

College Bound Opportunities

Financial Statements

June 30, 2013

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Contents

	Page
Report of Independent Auditors	1
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



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Report of Independent Auditors

To the Board of Directors of
College Bound Opportunities

Report on the Financial Statements

We have audited the accompanying statement of financial position of College Bound Opportunities as of June 30, 2013, and the related statements of activities and changes in net assets, of functional expenses and of cash flows for the year then ended.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2013, 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, PLLC

Chicago, Illinois
October 25, 2013

COLLEGE BOUND OPPORTUNITIES

STATEMENT OF FINANCIAL POSITION JUNE 30, 2013

See accompanying notes to financial statements.

ASSETS

CURRENT ASSETS

Cash	\$	870,529
Pledges receivable - current		93,050
Accounts receivable		6,060
Other assets		7,291
		<hr/>
Total current assets		976,930

PROPERTY AND EQUIPMENT

Computer equipment		2,143
Less: accumulated depreciation		(782)
		<hr/>
Net property and equipment		1,361

OTHER ASSETS - PLEDGES RECEIVABLE - NON-CURRENT

		<hr/>
		56,862
		<hr/>
	\$	1,035,153
		<hr/> <hr/>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	50
Credit card payable		21,085
Grants Payable		389,059
		<hr/>
Total current liabilities		410,194

NET ASSETS

Unrestricted		361,716
Temporarily restricted		263,243
		<hr/>
Total net assets		624,959
		<hr/>
	\$	1,035,153
		<hr/> <hr/>

COLLEGE BOUND OPPORTUNITIES

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS YEAR ENDED JUNE 30, 2013

See accompanying notes to financial statements.

	UNRESTRICTED NET ASSETS	TEMPORARILY RESTRICTED NET ASSETS	TOTAL
REVENUES			
Contributions	\$ 289,341	\$ 132,854	\$ 422,195
Special events, net of direct expenses of \$27,475	193,195	-	193,195
Interest income	1,567	-	1,567
Assets released from restrictions	135,292	(135,292)	-
	<u>619,395</u>	<u>(2,438)</u>	<u>616,957</u>
EXPENDITURES			
Program services	498,955	-	498,955
Fundraising	95,277	-	95,277
General and administrative	28,107	-	28,107
	<u>622,339</u>	<u>-</u>	<u>622,339</u>
DECREASE IN NET ASSETS	(2,944)	(2,438)	(5,382)
NET ASSETS AT BEGINNING OF YEAR	<u>364,660</u>	<u>265,681</u>	<u>630,341</u>
NET ASSETS AT END OF YEAR	<u>\$ 361,716</u>	<u>\$ 263,243</u>	<u>\$ 624,959</u>

COLLEGE BOUND OPPORTUNITIES

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2013

See accompanying notes to financial statements.

	PROGRAM SERVICES	FUNDRAISING	GENERAL AND ADMINISTRATIVE	TOTAL
Scholarships	\$ 319,035	\$ -	\$ -	\$ 319,035
Student computers	36,742	-	-	36,742
Student functions	2,604	-	-	2,604
Training and student support	24,849	-	-	24,849
Compensation	103,851	78,046	9,349	191,246
Mentor support	304	-	-	304
Depreciation	117	154	-	271
Fundraising	-	12,754	-	12,754
Bank charges	-	3,409	10	3,419
Insurance - liability	-	-	7,338	7,338
Miscellaneous	-	-	115	115
Office expense and supplies	8,748	914	-	9,662
Professional fees	-	-	11,295	11,295
Website	2,705	-	-	2,705
	<u>\$ 498,955</u>	<u>\$ 95,277</u>	<u>\$ 28,107</u>	<u>\$ 622,339</u>

COLLEGE BOUND OPPORTUNITIES

STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2013

See accompanying notes to financial statements.

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in net assets	\$ (5,382)
Adjustments to reconcile decrease in net assets to	
Net cash provided by operating activities:	
Depreciation	271
Change in assets and liabilities:	
Other assets	(851)
Pledges receivable	88,113
Accounts receivable	10,490
Accounts payable	(6,791)
Credit card payable	(6,532)
Grants payable	<u>80,166</u>
Net cash provided by operating activities	159,484

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Computer Equipment	<u>(866)</u>
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NET INCREASE IN CASH 158,618

CASH AT BEGINNING OF YEAR 711,911

CASH AT END OF YEAR \$ 870,529

COLLEGE BOUND OPPORTUNITIES

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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.

Unrestricted - Unrestricted net assets are available to finance the general operations of the Organization. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates and the purposes specified in its articles of incorporation.

Temporarily Restricted - Temporarily restricted net assets result from (a) contributions and other inflows of assets, the use of which by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be removed by action of the Organization pursuant to those stipulations, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations, and (c) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time or their fulfillment and removal by actions of the Organization pursuant to those stipulations.

Permanently Restricted - Permanently restricted net assets (generally referred to as endowment funds) are assets that have donor-imposed restrictions that stipulate that the contributed resources be maintained permanently, but permit the organization to use up or expend part of all of the income or economic benefits derived from the donated assets.

COLLEGE BOUND OPPORTUNITIES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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

Revenue Recognition

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

Except as noted below, 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.

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 \$523 for the year ended June 30, 2013 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, 2013 are fully collectible. As a result, the Organization does not consider an allowance for estimated uncollectible accounts necessary.

COLLEGE BOUND OPPORTUNITIES

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

Subsequent Event Review

Subsequent events have been evaluated through October 25, 2013, 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, money market and certificate of deposit accounts.

PLEDGES RECEIVABLE

At June 30 2013, pledges receivable consisted of the following:

Expected to be collected in less than one year	\$	93,050
Expected to be collected in one to four years		<u>57,500</u>
		150,550
Less: discount		<u>(638)</u>
Total	\$	<u><u>149,912</u></u>

For the year ended June 30, 2013 a discount rate of .18% has been used.

TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2013 the temporarily restricted net assets were restricted for the following:

Time Restriction	\$	149,912
Purpose Restriction – Scholarships for Deerfield and Lake Forest		<u>113,331</u>
	\$	<u><u>263,243</u></u>

CASH IN EXCESS OF FDIC INSURED LIMITS

The Organization maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The Organization has not experienced any losses in such accounts.

COLLEGE BOUND OPPORTUNITIES

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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.

At June 30, 2013, the Organization's management estimates the following conditional promises to give existed:

Coming due during the years ending June 30

2015	\$	275,291
2016		238,120
2017		<u>120,500</u>
	\$	<u>633,911</u>

Lease commitments

The Organization leases its office space under an operating lease. Future minimum lease payments of \$5,951 for this lease are payable during the year ending June 30, 2014.

Rent expense for this lease was \$3,511 for the year ended June 30, 2013.