

Admission Control
DBA



college forward

Audited Financial Statements

June 30, 2006

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Admission Control (dba College Forward)

I have audited the accompanying statement of financial position of Admission Control (dba College Forward) (a nonprofit organization) as of June 30, 2006, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Admission Control's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Admission Control as of June 30, 2006, 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.

Linda Teneyuque Gonzalez, CPA

Kyle, Texas
November 1, 2006

Admission Control (dba College Forward)
Statement of Financial Position
As of June 30, 2006

Assets

Assets:

Cash and Cash Equivalents	\$	147,134
Prepaid Expenses		326
Equipment, net of Accumulated Depreciation		<u>3,160</u>
Total Assets	\$	<u><u>150,620</u></u>

Liabilities and Net Assets

Liabilities:

Accounts Payable	\$	<u>627</u>
Total Liabilities		627

Net Assets:

Unrestricted	67,922
Temporarily Restricted	<u>82,071</u>
Total Net Assets	<u>149,993</u>
Total Liabilities and Net Assets	<u><u>\$ 150,620</u></u>

The accompanying notes are an integral part of these financial statements.

Admission Control (dba College Forward)
Statement of Activities
For The Year Ended June 30, 2006

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Contributions	\$ 53,859	\$ -	\$ 53,859
Grants	-	99,883	99,883
Contributions-In-kind	44,179	-	44,179
Interest Revenue	2,860	-	2,860
Miscellaneous Revenue	492	-	492
Net Assets Released from Restrictions	<u>42,147</u>	<u>(42,147)</u>	<u>-</u>
 Total Support and Revenue	 143,537	 57,736	 201,273
 Expenses			
Program Services:			
Program Expenses	<u>143,789</u>	<u>-</u>	<u>143,789</u>
Supporting Services:			
Management and General	7,573	-	7,573
Fundraising	<u>3,471</u>	<u>-</u>	<u>3,471</u>
Total Supporting Services	<u>11,044</u>	<u>-</u>	<u>11,044</u>
Total Expenses	<u>154,833</u>	<u>-</u>	<u>154,833</u>
Increase(Decrease) in Net Assets	(11,296)	57,736	46,440
Beginning Net Assets	<u>79,218</u>	<u>24,335</u>	<u>103,553</u>
Ending Net Assets	<u>\$ 67,922</u>	<u>\$ 82,071</u>	<u>\$ 149,993</u>

The accompanying notes are an integral part of these financial statements.

Admission Control (dba College Forward)
Statement of Functional Expenses
For The Year Ended June 30, 2006

	<u>Program Services</u>			<u>Supporting Services</u>				
	TG Program	Retention Program	General Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Staff Expenses	\$ -	\$ 1,263	\$ 2,934	\$ 4,197	\$ -	\$ -	\$ -	\$ 4,197
Member Expenses	-	190	944	1,134	200	-	200	1,334
Supplies	613	1,124	3,942	5,679	696	2,532	3,228	8,907
Telephone & Telecommunications	-	-	4,224	4,224	736	-	736	4,960
Postage	123	380	1,088	1,591	192	107	299	1,890
Printing	3,604	-	659	4,263	-	352	352	4,615
Books and Subscriptions	-	876	1,169	2,045	206	-	206	2,251
Publications	-	-	75	75	-	-	-	75
Lease Expense	-	-	14,921	14,921	2,587	-	2,587	17,508
Utilities	-	-	1,237	1,237	219	-	219	1,456
Bank Charges	-	-	-	-	360	-	360	360
Rentals	600	100	733	1,433	75	300	375	1,808
Travel Expenses	-	4	13,524	13,528	-	-	-	13,528
Conference Expenses	-	-	1,156	1,156	-	-	-	1,156
Insurance	-	-	1,416	1,416	250	-	250	1,666
Membership Dues	-	-	731	731	-	-	-	731
Staff Development	90	-	2,105	2,195	372	-	372	2,567
Computer Services	2,535	-	308	2,843	-	-	-	2,843
Advertising Expenses	23,680	377	2,263	26,320	-	-	-	26,320
In-Kind Expenses	10,272	18,238	15,284	43,794	385	-	385	44,179
Other Expenses	3,654	124	573	4,351	322	-	322	4,673
Business Expenses	1,753	-	2,077	3,830	367	180	547	4,377
Computer Software/Supplies	753	-	1,347	2,100	238	-	238	2,338
Miscellaneous Expenses	-	-	420	420	-	-	-	420
Total Expenses before Depreciation	\$ 47,677	\$ 22,676	\$ 73,130	\$ 143,483	\$ 7,205	\$ 3,471	\$ 10,676	\$ 154,159
Depreciation	306			306	368	-	368	674
Total Functional Expenses	\$ 47,983	\$ 22,676	\$ 73,130	\$ 143,789	\$ 7,573	\$ 3,471	\$ 11,044	\$ 154,833

