College Bound Opportunities

Financial Statements

June 30, 2012

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Contents

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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, 2012, 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, 2012, 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

October 30, 2012
Chicago, Illinois

COLLEGE BOUND OPPORTUNITIES

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

See independent auditors' report and notes to financial statements.

ASSETS

CURRENT ASSETS	
Cash	$ 711,911
Pledges receivable - current	123,491
Accounts receivable	16,550
Other assets	6,440
Total current assets	858,392
PROPERTY AND EQUIPMENT	
Computer equipment	1,277
Less: accumulated depreciation	(511)
Net property and equipment	766
OTHER ASSETS - PLEDGES RECEIVABLE - NON-CURRENT	114,534
	$ 973,692

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	$ 6,841
Credit card payable	27,617
Grants payable	308,893
Total current liabilities	343,351
NET ASSETS	
Unrestricted	364,660
Temporarily restricted	265,681
Total net assets	630,341
	$ 973,692

COLLEGE BOUND OPPORTUNITIES

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED JUNE 30, 2012
See independent auditors' report and notes to financial statements.

	UNRESTRICTED NET ASSETS	TEMPORARILY RESTRICTED NET ASSETS	TOTAL
REVENUES			
Contributions	$ 286,010	$ 131,577	$ 417,587
Special event, net of direct expenses of $23,918	202,589	34,000	236,589
Interest income	1,321	-	1,321
Assets released from restrictions	171,500	(171,500)	-
	661,420	(5,923)	655,497
EXPENDITURES			
Program services	403,189	-	403,189
Fundraising	87,971	-	87,971
General and administrative	29,192	-	29,192
	520,352	-	520,352
INCREASE (DECREASE) IN NET ASSETS	141,068	(5,923)	135,145
NET ASSETS AT BEGINNING OF YEAR	223,592	271,604	495,196
NET ASSETS AT END OF YEAR	$ 364,660	$ 265,681	$ 630,341

COLLEGE BOUND OPPORTUNITIES

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2012
See independent auditors' report and notes to financial statements.

	PROGRAM SERVICES	FUNDRAISING	GENERAL AND ADMINISTRATIVE	TOTAL
Scholarships	$ 263,822	$ -	$ -	$ 263,822
Student computers and supplies	30,640	-	-	30,640
Student functions	7,538	-	-	7,538
Training and student support	13,827	-	-	13,827
Compensation and contract services	77,393	42,264	8,446	128,103
Mentor support	1,145	-	-	1,145
Depreciation	102	51	-	153
Fundraising	-	39,120	-	39,120
Bank charges	-	5,058	69	5,127
Insurance - liability	-	-	7,111	7,111
Miscellaneous	794	-	2,024	2,818
Office expense and supplies	4,316	1,478	-	5,794
Professional fees	-	-	11,542	11,542
Website	3,612	-	-	3,612
	$ 403,189	$ 87,971	$ 29,192	$ 520,352

COLLEGE BOUND OPPORTUNITIES

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012
See independent auditors' report and notes to financial statements.

CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	$	135,145
Adjustments to reconcile decrease in net assets to		
Net cash provided by operating activities:		
Depreciation		153
Change in assets and liabilities:		
Other assets		(776)
Pledges receivable		9,209
Accounts receivable		63,521
Accounts payable		(25,304)
Credit card payable		7,866
Grants payable		69,739
Net cash provided by operating activities		259,553
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Computer Equipment		(771)
NET INCREASE IN CASH		258,782
CASH AT BEGINNING OF YEAR		453,129
CASH AT END OF YEAR	$	711,911

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 or all of the income or economic benefits derived from the donated assets.

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

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.

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 $794 for the year ended June 30, 2012 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, 2012 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, 2012

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

Subsequent Event Review

Subsequent events have been evaluated through October 30 ,2012 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.

PLEDGES RECEIVABLE

At June 30 2012, pledges receivable consisted of the following:

Expected to be collected in less than one year	$	124,000
Expected to be collected in one to four years		115,500
		239,500
Less: discount		(1,475)
Total	$	238,025

For the year ended June 30, 2012 a discount rate of 0.23% has been used.

TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2012 the temporarily restricted net assets were restricted for the following:

Time Restriction	$	238,025
Purpose Restriction – Scholarships for Deerfield and Lake Forest		27,656
	$	265,681

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. At June 30, 2012, the Organization had approximately $124,000 in excess of FDIC insured limits. The Company has not experienced any losses in such accounts.

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 student's obligations related to participating in the program.

Generally accepted accounting principles require 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, 2012, the Organization's management estimates the following conditional promises to give existed:

Coming due during the years ending June 30,	
2014	$ 220,415
2015	146,433
2016	96,500
	$ 463,348

Lease commitments

The Organization leases its office space under an operating lease. Future minimum lease payments for this lease are as follows:

Payable during the years ending June 30,	
2013	$ 3,511
2014	5,951
	$ 9,462

Rent expense for this lease was $270 for the year ended June 30, 2012.