

**COLLEGE ACCESS NOW**  
**FINANCIAL STATEMENTS WITH**  
**INDEPENDENT AUDITORS' REPORT**  
**JULY 31, 2017 AND 2016**



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
College Access Now  
Seattle, Washington

We have audited the accompanying financial statements of College Access Now (a nonprofit organization), which comprise the statements of financial position as of July 31, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 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 Access Now as of July 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Jones &amp; Associates LLC, CPAs".

Jones & Associates, LLC CPAs  
January 24, 2018

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**COLLEGE ACCESS NOW**  
**STATEMENTS OF FINANCIAL POSITION**  
**JULY 31, 2017 AND 2016**

	2017	2016
<b>ASSETS</b>		
Cash and cash equivalents	\$ 919,654	\$ 382,415
Accounts receivable	75,218	57,114
Pledges receivable, current	902,676	807,118
Prepaid expenses	29,078	19,248
Total current assets	<u>1,926,626</u>	<u>1,265,895</u>
 Pledges receivable, noncurrent	 236,295	 358,135
Property and equipment, net	<u>70,575</u>	<u>73,033</u>
	<u><u>\$ 2,233,496</u></u>	<u><u>\$ 1,697,063</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 15,805	\$ 20,225
Accrued expenses	46,223	41,599
Deposits	2,500	2,500
Total current liabilities	<u>64,528</u>	<u>64,324</u>
 <b>NET ASSETS</b>		
Unrestricted	1,367,183	518,474
Temporarily restricted	<u>801,785</u>	<u>1,114,265</u>
	<u>2,168,968</u>	<u>1,632,739</u>
	<u><u>\$ 2,233,496</u></u>	<u><u>\$ 1,697,063</u></u>

**COLLEGE ACCESS NOW**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JULY 31, 2017**

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 1,684,139	\$ 488,662	\$ 2,172,801
Government grants	474,900	-	474,900
In-kind contributions	2,500	-	2,500
Investment return	19	-	19
Other income	6,540	-	6,540
	<u>2,168,098</u>	<u>488,662</u>	<u>2,656,760</u>
Net asset releases:			
Satisfaction of purpose requirements	-	-	-
Satisfaction of time requirements	801,142	(801,142)	-
	<u>801,142</u>	<u>(801,142)</u>	<u>-</u>
 Total support and revenue	 <u>2,969,240</u>	 <u>(312,480)</u>	 <u>2,656,760</u>
<b>EXPENSES</b>			
Program services	1,545,747	-	1,545,747
Management and general	226,444	-	226,444
Fundraising	348,340	-	348,340
Total expenses	<u>2,120,531</u>	<u>-</u>	<u>2,120,531</u>
 CHANGE IN NET ASSETS	 848,709	 (312,480)	 536,229
<b>NET ASSETS</b>			
Beginning of the year	<u>518,474</u>	<u>1,114,265</u>	<u>1,632,739</u>
End of the year	<u>\$ 1,367,183</u>	<u>\$ 801,785</u>	<u>\$ 2,168,968</u>

**COLLEGE ACCESS NOW**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JULY 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 772,029	\$ 653,085	\$ 1,425,114
Government grants	302,654	-	302,654
In-kind contributions	12,107	-	12,107
Investment return	(136)	-	(136)
	<u>1,086,654</u>	<u>653,085</u>	<u>1,739,739</u>
Net asset releases:			
Satisfaction of purpose requirements	4,500	(4,500)	-
Satisfaction of time requirements	763,902	(763,902)	-
	<u>768,402</u>	<u>(768,402)</u>	<u>-</u>
 Total support and revenue	 <u>1,855,056</u>	 <u>(115,317)</u>	 <u>1,739,739</u>
 <b>EXPENSES</b>			
Program services	1,431,580	-	1,431,580
Management and general	158,178	-	158,178
Fundraising	355,047	-	355,047
Total expenses	<u>1,944,805</u>	<u>-</u>	<u>1,944,805</u>
 CHANGE IN NET ASSETS	 (89,749)	 (115,317)	 (205,066)
 <b>NET ASSETS</b>			
Beginning of the year	<u>608,223</u>	<u>1,229,582</u>	<u>1,837,805</u>
End of the year	<u>\$ 518,474</u>	<u>\$ 1,114,265</u>	<u>\$ 1,632,739</u>