The accompanying notes are an integral part of these financial statements.

Admission Control (dba College Forward)
Statement of Cash Flows
For The Year Ended June 30, 2006

Cash Flows From Operating Activities

Increase in Net Assets	\$ 46,440
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	674
(Increase) decrease in prepaid expenses	667
Increase (decrease) in accounts payable	<u>(1,708)</u>
Net Cash Provided By Operating Activities	<u>46,073</u>

Cash Flows From Investing Activities

Acquisition of Property and Equipment	<u>(2,041)</u>
Net Cash Provided By Investing Activities	<u>(2,041)</u>
Net Increase in Cash and Cash Equivalents	44,032
Cash and Cash Equivalents at Beginning of Year	<u>103,102</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 147,134</u></u>

The accompanying notes are an integral part of these financial statements.

**Admission Control (dba College Forward)
Notes to Financial Statements
For the Year Ended June 30, 2006**

Note 1: Reporting Entity

Admission Control, is a 501(C)(3) educational nonprofit organization whose purpose is to positively impact the college attendance rate of economically disadvantage youth in Texas. Admission Control was incorporated as a voluntary non-profit corporation of the State of Texas and registered with the Secretary of State's office in Austin, Texas on March 12, 2003. On October 21, 2005 Admission Control's board of directors approved to change Admission Control's name to College Forward. On May 17, 2006, board members voted for the name change to become effective as of July 1, 2006.

Admission Control Mission Statement

Admission Control provides college-preparatory services to motivated, economically disadvantage high school students who want to earn baccalaureate degrees. Because we believe that access to higher education is the right of young Texan, we facilitate their transition to college and make the process exciting and rewarding.

In support of Admission Control provides six essential services:

- Introduction to the college experience
- Intensive SAT-I preparation
- Assistance in completing college applications
- Assistance in applying for financial aid and scholarships
- College retention strategies
- Ongoing support during the college years.

Note 2: Summary of Significant Accounting Policies

A summary of the significant accounting policies of Admission Control applied in the preparation of the accompanying financial statement follows:

Basis of Presentation - The financial statements of Admission Control have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Financial Statement Presentation - The statements of financial position and of activities focuses on the organization as a whole and reports the amounts of its total assets, liabilities, net assets and changes in net assets in accordance with the Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations*. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

Admission Control (dba College Forward)
Notes to Financial Statements
For the Year Ended June 30, 2006

Unrestricted net assets – Net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Property and equipment are included in unrestricted net assets.

Temporarily restricted net assets – Net assets that result from contributions and other inflow of assets that are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations. 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.

Permanently restricted net assets – These net assets are subject to donor-imposed restrictions that such assets be maintained permanently. Generally, the donor permits the organization to expend all or part of the income earned from the related assets for general or specific purposes. Admission Control has no permanently restricted assets.

Cash and Cash Equivalents – For purposes of the statement of cash flows, Admission Control includes both cash deposit accounts and short-term investments with maturities of less than three months from the date they were purchased. Admission Control's cash and cash equivalent include checking and money market accounts.

Revenue Recognition/Contributions - In accordance with the AICPA Audit and Accounting Guide for Not-For-Profit Organizations and using the guidance of SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions (grants) received from federal, state and local governments that are conditioned upon Admission Control incurring certain qualifying costs, are considered to be conditional promises to give and therefore, are recognized as revenue as those costs are incurred.

Support that is not restricted by the donor is reported as an increase in unrestricted net assets in the reporting period in which the support is recognized. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction in the reporting period in which the support is recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Property and Equipment - Fixed assets are valued at historical cost or estimated cost if an actual historical cost is not available. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets using the straight-line method, principally three to seven years.

