

College Bound Opportunities

Financial Statements

June 30, 2011

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Report of Independent Auditors

To the Board of Directors of

College Bound Opportunities

We have audited the accompanying statement of financial position of College Bound Opportunities as of June 30, 2011, and the related statements of activities and changes in net assets, of functional expenses and of 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.

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 express no such 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 College Bound Opportunities as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Calibre CPA Group PCC

November 3, 2011
Chicago, Illinois

COLLEGE BOUND OPPORTUNITIES

STATEMENT OF FINANCIAL POSITION JUNE 30, 2011

See independent auditors' report and notes to financial statements.

ASSETS

CURRENT ASSETS

Cash	\$	453,129
Pledges receivable - current		113,227
Accounts receivable		80,071
Other assets		<u>5,664</u>
Total current assets		<u>652,091</u>

PROPERTY AND EQUIPMENT

Computer equipment		506
Less: accumulated depreciation		<u>(358)</u>
Net property and equipment		<u>148</u>

OTHER ASSETS - PLEDGES RECEIVABLE - NON-CURRENT

		<u>134,007</u>
	\$	<u><u>786,246</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	32,145
Credit card payable		19,751
Grants payable		<u>239,154</u>
		<u>291,050</u>

NET ASSETS

Unrestricted		223,592
Temporarily restricted		<u>271,604</u>
Total net assets		<u>495,196</u>
	\$	<u><u>786,246</u></u>

COLLEGE BOUND OPPORTUNITIES

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS YEAR ENDED JUNE 30, 2011

See independent auditors' report and notes to financial statements.

	<u>UNRESTRICTED NET ASSETS</u>	<u>TEMPORARILY RESTRICTED NET ASSETS</u>	<u>TOTAL</u>
REVENUES			
Contributions	\$ 202,001	\$ 88,562	\$ 290,563
Special event, net of direct expenses of \$25,425	230,800	49,100	279,900
Interest income	1,432	-	1,432
Assets released from restrictions	126,000	(126,000)	-
	<u>560,233</u>	<u>11,662</u>	<u>571,895</u>
EXPENDITURES			
Program services	317,453	-	317,453
Fundraising	52,480	-	52,480
General and administrative	24,330	-	24,330
	<u>394,263</u>	<u>-</u>	<u>394,263</u>
INCREASE IN NET ASSETS	165,970	11,662	177,632
NET ASSETS AT BEGINNING OF YEAR	<u>57,622</u>	<u>259,942</u>	<u>317,564</u>
NET ASSETS AT END OF YEAR	<u>\$ 223,592</u>	<u>\$ 271,604</u>	<u>\$ 495,196</u>

COLLEGE BOUND OPPORTUNITIES

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2011

See independent auditors' report and notes to financial statements.

	PROGRAM SERVICES	FUNDRAISING	GENERAL AND ADMINISTRATIVE	TOTAL
Scholarships	\$ 226,275	\$ -	\$ -	\$ 226,275
Student computers and supplies	12,013	-	-	12,013
Student functions	2,608	-	-	2,608
Test, application fees and training	14,207	-	-	14,207
Contract services	58,800	25,745	7,350	91,895
Coaches	935	-	-	935
Depreciation	101	-	-	101
Fundraising	-	17,159	-	17,159
Bank charges	-	4,171	48	4,219
Insurance - liability	-	-	7,050	7,050
Miscellaneous	-	-	463	463
Office expense and supplies	1,406	5,405	-	6,811
Professional fees	-	-	9,419	9,419
Website	1,108	-	-	1,108
	<u>\$ 317,453</u>	<u>\$ 52,480</u>	<u>\$ 24,330</u>	<u>\$ 394,263</u>

COLLEGE BOUND OPPORTUNITIES

STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2011

See independent auditors' report and notes to financial statements.

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 177,632
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:	
Depreciation	101
Change in assets and liabilities:	
Other assets	4,133
Pledges receivable	11,438
Accounts receivable	(80,071)
Accounts payable	24,358
Credit card payable	7,421
Grants payable	45,134
	<hr/>
Net cash provided by operating activities	190,146
	<hr/>
NET INCREASE IN CASH	190,146
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CASH AT BEGINNING OF YEAR	262,983
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CASH AT END OF YEAR	<u>\$ 453,129</u>

COLLEGE BOUND OPPORTUNITIES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PURPOSE OF ORGANIZATION

Purpose of organization

College Bound Opportunities (the Organization) is a nonprofit organization incorporated on April 25, 2006, to provide assistance to public high school students of limited means, and those whose cultural backgrounds may pose barriers, to gain entry into a college or university. The Organization assists in identifying scholarship opportunities for these students and guides them toward successful experiences in higher education.