**COLLEGE ACCESS NOW**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JULY 31, 2017**

		Support Services		
	Program	Management		
	Services	and General	Fundraising	Total
Salaries and related	\$ 1,221,045	\$ 85,533	\$ 248,624	\$ 1,555,202
Professional services	83,309	69,444	16,831	169,584
Occupancy	80,135	6,715	11,600	98,450
Travel and meals	50,262	2,092	25,628	77,982
Office, printing and postage	23,098	20,812	12,452	56,362
Information technology	38,511	5,121	7,346	50,978
Professional development	20,546	7,433	3,891	31,870
Depreciation	3,455	23,186	394	27,035
Marketing and communications	3,086	1	12,239	15,326
Student support	9,424	-	-	9,424
Insurance	6,077	1,581	624	8,282
Interest and bank fees	439	1,623	6,129	8,191
Conferences and meetings	5,375	265	1,575	7,215
Miscellaneous	985	2,638	37	3,660
Bad debt	-	-	970	970
	<u>\$ 1,545,747</u>	<u>\$ 226,444</u>	<u>\$ 348,340</u>	<u>\$ 2,120,531</u>

**COLLEGE ACCESS NOW**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JULY 31, 2016**

	Program	Support Services		
	Services	Management and General	Fundraising	Total
Salaries and related	\$ 1,049,081	\$ 112,104	\$ 219,062	\$ 1,380,247
Professional services	62,632	20,303	34,697	117,632
Occupancy	86,747	9,132	18,263	114,142
Travel and meals	66,669	441	35,104	102,214
Office, printing and postage	56,705	1,741	18,787	77,233
Information technology	28,909	1,009	8,434	38,352
Professional development	25,466	1,370	3,234	30,070
Depreciation	10,480	10,750	1,076	22,306
Marketing and communications	17,061	55	9,051	26,167
Student support	8,254	-	-	8,254
Insurance	2,372	931	178	3,481
Interest and bank fees	1,062	325	2,896	4,283
Conferences and meetings	16,142	17	4,265	20,424
	<u>\$ 1,431,580</u>	<u>\$ 158,178</u>	<u>\$ 355,047</u>	<u>\$ 1,944,805</u>

**COLLEGE ACCESS NOW**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JULY 31, 2017 AND 2016**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from contributions and grants	\$ 2,655,879	\$ 1,736,130
Cash received from investment income and other	6,559	2,364
Cash paid to employees and suppliers	(2,100,622)	(1,920,420)
	<u>561,816</u>	<u>(181,926)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(24,577)	(81,613)
	<u>(24,577)</u>	<u>(81,613)</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 537,239	 (263,539)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of the year	<u>382,415</u>	<u>645,954</u>
End of the year	<u><u>\$ 919,654</u></u>	<u><u>\$ 382,415</u></u>



**COLLEGE ACCESS NOW**  
**NOTES TO FINANCIAL STATEMENTS**  
**JULY 31, 2017 AND 2016**

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**Note 1 – Nature of Activities and Summary of Significant Accounting Policies**

**Nature of Activities** – College Access Now (the Organization) is a Washington state nonprofit corporation, founded in 2006, whose mission is to empower students from low-income families to access, enroll, and graduate from college at rates equal to their more advantaged peers. The Organization serves over 2,000 students each year through High School and College Persistence Programs. Support is primarily received through contributions and grants.

**Basis of Accounting and Presentation** – The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred. The Organization reports 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 had no permanently restricted net assets at July 31, 2017 and 2016.

**Cash and Cash Equivalents** – For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents. At July 31, 2017 and 2016, cash and cash equivalents consist primarily of a checking account and cash held at a brokerage firm. At times, cash and cash equivalents may exceed federally insured limits. The Organization has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

**Accounts Receivable** – Accounts receivable consists of amounts due from governmental agencies. All account balances are due in less than one year. No allowance for uncollectible balances has been established by management based upon the Organization's historical experience in the collection of balance due.

**Pledges Receivable** – Pledges receivable are recognized in the period the pledge is received and consist of outstanding promises to give from a variety of individuals and foundations. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are initially recorded at fair value, which is measured at the present value of their future cash flows. Any discounts on those amounts, if applicable, are computed using donor specific risk-adjusted interest rates applicable to the years in which the promises are received. No discount for pledges receivable has been recorded by management as the amount is deemed insignificant to the financial statements as a whole. No allowance for doubtful pledges receivable has been established by management based on the Organization's historical experience in the collection of balances due.

