

COLLEGE FOR KIDS, INC.
D/B/A
TAKE STOCK IN CHILDREN PALM BEACH COUNTY

Financial Statements

June 30, 2011

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
College for Kids, Inc., d/b/a Take Stock in Children Palm Beach County
West Palm Beach, Florida

We have audited the accompanying statement of financial position of College for Kids, Inc., d/b/a Take Stock in Children Palm Beach County, as of June 30, 2011, and the related statements of activities, cash flows, and functional expenses 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 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. 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 for Kids, Inc., d/b/a Take Stock in Children Palm Beach County, as of June 30, 2011, 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.

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 2011 on our consideration of College for Kids, Inc.'s, d/b/a Take Stock in Children Palm Beach County, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

ROBBINS and LANDINO, P.A.

Certified Public Accountants

Robbins and Landino, P.A.

Fort Lauderdale, Florida
December 2, 2011

**COLLEGE FOR KIDS, INC.
D/B/A TAKE STOCK IN CHILDREN PALM BEACH COUNTY**

Statement of Financial Position
June 30, 2011

Assets

Current Assets

Cash and Cash Equivalents	\$ 643,149
Grants Receivable	103,550
Prepaid Expenses	<u>17,739</u>
Total Current Assets	<u>764,438</u>

Non-current Assets

Prepaid Tuition	2,369,852
Property and Equipment	<u>8,226</u>
Total Non-current Assets	<u>2,378,078</u>

Total Assets \$ 3,142,516

Liabilities and Net Assets

Current Liabilities

Accounts Payable and Accrued Expenses	\$ 752
Tuition Payable	<u>12,500</u>
Total Current Liabilities	<u>13,252</u>

Non-current Liabilities

Tuition Payable	<u>37,500</u>
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Total Liabilities 50,752

Net Assets

Unrestricted	2,790,913
Temporarily Restricted	<u>300,851</u>
Total Net Assets	<u>3,091,764</u>

Total Liabilities and Net Assets \$ 3,142,516

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

COLLEGE FOR KIDS, INC.
D/B/A TAKE STOCK IN CHILDREN PALM BEACH COUNTY

Statement of Activities
For the Year Ended June 30, 2011

Unrestricted Net Assets

Public Support and Revenues

Grants and Contributions	\$ 291,732
Fundraising Events Income	223,814
Less: Fundraising Events Expenses	(48,112)
Investment Income	2,405
Contributed Services and Materials	36,640
Net Assets Released from Restrictions	<u>470,881</u>
Total Public Support and Revenues	<u>977,360</u>

Expenses

Program	429,679
General and Administrative	82,848
Fundraising	<u>17,021</u>
Total Expenses	<u>529,548</u>

Change in Unrestricted Net Assets 447,812

Temporarily Restricted Net Assets

Contributions	610,000
Net Assets Released from Restrictions	<u>(470,881)</u>

Change in Temporarily Restricted Net Assets 139,119

Change in Net Assets 586,931

Net Assets, Beginning of Year 2,504,833

Net Assets, End of Year \$ 3,091,764

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

COLLEGE FOR KIDS, INC.
D/B/A TAKE STOCK IN CHILDREN PALM BEACH COUNTY

Statement of Cash Flows
For the Year Ended June 30, 2011

Cash Flows from Operating Activities	
Change in Net Assets	\$ 586,931
Adjustments to Reconcile Change in Net Assets to	
Net Cash from Operating Activities:	
Depreciation	2,277
Donated Property and Equipment	(2,000)
Changes in Assets and Liabilities:	
Decrease in Grants Receivable	7,046
Decrease in Accounts Receivable	2,950
Increase in Prepaid Expenses	(4,431)
Increase in Prepaid Tuition	(393,783)
Decrease in Accounts Payable and Accrued Expenses	(43)
Increase in Tuition Payable	<u>50,000</u>
Net Cash Flows from Operating Activities	<u>248,947</u>
Cash Flows from Investing Activities	
Purchases of Property and Equipment	<u>(617)</u>
Net Cash Flows from Investing Activities	<u>(617)</u>
Net Change in Cash and Cash Equivalents	248,330
Cash and Cash Equivalents, Beginning of Year	<u>394,819</u>
Cash and Cash Equivalents, End of Year	<u>\$ 643,149</u>

Supplemental Schedule of Non-Cash Investing Activities:

For the year ended June 30, 2011, Take Stock in Children Palm Beach County received donated property and equipment valued at \$2,000.