Admission Control (dba College Forward)
Notes to Financial Statements
For the Year Ended June 30, 2006

In-Kind Contributions and Donation Services - Donated materials and services that are material to the financial statements are recorded at their fair market value.

Contributed Services - During the year ended June 30, 2006, Admission Control received volunteer services to assist with programs, administration and fundraising function. These services do not meet the requirements for recognition in the financial statements under the provision of SFAS No. 116. Therefore, the value of these services has not been recognized in these financial statements.

Use of Estimates and Assumptions - 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.

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 between the program and supporting services benefited as summarized in the statement of functional expenses.

Income Tax Status - Admission Control is exempt from income taxes under Section 501(a) of the Internal Revenue Code of 1986 as a publicly supported charitable organization described in Section 501 (c) (3). Consequently, no provision for federal income taxes is required or included in the accompanying financial statements.

Note 3: Concentration of Credit Risk

Admission Control maintains cash balances at one financial institution located in Austin, Texas. Accounts at this institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. As of June 30, 2006, Admission Control's uninsured cash balance totaled \$42,408.

Note 4: Property and Equipment

Property and equipment consist of the following at June 30, 2006:

Equipment	<u>\$ 3,878</u>
	3,878
less: Accumulated depreciation	<u>718</u>
	<u><u>\$ 3,160</u></u>

Depreciation expense was \$674 for the year ended June 30, 2006.

Admission Control (dba College Forward)
Notes to Financial Statements
For the Year Ended June 30, 2006

Note 5: Lease Commitments

In August 2003, Admission Control entered into a lease agreement for office space. The term of the lease is for a period of 36 months, commencing on August 21, 2003 ending August 31, 2006. Subsequent to year end, Admission Control entered into a new lease agreement for a new office space. The new lease agreement commences from October 1, 2006 to September 30, 2009.

The following is a schedule of future minimum lease payments required under the above operating leases:

Years ending <u>June 30</u>	<u>Amount</u>
2007	\$ 23,252
2008	28,016
2009	28,519
Thereafter	<u>7,130</u>
Total	<u>\$ 86,917</u>

Admission Control incurred office lease expense of \$17,508 for the year ended June 30, 2006.

Note 6: Temporarily Restricted Net Assets

At June 30, 2006, temporarily restricted net assets are restricted to balances arising from contributions for which restrictions have not been met and consisted of the following:

Webber Foundation Retention Program	\$ 19,898
Texas Guaranteed Student Loan Corporation	<u>62,173</u>
	<u>82,071</u>

Note 7: In-Kind Donations

Admission Control recorded contribution income resulting from the following in-kind donations received in year ended June 30, 2006.

TG Program	\$ 10,272
Retention Program	18,238
General Program	15,284
Management & General	<u>385</u>
	<u>\$ 44,179</u>

Admission Control (dba College Forward)
Notes to Financial Statements
For the Year Ended June 30, 2006

The above in-kind donations include MIS support, curriculum development/training, college room and board expenses and miscellaneous expenses.

Note 8: Staffing

Executive Director and Program Manager

The Executive Director and Program Manager are full-time, exempt employees of Medical Research Consultants and receive compensation and benefits from Medical Research Consultants.

AmeriCorps*VISTA members

Admission Control has a Memorandum of Agreement with Corporation for National and Community Service AmeriCorps*VISTA to provide AmeriCorps*VISTA members to perform volunteer service to strengthen and supplement efforts to eliminate poverty and poverty-related human, social and environmental problems. AmeriCorps*VISTA members are not considered employees of Admission Control and are compensated through Corporation for National and Community Service AmeriCorps*VISTA.

Volunteers

Volunteers serve as their available time coincides with the needs and operations of Admission Control. Volunteers do not receive benefits and compensation for their service to the organization.

Note 9: Subsequent Events

Subsequent to year end, Admission Control became College Forward as of July 1, 2006 see Note 1. During September, 2006 College Forward entered into a new lease agreement with MB-LA Costa LTD for new office space located at 6448 Hwy 290 East, unit E 108 and E 109, Austin, Texas 78723, see Note 5.