**Property and Equipment** – Property and equipment is carried at cost. Depreciation is computed using the straight-line method, currently over a period of three to five years. The Organization follows a policy whereby it capitalizes purchases of property and equipment with a value in excess of \$1,000. When an asset is disposed of, the cost and related accumulated depreciation of the asset is removed from the accounting records, and gain or loss is recognized.

**COLLEGE ACCESS NOW**  
**NOTES TO FINANCIAL STATEMENTS**  
**JULY 31, 2017 AND 2016**

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**Note 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)**

**Contribution Revenue Recognition** – Contributions are recorded as increases in unrestricted or temporarily restricted net assets, depending on the existence and/or nature of donor or grantor restrictions. When a restriction expires, that is when a purpose restriction is accomplished or a time restriction has elapsed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. It is the Organization's policy to recognize restricted contributions in the unrestricted net asset class if the restrictions have been met in the same year.

**Government Grants Revenue Recognition** – Government grants revenue is recognized when a qualified expense is incurred. Grant revenue is subject to audit and retroactive adjustment made by the funding agencies. The adjustments are recorded at the time that such amounts can first be reasonably determined, normally upon notification by the government agency. There were no adjustments resulting from governmental audits during the years ended July 31, 2017 and 2016.

**Donated Goods and Services** – Donated goods and services are recognized at their fair value at the date of donation. The Organization recognizes donated services if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not donated.

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

**Estimates** – Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Income Tax Status** – The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1).

**Subsequent Events** – Subsequent events were evaluated through January 24, 2018, which is the date the financial statements were available to be issued.

**COLLEGE ACCESS NOW**  
**NOTES TO FINANCIAL STATEMENTS**  
**JULY 31, 2017 AND 2016**

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**Note 2 – Cash Flow Information**

The following reconciles the change in net assets to net cash provided (used) by operating activities at July 31:

	2017	2016
Change in net assets	\$ 536,229	\$ (205,066)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	27,035	22,306
Change in:		
Accounts receivable	(18,104)	(57,114)
Pledges receivable	26,282	65,476
Prepaid expenses	(9,830)	(17,973)
Accounts payable	(4,420)	(3,799)
Accrued expenses	4,624	11,744
Deposits	-	2,500
	<u>\$ 561,816</u>	<u>\$ (181,926)</u>

**Note 3 – Pledges Receivable**

Pledges receivable consist of the following at July 31:

	2017	2016
Receivables due in less than one year	\$ 902,676	\$ 807,118
Receivables due in one to five years	235,975	357,445
Receivables due in more than five years	320	690
	<u>\$ 1,138,971</u>	<u>\$ 1,165,253</u>

**COLLEGE ACCESS NOW**  
**NOTES TO FINANCIAL STATEMENTS**  
**JULY 31, 2017 AND 2016**

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**Note 4 – Property and Equipment**

Property and equipment consists of the following at July 31:

	2017	2016
Equipment and furniture	\$ 76,214	\$ 51,637
Leasehold improvements	65,095	65,095
Less accumulated depreciation	(70,734)	(43,699)
	<u>\$ 70,575</u>	<u>\$ 73,033</u>

**Note 5 – Temporarily Restricted Net Assets**

Temporarily restricted net assets are composed of the following at July 31:

	2017	2016
Time restricted contributions	\$ 696,285	\$ 1,114,265
High School Services	80,500	-
College Persistence Services	25,000	-
	<u>\$ 801,785</u>	<u>\$ 1,114,265</u>

**Note 6 – Concentrations of Risk**

Contributions from one donor composed 27% of total support and revenue during the year ended July 31, 2017. Contributions from one donor composed 26% of total support and revenue during the year ended July 31, 2016. Pledges receivable due from two donors composed 41% of pledges receivable for the year ended July 31, 2017. Pledges receivable due from two donors composed 36% of pledges receivable during the year ended July 31, 2016.

Grants from one government agency composed 14% of total support and revenue during each of the years ended July 31, 2017 and 2016, respectively.

**COLLEGE ACCESS NOW**  
**NOTES TO FINANCIAL STATEMENTS**  
**JULY 31, 2017 AND 2016**

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**Note 7 – Lease Commitment**

The Organization has a noncancelable operating lease for the rental of its office space. Rental expense for the years ended July 31, 2017 and 2016 is \$70,724 and \$63,096, respectively. The following is a schedule by year of future minimum rental commitments under this lease for the years ending July 31:

2018	\$ 72,843
2019	75,033
2020	6,268
	<u>\$ 154,144</u>