldest program, UAF partners with over 2,000 individuals in 45 workplaces campaign sites (corporations, foundations, government agencies) during the fiscal year ending June 30, 2011, to target financial support to Minnesota community and school-based artists and arts organizations.

As a result, COMPAS distributed grants through the following COMPAS grant-making programs:

- *COMPAS General Fund*: Provides grants to support nonprofit organizations for art programs and projects that reach new audiences, use the arts to serve the community, and increase the potential for individuals to participate in art-making.
- *The School Arts Fund and Greater Minnesota School Arts Fund*: Provides grants to nonprofit organizations to co-create curriculum and artist residencies that strengthen student learning and increase participation in the arts.
- The COMPAS/Travelers' Arts & Diversity Grants Program: Funded 13 organizations that use the arts as a communication tool to broaden and deepen learning opportunities of middle and high school-aged students in Saint Paul Public Schools, and extends participation opportunities deep into the community. Preference is given to organizations that benefit financially disadvantaged youth in the East Metro area.
- Central Services: Provides pooling of resources to nonprofit arts organizations to reduce costs.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

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.

The permanently restricted net assets presented in the financial statements reflect a cash reserve endowment fund. The cash reserve funds are available for use as short-term working capital withdrawals which must be repaid to the endowment fund within two years from the date of the withdrawal. The earnings on the endowment investments may be used for operations and programs and are reported as unrestricted net assets.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, with the exception of money market funds and certificates of deposit considered short-term investments.

The Organization's cash balances in financial institutions periodically exceed Federal Deposit Insurance Corporation coverage.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for estimated uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Organization uses the allowance method to determine uncollectible accounts receivable and unconditional grants receivable. The allowance is based on prior year experience and management's analysis. The allowance for doubtful accounts was \$3,295 for the year ending June 30, 2011.

The Organization does not charge interest on past due accounts. Accounts are considered past due when payment has not been received within 30 days of due date.

Property and Equipment

Expenditures for the acquisition of property and equipment greater than \$500 are capitalized at cost, and donated property and equipment is capitalized at fair value. Equipment is depreciated over its estimated useful life of three to ten years using the straight-line method of depreciation.

Investments

Short-term investments, consisting of money market funds, certificates of deposit, stock/equity funds and fixed income funds, are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and realized and unrealized gains and losses are reported as increases/decreases in unrestricted and temporarily restricted net assets in the reporting period in which the income and gains and losses are recognized.

The investments are not insured and involve risks, including the possible loss of the principal invested.

The Organization has a donor restricted endowment fund which is permanently restricted. Investment earnings are available to support the Organization's charitable efforts and are reported as unrestricted in the statement of activities.

Support and Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. 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. When a restriction expires, that is, 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 net assets released from restrictions.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Intentions to give and conditional contributions are recognized when the conditions on which they depend are substantially met.

Revenue from services rendered is generated primarily through providing art instruction services to schools and other not-for-profit organizations, as well as management services to other not-for-profit organizations. Revenue generated from these activities is recognized as services are provided. Unsecured credit is extended to these organizations in the normal course of business.

Donated Services

Non-cash donations are reflected as support in the financial statements at their estimated fair value on the date of donation.

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the criteria above are not met.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a).

The Organization evaluates accounting for uncertainty in income taxes and undergoes an annual analysis of its activities and various tax authorities. As of June 30, 2011, no amounts were recorded as a result of this analysis.

The Organization will recognize any future accrued interest and penalties related to unrecognized tax or expense as incurred. The Organization is no longer subject to Federal or state tax examinations by tax authorities for years before 2008.

Fair Value Measurements

The Company has determined the fair value of certain assets and liabilities in accordance with the provisions of ASC Topic 820-10, which provides a framework for measuring fair value under generally accepted accounting principles.

Fair value is defined as the exchange that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization applies a fair value hierarchy, which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2010, from which the summarized information was derived.

Subsequent Events

The Organization has evaluated subsequent events through December 7, 2011, the date which the financial statements were available to be issued.

Note 2 - Contingencies

Substantially all support is received in the form of grants and contributions from various governmental agencies, individuals, corporations and foundations; therefore, the continuation of the programs of the Organization is dependent upon future funding.

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Although that is a possibility, the Board deems the contingency remote, since by accepting the gifts and their terms; it has accommodated the objectives of the Organization to the provisions of the gift.

