

**COLORADO ASSOCIATION OF
FINANCIAL AID ADMINISTRATORS**

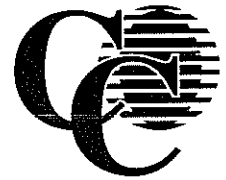
FINANCIAL STATEMENTS
With Independent Auditors' Report

December 31, 2004 and 2003

**COLORADO ASSOCIATION OF
FINANCIAL AID ADMINISTRATORS**

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INDEPENDENT AUDITORS' REPORT

CAPIN CROUSE LLP
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Board of Directors
Colorado Association of
Financial Aid Administrators
Denver, Colorado

We have audited the accompanying statements of financial position of the Colorado Association of Financial Aid Administrators as of December 31, 2004 and 2003, and the related statements of activities and cash flows for the years 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 audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits 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, by not for the purpose of expressing an opinion on the effectiveness of CAFAA's internal control over financial reporting. Accordingly, we express no such opinion. An audit 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 audits provide 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 the Colorado Association of Financial Aid Administrators as of December 31, 2004 and 2003, and the results of its activities and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Capin Crouse LLP

Colorado Springs, Colorado
September 29, 2005

**COLORADO ASSOCIATION OF
FINANCIAL AID ADMINISTRATORS**

Statements of Financial Position

	December 31,	
	2004	2003
ASSETS:		
Cash and cash equivalents	\$ 78,934	\$ 72,838
Computer	-	469
Total Assets	\$ 78,934	\$ 73,307
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 2,131	\$ 25
Deferred income	6,010	2,925
	8,141	2,950
Unrestricted Net Assets	70,793	70,357
Total Liabilities and Net Assets	\$ 78,934	\$ 73,307

See notes to financial statements

**COLORADO ASSOCIATION OF
FINANCIAL AID ADMINISTRATORS**

Statements of Activities

	<u>Years Ended December 31,</u>	
	<u>2004</u>	<u>2003</u>
SUPPORT AND REVENUE:		
Contributions	\$ 12,097	\$ 7,200
Conference fees	24,342	20,173
Membership dues	6,379	7,025
Other	686	1,458
	<u>43,504</u>	<u>35,856</u>
EXPENSES:		
Program services	32,599	19,917
General and administrative	10,469	8,237
	<u>43,068</u>	<u>28,154</u>
 Change in Net Assets	 436	 7,702
 Net Assets—Beginning of Year	 <u>70,357</u>	 <u>62,655</u>
 Net Assets—End of Year	 <u>\$ 70,793</u>	 <u>\$ 70,357</u>

See notes to financial statements

**COLORADO ASSOCIATION OF
FINANCIAL AID ADMINISTRATORS**

Statements of Cash Flows

	Years Ended December 31,	
	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 436	\$ 7,702
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization	469	468
Changes in operating assets and liabilities:		
Accounts payable	2,106	(1,340)
Deferred income	3,085	(100)
	6,096	6,730
Net Cash Provided by Operating Activities		
Net Change in Cash	6,096	6,730
Cash and Cash Equivalents—Beginning of Year	72,838	66,108
Cash and Cash Equivalents—End of Year	\$ 78,934	\$ 72,838

See notes to financial statements

**COLORADO ASSOCIATION OF
FINANCIAL AID ADMINISTRATORS**

Notes to Financial Statements

December 31, 2004 and 2003

1. NATURE OF ORGANIZATION:

Colorado Association of Financial Aid Administrators (CAFAA) is a nonprofit organization, exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code") and is not a private foundation under Section 509(a) of the Code.

CAFAA advances the Financial Aid Profession in order to be the primary source in Colorado for information and guidance regarding the financing of Student Higher Education.

CAFAA:

PROVIDES informational services and activities to assist students in meeting the costs of Higher Education through Financial Aid and Self Support.

PROMOTES the professional preparation, effectiveness and recognition of all those concerned with the administration of Student Financial Aid.

PROMOTES communication among Educational Institutions, Agencies and Organizations which support Student Financial Aid Programs.

SERVES as the state forum for the expression of views on matters relating to the development, funding and administration of Student Financial Aid at the State, Regional and National levels.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared under the accrual basis of accounting. The preparation of financial statements in conformity with U.S. 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. The significant accounting policies are described as follows:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of checking and savings accounts and certificates of deposit of varying maturities.

COMPUTER

CAFAA capitalizes fixed assets in excess of \$1,000. Currently, fixed asset consist of a computer with a useful life of five years over which depreciation was calculated on a straight-line basis and completely depreciated in the year ended December 31, 2004.

**COLORADO ASSOCIATION OF
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Notes to Financial Statements

December 31, 2004 and 2003

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS

Unrestricted net assets are those assets held for the operations of CAFAA.

SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash or other assets are received or unconditionally promised. Contributions primarily consist of sponsorships received by businesses as part of the conference held by CAFAA each year.

Conference fees are recorded when earned. The amounts are typically collected in the year in which the conference is held. Membership fees are recognized as earned. The program year has historically been on a fiscal year of June 30. Therefore, deferred revenue is recognized as of December 31 each year to recognize the amounts received but not yet earned. Subsequent to the year ended December 31, 2004, CAFAA changed the membership fee structure to begin January 1 each year.

Other revenue is recorded when earned.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various program services and supporting activities have been summarized on a functional basis in the statements of activities.