

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COTTONWOOD CLASSICAL PREPARATORY SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2013

Exhibit A-1

ASSETS

Cash	\$	393,651
Restricted cash		1,513,508
Receivables		
Due from other governments		20,519
Pledges receivable		60,000
Prepays		13,941
Deposits		6,677
Total current assets		2,008,296
Capital assets		
Land		3,167,743
Furniture, fixtures and equipment		41,923
Leasehold improvements		4,687
Buildings		5,440,804
Less: accumulated depreciation		(11,343)
Total noncurrent assets		8,643,814
Total assets	\$	10,652,110

LIABILITIES AND NET POSITION

Accrued expenses	\$	317,089
Accounts payable		18,138
Due to government		62,129
Total current liabilities		397,356
Bond payable		10,610,000
Total liabilities		11,007,356
Invested in capital assets		8,643,814
Restricted		90,619
Unrestricted (deficit)		(9,089,679)
Total net position (deficit)		(355,246)
Total liabilities and net position	\$	10,652,110

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COTTONWOOD CLASSICAL PREPARATORY SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Exhibit A-2

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 2,175,056	\$ 20,689	\$ 144,255	\$ -	\$ (2,010,112)
Support services:					
Students	99,555	-	-	-	(99,555)
Instruction	8,713	-	-	-	(8,713)
General Administration	40,577	-	-	-	(40,577)
School Administration	216,201	-	-	-	(216,201)
Central Services	145,307	-	-	-	(145,307)
Operation & Maintenance of Plant	426,110	-	-	-	(426,110)
Operation of Non-Instructional Services	-	-	-	-	-
Student Transportation	140,834	-	202,962	-	62,128
Food Services Operation	-	-	-	-	-
Community Services Operations	-	-	-	-	-
Facilities Materials, Supplies & Other Services	958,463	-	-	325,607	(632,856)
Total governmental activities	\$ 4,210,816	\$ 20,689	\$ 347,217	\$ 325,607	(3,517,303)
General Revenues:					
State Equalization Guarantee					2,988,576
Miscellaneous					184,528
Investment Income					2,234
Total general revenues					3,175,338
Change in net position					(341,965)
Net position - beginning (deficit)					(64,681)
Reclassification of reporting entity					51,400
Net position - ending (deficit)					\$ (355,246)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COTTONWOOD CLASSICAL PREPARATORY SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

Exhibit B-1
(Page 1 of 3)

	General 11000	Transportation Transportation 13000	Instructional Materials 14000	IDEA-B Entitlement 24106	Teacher Principal Training 24154
ASSETS					
<i>Current Assets</i>					
Cash and temporary investments	\$ 154,992	\$ 124,257	\$ 28,210	\$ -	\$ -
Accounts receivable					
Pledges receivable					
Due from other governments	-	-	-	18,021	2,498
Due from other funds	12,519	-	-	-	-
Prepays	9,176	-	-	-	-
Deposits	6,677	-	-	-	-
<i>Total assets</i>	<u>\$ 183,364</u>	<u>\$ 124,257</u>	<u>\$ 28,210</u>	<u>\$ 18,021</u>	<u>\$ 2,498</u>
LIABILITIES AND FUND BALANCES					
<i>Current Liabilities:</i>					
Accrued expenses	\$ 232,301	\$ -	\$ -	\$ 8,000	\$ -
Accounts payable					
Due to government		62,129			
Due to other funds	-	-	-	10,021	2,498
<i>Total liabilities</i>	<u>232,301</u>	<u>62,129</u>	<u>-</u>	<u>18,021</u>	<u>2,498</u>
<i>Fund balances</i>					
Nonspendable	15,853	-	-	-	-
Restricted	-	62,128	28,210	-	-
Unassigned (deficit)	(64,790)	-	-	-	-
<i>Total fund balance (deficit)</i>	<u>(48,937)</u>	<u>62,128</u>	<u>28,210</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 183,364</u>	<u>\$ 124,257</u>	<u>\$ 28,210</u>	<u>\$ 18,021</u>	<u>\$ 2,498</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COTTONWOOD CLASSICAL PREPARATORY SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

