Cheryl Rohlfs & Associates, Ltd.

Certified Public Accountants

COLLEGE BOUND OPPORTUNITIES

FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

October 19, 2021

To the Board of Directors
College Bound Opportunities
Highland Park, Illinois

We have audited the accompanying financial statements of College Bound Opportunities (an Illinois nonprofit organization) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the fiscal years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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 fair 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

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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, 2021, and the changes in its net assets and its cash flows and for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Cheryl Rohlfs & Associates, Ltd.

CHERYL ROHLFS & ASSOCIATES, LTD.
Northbrook, Illinois

COLLEGE BOUND OPPORTUNITIES
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS

Current Assets:	
Cash and Cash Equivalents	$ 1,103,105
Investments	606,749
Unconditional Promises to Give	118,965
Prepaid Expenses	36,792
Total Current Assets	1,865,611
Non-Current Assets:	
Contributions Receivable	90,000
Property and Equipment:	
Computer Equipment	3,132
Less Accumulated Depreciation	(450)
Total Property and Equipment	2,682
Total Assets	$ 1,958,293

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts Payable	$ 8,608
Deferred Revenue	3,900
Student Financial Assistance Payable	503,391
Total Current Liabilities	515,899
Long-Term Liabilities:	
Student Financial Assistance Payable, net of Current Portion	1,483,998
Total Liabilities	1,999,897
Net Assets:	
Without Donor Restrictions	(157,604)
With Donor Restrictions	116,000
Total Net Assets	(41,604)
Total Liabilities and Net Assets	$ 1,958,293

See accompanying notes and independent auditor's report.

COLLEGE BOUND OPPORTUNITIES
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	**Total 2021**
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions and Grants	$ 664,687	$ 10,000	$ 674,687
Government Grants	82,040	6,000	88,040
Special Events	362,705	-	362,705
Investment Income	130,732	-	130,732
Total Revenues and Gains	$ 1,240,164	$ 16,000	$ 1,256,164
Net Assets Released from Restrictions, satisfied by payments	276,858	(276,858)	-
Total Revenues, Gains and Other Support	$ 1,517,022	$ (260,858)	$ 1,256,164
EXPENSES			
Program Services	987,048	-	987,048
Supporting Services:			
Management and General	51,761	-	51,761
Fundraising Expenses	199,155	-	199,155
Total Expenses	$ 1,237,964	$ -	$ 1,237,964
CHANGE IN NET ASSETS	$ 279,058	$ (260,858)	$ 18,200
NET ASSETS, BEGINNING OF YEAR	(436,662)	376,858	(59,804)
NET ASSETS, END OF YEAR	$ (157,604)	$ 116,000	$ (41,604)

See accompanying notes and independent auditor's reports.

COLLEGE BOUND OPPORTUNITIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Total 2021
Compensation and Related Expenses:				
Compensation	$ 304,373	$ 20,362	$ 140,106	$ 464,841
Employee Benefits	27,705	339	2,568	30,612
Payroll Taxes	21,678	936	10,669	33,283
	$ 353,756	$ 21,637	$ 153,343	$ 528,736
Program Expenses:				
Student Financial Support	503,192	-	-	503,192
Student Support Expenses	4,854	-	-	4,854
Student Computer Expenses	46,494	-	-	46,494
Food Pantry Expenses	22,952	-	-	22,952
Student Services and Events	3,232	-	-	3,232
Student and Alumni Event Expenses	-	-	297	297
Mentor Expenses	3,988	-	-	3,988
Professional Development	1,996	-	997	2,993
Computer and Software	2,442	-	797	3,239
Membership and Subscriptions	2,104	-	423	2,527
Postage and Printing	-	-	5,290	5,290
Professional Fees	-	12,499	-	12,499
Insurance	-	2,238	-	2,238
Occupancy	32,478	-	-	32,478
Fundraising Event Expenses	-	-	33,428	33,428
Supplies	1,587	-	507	2,094
Telephone and Internet	7,523	-	2,470	9,993
Administrative Expenses	-	4,387	-	4,387
Bank and Credit Card Fees	-	-	1,528	1,528
Miscellaneous	-	11,000	75	11,075
Total Expense Before Depreciation	$ 986,598	$ 51,761	$ 199,155	$ 1,237,514
Depreciation Expense	450	-	-	450
TOTAL EXPENSES	$ 987,048	$ 51,761	$ 199,155	$ 1,237,964

See accompanying notes and independent auditor's report.