Note 3 - Investments

The Organization's investments at June 30, 2011 are stated at fair value. Fair value and unrealized appreciation (depreciation) are summarized as follows:

	Fair Value
Money market funds	\$ 34,507
Stocks/equity funds	149,895
Fixed income funds	163,116
Certificates of deposit	1,581
	\$ 349,099

The investment restrictions and designations are as follows:

Endowment - donor restricted (including temporarily restricted earnings)	\$ 187,784
Endowment - board restricted	161,315
	\$ 349,099

The following schedule summarizes the investment income reported in the statement of activities:

Interest and dividend income	\$ 7,340
Net realized and unrealized gain	36,716
	\$ 44,056

Note 4 - Fair Value Measurements

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2011:

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Money market funds	\$ -	\$ 34,507	\$ -	\$ 34,507
Stock and equity funds	149,895	-	-	149,895
Fixed income funds	-	163,116	-	163,116
Certificates of deposit	-	1,581	-	1,581
	<u>\$ 149,895</u>	<u>\$ 199,204</u>	<u>\$ -</u>	<u>\$ 349,099</u>

Note 5 - Retirement Plan

The Organization has a defined contribution pension plan, covering employees who are at least 21 years of age and who have completed one year of service. Under the plan, the Organization contributes from 3% to 6% of each participant's annual salary. Pension expense was \$16,651 in fiscal year 2011.

Note 6 - Conditional Contribution

The Organization is the beneficiary of a \$60,000 life insurance policy payable upon the death of the insured individual. The receivable is not included in the statement of financial position due to the nature of the promise to give.

Note 7 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods at June 30, 2011:

Arts Education	\$ 25,600
Arts in Healthcare	7,000
Diversity Education and the Arts	53,892
Program assessment	20,000
General operating	64,000
	<u>\$ 170,492</u>

Net assets released from restrictions during the year were comprised of the following:

Arts Education	\$ 55,800
ArtsWork	100,510
The Canvas	28,623
Arts in Healthcare	1,000
Diversity Education and the Arts	116,107
The Community Art Program	86,343
Medtronic Arts Access Program	20,320
3M Innovation in the Arts	10,000
Program assessment	5,000
General operating	64,000
	\$ 487,703

Note 8 - Endowment

Board-designated Endowment

The Board of Directors of COMPAS has designated \$161,315 of unrestricted net assets as a general endowment fund to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets and is not subject to UPMIFA as described in a following paragraph.

The Board of Directors has elected to spend the earnings as needed for operations and to grow the fund as earnings are not needed. The Organization attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well diversified asset mix that is intended to result in a consistent inflation-protected rate of return. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Donor-designated Endowment (Minnesota UPMIFA)

The Organization's endowment consists of one fund, the purpose of which is to provide interest income in support of the Organization's programs in perpetuity. Its endowment includes donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the Minnesota adopted Universal Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with Minnesota UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund.
- (2) The purposes of the organization and the donor-restricted endowment fund.
- (3) General economic conditions.
- (4) The possible effect of inflation and deflation.
- (5) The expected total return from income and the appreciation of investments.
- (6) Other resources of the organization.
- (7) The investment policies of the organization.

2010 Endowment Net Asset Composition by Type of Fund as of June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ -	\$ 187,784	\$ 187,784
Board-designated endowment funds	161,315	-	-	161,315
	\$ 161,315	\$ -	\$ 187,784	\$ 349,099

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2011:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 196,810	\$ -	\$ 187,784	\$ 384,594
Investment return				
Investment income	7,182	-	-	7,182
Net realized and unrealized appreciation (depreciation)	36,716	-	-	36,716
Appropriation of endowment assets for expenditure	<u>(79,393)</u>	<u>-</u>	<u>-</u>	<u>(79,393)</u>
Endowment net assets, end of year	<u>\$ 161,315</u>	<u>\$ -</u>	<u>\$ 187,784</u>	<u>\$ 349,099</u>

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s). The endowment assets are invested in a manner that is intended to produce positive interest results over a long-term.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Investments are balanced between fixed income and equity holdings. The Finance Committee reviews investment performance quarterly.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution all investment earnings. These earnings are considered temporarily restricted.

Note 9 - Donated Services and Materials

The fair value of donated support and professional services recorded for the year ended June 30, 2011 totaled \$23,120.

Note 10 - Line of Credit

The Organization has available a \$75,000 line of credit with a bank, collateralized by a Security Agreement, dated March 31, 2009. Interest accrues monthly at 8.5%. The line of credit agreement expires July 31, 2012. As of June 30, 2011, there was \$75,000 advanced under the line of credit agreement.

Note 11 - Operating Lease

The Organization leases office equipment and its facilities under operating leases. The office equipment has minimum monthly rental commitments of \$142 for the copier lease, expiring in April 2011. A new office equipment lease was signed in April of 2011. The new equipment lease has minimum monthly rental commitments of 176 for the copier lease, which expires in April of 2016. The facility lease has a minimum monthly rental commitment of \$2,557, expiring in December 2011. Approximate minimum annual rental commitments at June 30, 2011, are as follows:

For the Year Ended June 30,

2012	\$ 17,460
2013	2,116
2014	2,116
2015	2,116
2016	2,116
	<hr/>
	\$ 25,924
	<hr/> <hr/>

Total rent expense for the year ended June 30, 2011 was approximately \$34,631.