Exhibit B-1
(Page 2 of 3)

	Technology for Education 27117	Public School Capital Outlay 31200	Foundation	Total
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 281	\$ -	\$ 1,599,419	\$ 1,907,159
Accounts receivable				
Pledges receivable			60,000	60,000
Due from other governments	-	-	-	20,519
Due from other funds	-	-	-	12,519
Prepays	-	-	4,765	13,941
Deposits	-	-	-	6,677
<i>Total assets</i>	<u>\$ 281</u>	<u>\$ -</u>	<u>\$ 1,664,184</u>	<u>\$ 2,020,815</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accrued expenses	\$ -	\$ -	\$ 76,788	\$ 317,089
Accounts payable			18,138	18,138
Due to government				62,129
Due to other funds	-	-	-	12,519
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>94,926</u>	<u>409,875</u>
<i>Fund balances</i>				
Nonspendable	-	-	-	15,853
Restricted	281	-	-	90,619
Unassigned (deficit)	-	-	1,569,258	1,504,468
<i>Total fund balance (deficit)</i>	<u>281</u>	<u>-</u>	<u>1,569,258</u>	<u>1,610,940</u>
<i>Total liabilities and fund balance</i>	<u>\$ 281</u>	<u>\$ -</u>	<u>\$ 1,664,184</u>	<u>\$ 2,020,815</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COTTONWOOD CLASSICAL PREPARATORY SCHOOL
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

Exhibit B-1
(Page 3 of 3)

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - total governmental funds	<u>\$ 1,610,940</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>8,643,814</u>
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
General obligation bonds	<u>(10,610,000)</u>
Net Position-total Governmental Activities	<u><u>\$ (355,246)</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COTTONWOOD CLASSICAL PREPARATORY SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

Exhibit B-2
(Page 1 of 3)

	General 11000	Transportation 13000	Instructional Materials 14000	IDEA-B Entitlement 24106	Teacher Principal Training 24154
<i>Revenues:</i>					
Local and county sources	\$ 41,601	\$ -	\$ -	\$ -	\$ -
State sources	3,013,647	202,962	29,274	-	-
Federal sources	-	-	-	66,500	2,498
Miscellaneous	-	-	-	-	-
Interest	2,235	-	-	-	-
<i>Total revenues</i>	<u>3,057,483</u>	<u>202,962</u>	<u>29,274</u>	<u>66,500</u>	<u>2,498</u>
<i>Expenditures:</i>					
Current:					
Instruction	2,095,125	-	14,641	62,793	2,498
Support Services:					
Students	95,848	-	-	3,707	-
Instruction	8,713	-	-	-	-
General Administration	40,577	-	-	-	-
School Administration	216,201	-	-	-	-
Central Services	145,307	-	-	-	-
Operation & Maintenance of Plant	426,110	-	-	-	-
Other Support Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Interest	-	-	-	-	-
Bond issuance cost	-	-	-	-	-
<i>Total expenditures</i>	<u>3,027,881</u>	<u>140,834</u>	<u>14,641</u>	<u>66,500</u>	<u>2,498</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>29,602</u>	<u>62,128</u>	<u>14,633</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Bond issuance discounts	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>29,602</u>	<u>62,128</u>	<u>14,633</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year (deficit)</i>	<u>(78,539)</u>	<u>-</u>	<u>13,577</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year (deficit)</i>	<u>\$ (48,937)</u>	<u>\$ 62,128</u>	<u>\$ 28,210</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COTTONWOOD CLASSICAL PREPARATORY SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

Exhibit B-2
(Page 2 of 3)