COLLEGE BOUND OPPORTUNITIES
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in Net Assets	$ 18,200
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	450
Unrealized Gain on Investments	(103,267)
Realized Gain on Sales of Investments	(7,910)
Forgiveness of Paycheck Protection Loan Payable	(82,040)
(Increase) Decrease in Operating Assets:	
Unconditional Promise to Give	41,518
Prepaid Expenses	(16,398)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	5,814
Deferred Revenue	(7,000)
Student Financial Assistance Payable	144,211
NET CASH USED IN OPERATING ACTIVITIES	$ (6,422)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of Investments	$ (13,081)
Purchases of Computer Equipment	(3,132)
NET CASH USED IN INVESTING ACTIVITIES	$ (16,213)
CASH FLOWS FROM FINANCIAL ACTIVITIES:	$ -
NET DECREASE IN CASH AND CASH EQUIVALENTS	$ (22,635)
CASH, AND CASH EQUIVALENTS AT BEGINNING OF FISCAL YEAR	1,125,740
CASH, AND CASH EQUIVALENTS AT END OF FISCAL YEAR	$ 1,103,105

See accompanying notes and independent auditor's report.

COLLEGE BOUND OPPORTUNITIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1. Organization Structure

College Bound Opportunities (Organization) is a not-for-profit organization incorporated in April 2006 to provide assistance to 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 financial support opportunities for these students and guides them toward successful experiences in higher education.

NOTE 2. Summary of Significant Accounting Policies

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 two classes of net assets that are based upon the existence or absence of restrictions on use of that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in it corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

The Organization's unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property of equipment to a particular program. These restrictions expire when the assets are placed in service.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Cash and Cash Equivalents
The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Promises to Give
Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor- restricted contributions are reported as increases in net assets with donor restrictions.

Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investments
The Organization carries investments in mutual funds and certificates of deposit with readily determinable fair values, at fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Investment goals and policies are approved by the Investment Committee.

Student Financial Assistance Payable and Related Expenses
Financial assistance awards for students participating in the Organization's educational program is recognized as an expense and an obligation for total anticipated assistance in the fiscal year prior to students' first academic year in college. Unspent funds are credited to expense when 1) program participants are no longer eligible to receive financial assistance, or 2) after three years following the expected graduation date. The amount of financial assistance expected to be paid within 12 months is estimated by management and reported as a current liability on the statement of financial position.

Revenue and Revenue Recognition
The Foundation recognizes revenue as it satisfies a performance obligation by transferring control over a product or a service to a customer. Revenue is measured at the transaction price which is based on the amount of consideration that the Foundation expects to receive in exchange for transferring the promised good or service to the customer. Fundraising revenues received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions support depending on the existence and/or nature of any donor restrictions. Donor restricted support is reclassified to net assets without donor support upon satisfaction of the restriction.

Income Taxes
The Organization is exempt from Federal and state income taxes under Internal Revenue Code Section 501(c)(3) and similar state provisions. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and had been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization files U.S. federal and Illinois state information returns. The federal and state informational tax returns for tax fiscal year 2019, 2020, and 2021 can be subject to examinations by tax authorities, generally for three years from the date of filing.

Expense Allocations
The costs of providing program and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated between the program and supporting services based on direct allocation factors.

NOTE 3. Changes In Accounting Principles

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB ASC Topic 605, Revenue Recognition, and most industry-specific guidance. When adopted, the amendments in ASU must be applied using one of two retrospective methods. ASU 2014-09 was effective for nonpublic entities for annual periods beginning afer December 15, 2018. There were no cumulative adjustments required at the adoption date and no significant changes in the method of revenue recognition as a result of adoption.

In February 2016, the Financial Accounting Standards Board (FASB) issued its much anticipated lease accounting standard in ASU 2016-02 (ASU 842) for both lessees and lessors. Under this standard, a lessee will recognize right-of-use asset and related lease liabilities on the balance sheet for all arrangements with terms longer than 12 months. The goal of the new standard is to streamline the accounting for leases under U.S. generally accepted accounting principles, reduce the off-balance-sheet activities, and enhance transparency into liabilities resulting from leasing arrangements. This standard is effective for nonprofit organizations with annual reporting periods beginning after December 15, 2021.