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

**COLLEGE FOR KIDS, INC.
D/B/A TAKE STOCK IN CHILDREN PALM BEACH COUNTY**

Statement of Functional Expenses
For the Year Ended June 30, 2011

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and Benefits	\$ 177,672	\$ 33,313	\$ 11,104	\$ 222,089
Scholarships	106,533			106,533
Mentoring	75,476			75,476
Contractors and Consultants	19,003	13,150	3,578	35,731
Occupancy	17,827	4,754	1,188	23,769
Telephone and Communications	6,571	6,571		13,142
Insurance	7,542	4,625		12,167
Professional Fees		11,250		11,250
Travel	10,223			10,223
Postage and Printing	3,476	3,056	344	6,876
Office	1,390	4,966		6,356
Depreciation	1,708	455	114	2,277
Outreach and Promotion	928	232	693	1,853
Dues and Subscriptions	1,224			1,224
Licenses and Fees	106	476		582
	<u>\$ 429,679</u>	<u>\$ 82,848</u>	<u>\$ 17,021</u>	<u>\$ 529,548</u>

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

COLLEGE FOR KIDS, INC.
D/B/A TAKE STOCK IN CHILDREN PALM BEACH COUNTY
Notes to Financial Statements
June 30, 2011

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization: College for Kids, Inc., d/b/a Take Stock in Children of Palm Beach ("TSIC") is a Florida non-profit corporation organized to promote personal worth, self-responsibility and academic success for deserving children from low-income families by providing a unique set of resources including mentors, scholarships, long-term support, student advocacy and a guaranteed educational opportunity.

Basis of Accounting: TSIC's financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Date of Management's Review: In preparing the financial statements, TSIC has evaluated events and transactions for the potential recognition or disclosure through December 2, 2011, the date that the financial statements were issued.

Cash and Cash Equivalents: For purposes of the statement of cash flows, TSIC considers interest-bearing cash accounts with an original maturity of three months or less to be cash equivalents.

Accounts Receivable: Accounts receivable is stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Property and Equipment: Property and equipment is stated at cost. Depreciation is computed on the straight-line basis over the expected useful lives of the assets. Maintenance expenses are charged to expense as incurred.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Certain costs have been allocated among the programs and supporting services benefited.

Income Taxes: TSIC has been granted tax-exempt status by the Internal Revenue Service under Code Section 501(c)(3). The Organization does pay tax on any unrelated business income. For the year ended June 30, 2011, there was no tax liability on unrelated business income and, accordingly, no provision for income taxes has been included in the accompanying financial statements.

COLLEGE FOR KIDS, INC.
D/B/A TAKE STOCK IN CHILDREN PALM BEACH COUNTY
Notes to Financial Statements
June 30, 2011

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(continued)

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

Fair Value of Financial Instruments: Cash equivalents, grants and accounts receivable, prepaid expenses, accounts payable and accrued expenses are reflected in the financial statements at cost, which approximates fair value because of their short-term nature.

Financial Statement Presentation: Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

Unrestricted - Includes amounts which have no external restrictions and which are available for support of current operations.

Temporarily Restricted – Includes amounts, which have donor-restrictions that can be fulfilled by actions of TSIC pursuant to those restrictions or restrictions that expire by the passage of time.

Contributions: Contributions are recorded as unrestricted or temporarily restricted support depending on the existence and/or nature of any donor restrictions. Time-restricted and purpose-restricted contributions are required to be reported as temporarily restricted support, unless the donor expressly stipulates otherwise. When a restriction expires (that is, when a stipulated time restriction ends or a 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. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

TSIC solicits contributions for the purpose of purchasing prepaid tuition credits from the State of Florida and providing financial assistance for the mentoring program for students awarded the prepaid tuition (the "scholarship program"). The contribution amount received for the scholarship program that is attributed to purchasing the prepaid tuition credits is purpose-restricted and released from restriction at the time of purchase. The contribution amount received for the scholarship program that is attributed to mentoring is time-restricted and released from restriction over the estimated time period beginning on the date the prepaid tuition is awarded and ending on the expected date the student will begin college.

COLLEGE FOR KIDS, INC.
D/B/A TAKE STOCK IN CHILDREN PALM BEACH COUNTY
Notes to Financial Statements
June 30, 2011

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(continued)

Contributed Services and Materials: Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributed materials are also recorded at their fair values in the period received.