Income tax status

The Organization (an Illinois not-for-profit corporation) is exempt from federal income taxes under section 501(c) (3) of the Internal Revenue Code.

Use of estimates

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.

Financial statement presentation

The financial statements are presented in accordance with generally accepted accounting principles which require the Organization to report 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 Organization does not have any permanently restricted net assets.

Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged.

The Organization reports gifts of cash and other assets as restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor 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. Donor restricted contributions whose restrictions are met within the same year as received are classified as unrestricted contributions in the accompanying financial statements.

Functional Allocation of Expenses

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

COLLEGE BOUND OPPORTUNITIES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PURPOSE OF ORGANIZATION (CONTINUED)

Computer Equipment

Computer equipment is stated at cost and depreciation thereon is calculated based on the straight-line method over its five year estimated useful life.

The Organization capitalizes all acquisitions of computer equipment in excess of \$500. Expenditures that extend the useful lives of the computer equipment generally are capitalized. Expenses for maintenance and repairs are charged to expense as incurred.

In-kind Contributions

In-kind contributions consist of donated goods and services. The estimated fair value of these donations was \$1,909 for the year ended June 30, 2011 and is reflected in the accompanying statement of Activities and Changes in Net Assets.

Donated personal services of volunteers are not reflected in the accompanying financial statements, because they did not meet the criteria for recognition under generally accepted accounting principles.

Pledges

Pledges receivable represent unconditional promises to give and are recognized as revenue in the period the pledge is made. Pledges are recorded at net realizable value if they are expected to be collected in one year and at fair value if they are expected to be collected in more than one year. Additionally, pledges are recognized as revenue when the conditions on which they depend are substantially satisfied.

Allowance for Uncollectible Pledges Receivable

Management believes that all pledges receivable as of June 30, 2011 are fully collectible. As a result, the Organization does not consider an allowance for estimated uncollectible accounts necessary.

Subsequent Event Review

Subsequent events have been evaluated through November 3, 2011, which is the date the financial statements were available to be issued. This review and evaluation revealed no new material event or transaction which would require an additional adjustment to or disclosure in the accompanying financial statements.

Cash and Cash Equivalents

Cash consists of monies held in checking and money market accounts.

COLLEGE BOUND OPPORTUNITIES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

PLEDGES RECEIVABLE

At June 30 2011, pledges receivable consisted of the following:

Expected to be collected in less than one year	\$	114,000
Expected to be collected in one to four years		<u>136,000</u>
		250,000
Less: discount		<u>(2,766)</u>
Total	\$	<u><u>247,234</u></u>

For the year ended June 30, 2011 a discount rate of .46% has been used.

TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2011 the temporarily restricted net assets were restricted for the following:

Time Restriction	\$	247,234
Purpose Restriction – Scholarships for Deerfield and Lake Forest		<u>24,370</u>
	\$	<u><u>271,604</u></u>

CONCENTRATION OF CREDIT RISK

Funds on deposit with financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2011, the Organization's cash exceeded federally insured limits by approximately \$19,000.

COMMITMENTS AND CONTINGENCIES

Conditional promises to give

The Organization commits to providing qualifying students up to \$4,000 each school year towards tuition. In exchange for its commitment, each student executes a contract with the Organization that delineates the students obligations related to participating in the program.

Generally accepted accounting principles requires that conditional promises to give, such as the Organization's promises to fund students' tuition, not be recognized until future specified event(s) have occurred sufficient to bind the Organization. Since the Organization is allowed to reduce or rescind these commitments, these obligations have not been recognized.

COLLEGE BOUND OPPORTUNITIES

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Conditional promises to give (continued)

At June 30, 2011, the Organization’s management estimates the following conditional promises to give existed:

Coming due during the years ending June 30

2013	\$	185,777
2014		118,532
2015		<u>47,000</u>
	\$	<u>351,309</u>

Lease commitments

The Organization had no lease commitments as of June 30, 2011.