NOTE 4. Investments

The Organization has invested in marketable securities, which are recorded at the fair value of the securities. These investments include the following at June 30, 2021:

Mutual Funds:	
Stock Funds	$ 399,436
Bond Funds	207,207
Government Money Market Fund	106
Total Investments	$ 606,749

NOTE 5. Fair Value Measurements

Fair values of assets measured on a recurring basis as of June 30, 2021 were as follows:

	Fair Values	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Mutual Funds:			
Stock Funds	$ 399,436	$ 399,436	$ -
Bond Funds	207,207	-	207,207
Government Money Market Fund	106	106	-
	$ 606,749	$ 399,542	$ 207,207

Fair values for these investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Stock Funds and Money Market Funds that trade in active markets are valued using quoted market prices and are classified as Level 1. Bond Funds and Certificates of Deposit are valued at the closing price on the active or observable markets on which the securities are traded and are classified as Level 2.

NOTE 6. Concentration of Credit Risk

The Foundation maintains its cash balances at six banking institutions, guaranteed by the Federal Deposit Insurance Corporation (FDIC) to $250,000. At June 30, 2021, the cash balances did exceed the insured deposit limits by $240,268.

NOTE 7. Unconditional Promises to Give

Unconditional Promises to Give consist of the following at June 30, 2021:

Amounts to be collected in	Amount
Less than one year	$ 118,965
One to five years	90,000
	$ 208,965

NOTE 8. Net Assets With Donor Restrictions

Net assets with donor restrictions include donor restricted contributions of $16,000, that are donor time-restricted and available for future use, and $100,000 of endowment fund contributions, as of June 30, 2021.

NOTE 9. Donor-Restricted Endowment Funds

The Organization's endowment consists of a donor contribution of $100,000 was received in 2016 for the purpose of establishing an endowment fund. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Board of Directors has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Organization classifies as donor-restricted endowment assets at(a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, if any, and (c)accumulations to the 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 donor-restricted endowment assets is classified as donor-purpose restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted investment and spending policies, approved by the Board of Directors, for donor-restricted endowment assets. Those policies attempt to provide a predictable stream of funding to programs, while also maintaining the purchasing power of those endowment assets over the long-term.

Spending Policy. The Organization has a policy of appropriating for distribution each year an allocation of the income earned on endowment funds. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the various endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Organization's objective is to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

NOTE 10. Lease Agreements

The Organization leased office space under an operating lease to April 2021, with a monthly rental of $3,243. The lease was not renewed. Subsequent to June 30, 2021, the Organization entered into a new lease agreement for office space. The lease commenced on August 1, 2021 and has a five-year term to July 31, 2026. The monthly rental started at $2,676 per month for the initial lease year and increases by approximately 3% for each of the remaining years of the lease.

Future minimum rentals under this lease agreement are:

Fiscal Year Ending	Amount
6/30/2022	$ 29,436
6/30/2023	32,992
6/30/2024	33,985
6/30/2025	35,003
6/30/2026	36,056
Thereafter	3,012
Total	$ 170,484

NOTE 11. Liquidity and Availability of Financial Assets

The following are the Organization's financial assets as of the date of the statement of financial position, reduced by amounts not available for general use within one year:

Financial Assets at June 30, 2021:

Cash	$ 1,103,105
Unconditional Promise to Give	118,965
Investments	606,749
Total Financial Assets	$ 1,828,819
Less: amount not available to be used within one year	
Net Assets with donor restrictions	(116,000)
Financial Assets available to meet general expenditures	
Over the next twelve months	$ 1,712,819

The Organization regularly monitors the availability of resources required to meet its operating needs and commitments, while also striving to maximize the investment of its available funds. In addition to the financial assets available to meet general expenditures over the next twelve months, the Organization operates with a balanced budget and anticipates collecting sufficient contributions to cover the general expenditures of their programs and related administration costs.

NOTE 12. The COVID-19 Pandemic

The COVID-19 global pandemic has caused economic disruption through mandated and voluntary closings of businesses, schools, and organizations. The Board of Directors and management have been actively monitoring the events and circumstances surrounding the spread of COVID-19 with their primary concern being the health and wellness of the staff, students and volunteers. The pandemic caused the administrative and program operations to move to remote locations, as staff transitioned to virtual formats. Since summer 2021, administrative and program operations are operating in person, subject to government restrictions and guidance. The Gala event was held virtually and was successful. The golf outings were held in both summer 2020 and 2021.

There is uncertainty about the impact of the pandemic on the Organization. The Organization has complied with restricting physical gatherings according with each phase of Restore Illinois. At this point, the extent to which COVID-19 may impact the Organization's financial condition or results of operations for the fiscal year June 30, 2022 is uncertain.

NOTE 13. Evaluation of Subsequent Events

The Organization has evaluated subsequent events through October 19, 2021, the date which the financial statements were available to be issued.