Prepaid Tuition: TSIC participates in the Florida Prepaid College Foundation (the "Foundation") "STARS" Scholarship Project (Stanley Tate Project "Scholarship Tuition for At-Risk Students") whereby TSIC purchases scholarship plans and pays 50% of the scholarship plan contract price. The Foundation provides the remaining 50% of the contract price as a match. The scholarship plans are assigned by TSIC to eligible students, defined as designated beneficiaries, who meet the standards specified in TSIC's scholarship program. These scholarships are assets of TSIC until such time that designated beneficiaries have exhausted tuition credit hours. TSIC maintains an accounting for tuition credit hours and recognizes the tuition expense based on credit hours used by the designated beneficiaries. The amounts recognized by TSIC as assets and expenses are based on its 50% share of the scholarship plan contract price. In the event of cancellation or termination of scholarship plans, TSIC is entitled to a credit from the Foundation based on TSIC's share of the value of the unused tuition credit hours available.

Scholarship Expense: Scholarship expense is based upon TSIC scholarships credits purchased net of the change in prepaid tuition. Amounts paid or reserved for tuition are also included.

2. PROPERTY AND EQUIPMENT

At June 30, 2011, property and equipment consisted of:

Furniture and Equipment	\$ 12,394
Less: Accumulated Depreciation	(4,168)
	<u>\$ 8,226</u>

3. TUITION PAYABLE

At June 30, 2011, tuition payable consisted of:

Total	\$ 50,000
Current	(12,500)
Non-Current	<u>\$ 37,500</u>

COLLEGE FOR KIDS, INC.
D/B/A TAKE STOCK IN CHILDREN PALM BEACH COUNTY
Notes to Financial Statements
June 30, 2011

3. TUITION PAYABLE (continued)

Future expected payments are as follows:

Year ended June 30,	2012	\$ 12,500
	2013	12,500
	2014	12,500
	2015	12,500
		<u>\$ 50,000</u>

4. RESTRICTIONS ON ASSETS

Temporarily restricted net assets are available for the following purposes:

Mentoring and Support	\$ 250,851
For Future Periods	<u>50,000</u>
	<u>\$ 300,851</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors as follows:

Scholarships and Mentoring	\$ 430,881
Passage of Specified Time	<u>40,000</u>
	<u>\$ 470,881</u>

5. COMMITMENTS AND CONTINGENCIES

Concentrations of Credit and Investment Risks: TSIC maintains cash accounts which, at times, may exceed insured limits. At June 30, 2011, TSIC had demand deposits in financial institutions which exceeded the depositor's insurance provided by the applicable guarantee agency by approximately \$35,000. TSIC has not experienced any losses from maintaining accounts in excess of insured limits. Management believes that it is not exposed to any significant credit risk on its cash accounts.

Leases: TSIC leases its facility under an operating lease extending to July 2011. On July 1, 2011, TSIC signed an operating lease for a new facility extending to July 2016. TSIC also leases office equipment under operating leases extending to December 2014. Rental expense for the operating leases totaled \$24,145 for the year ended June 30, 2011.

COLLEGE FOR KIDS, INC.
D/B/A TAKE STOCK IN CHILDREN PALM BEACH COUNTY
Notes to Financial Statements
June 30, 2011

5. COMMITMENTS AND CONTINGENCIES (continued)

Future minimum lease payments are as follows:

Year Ending June 30,	2012	\$	27,054
	2013		27,994
	2014		28,750
	2015		27,919
	2016		27,120
	Thereafter		<u>2,266</u>
		\$	<u>141,103</u>

6. CONTRIBUTED FACILITIES

The value of contributed facilities included in the financial statements for the year ended June 30, 2011 is as follows:

Revenue		
Mentoring	\$	34,640
Furniture and Equipment		<u>2,000</u>
	\$	<u>36,640</u>
Expenses		
Program Services	\$	<u>34,640</u>

During the year ended June 30, 2011, \$2,000 of donated furniture and equipment was capitalized in the statement of financial position.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
College for Kids, Inc., d/b/a Take Stock in Children Palm Beach County
West Palm Beach, Florida

We have audited the financial statements of College for Kids, Inc., d/b/a Take Stock in Children Palm Beach County, as of and for the year ended June 30, 2011 and have issued our report thereon dated December 2, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered College for Kids, Inc.'s, d/b/a Take Stock in Children Palm Beach County, internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of College for Kids, Inc.'s, d/b/a Take Stock in Children Palm Beach County, internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(continued)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether College for Kids, Inc.'s, d/b/a Take Stock in Children Palm Beach County, financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, and awarding agencies and is not intended to be and should not be used by anyone other than these specific parties.

ROBBINS and LANDINO, P.A.
Certified Public Accountants

Robbins and Landino, P.A.

Fort Lauderdale, Florida
December 2, 2011