	Technology for Education 27117	Public School Capital Outlay 31200	Foundation	Total Governmental Funds
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ 41,601
State sources	-	325,607	-	3,571,490
Federal sources	-	-	-	68,998
Miscellaneous	-	-	184,528	184,528
Interest	-	-	-	2,235
<i>Total revenues</i>	<u>-</u>	<u>325,607</u>	<u>184,528</u>	<u>3,868,852</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	2,175,057
Support Services:				
Students	-	-	-	99,555
Instruction	-	-	-	8,713
General Administration	-	-	-	40,577
School Administration	-	-	-	216,201
Central Services	-	-	-	145,307
Operation & Maintenance of Plant	-	-	-	426,110
Other Support Services	-	-	69,799	69,799
Capital outlay	-	325,607	8,655,157	8,980,764
Debt service				
Interest	-	-	53,365	53,365
Bond issuance cost	-	-	498,349	498,349
<i>Total expenditures</i>	<u>-</u>	<u>325,607</u>	<u>9,276,670</u>	<u>12,854,631</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(9,092,142)</u>	<u>(8,985,779)</u>
<i>Other financing sources (uses):</i>				
Bond issuance discounts				
Proceeds from bond issues	-	-	10,610,000	10,610,000
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>10,610,000</u>	<u>10,610,000</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,517,858</u>	<u>1,624,221</u>
<i>Fund balances - beginning of year (deficit)</i>	<u>281</u>	<u>-</u>	<u>51,400</u>	<u>(13,281)</u>
<i>Fund balances - end of year (deficit)</i>	<u>\$ 281</u>	<u>\$ -</u>	<u>\$ 1,569,258</u>	<u>\$ 1,610,940</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 COTTONWOOD CLASSICAL PREPARATORY SCHOOL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Exhibit B-2
(Page 3 of 3)

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	<u>\$ 1,624,221</u>
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Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlay exceeds depreciation for the period.

Depreciation expense	(11,343)
Capital Outlays	<u>8,655,157</u>
	8,643,814

The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report issuance of capital lease obligations as other financing sources while it is not accounted for in the Statement of Activities:

Bond proceeds	<u>(10,610,000)</u>
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Change in Net Position of governmental activities:	<u><u>\$ (341,965)</u></u>
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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COTTONWOOD CLASSICAL PREPARATORY SCHOOL
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2013

Exhibit C-1

	<u>Total Agency Funds</u>
ASSETS	
<i>Current Assets</i>	
Cash	<u>\$ 54,270</u>
<i>Total assets</i>	<u><u>54,270</u></u>
 LIABILITIES	
<i>Current Liabilities</i>	
Deposits held in trust for others	<u>54,270</u>
<i>Total liabilities</i>	<u><u>\$ 54,270</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 COTTONWOOD CLASSICAL PREPARATORY SCHOOL
 AGENCY FUNDS
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2013

Exhibit C-2

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
ASSETS				
Cash in bank	\$ 836	\$ 133,075	\$ 79,641	\$ 54,270
Total assets	<u>\$ 836</u>	<u>\$ 133,075</u>	<u>\$ 79,641</u>	<u>\$ 54,270</u>
 LIABILITIES				
Deposits held for others	\$ 836	\$ 133,075	\$ 79,641	\$ 54,270
Total liabilities	<u>\$ 836</u>	<u>\$ 133,075</u>	<u>\$ 79,641</u>	<u>\$ 54,270</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COTTONWOOD CLASSICAL PREPATORY
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2013

Schedule I

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Fair / Par Market Value June 30, 2013</u>	<u>Name and Location of Safekeeper</u>
Wells Fargo Bank, N.A	AL0604 3.000% Matures 8/1/2026	\$ 505,874	Wells Fargo Bank, N.A
Wells Fargo Bank, N.A	AQ9991 3.000% Matures 2/1/2043	96,527 <u>\$ 602,401</u>	Wells Fargo Bank, N.A

The accompanying notes are and integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COTTONWOOD CLASSICAL PREPARATORY SCHOOL
SCHEDULE OF CASH ACCOUNTS
JUNE 30, 2013

Schedule II

Bank Account Type	Wells Fargo Bank
Checking - Operational	\$ 393,673
Checking-Foundation	\$ 89,703
Total on deposit	\$ 483,376
Reconciling Items	(35,455)
Reconciled Balance June 30, 2013	\$ 447,921
Less Agency Funds	54,270
Total Cash	\$ 393,651
Restricted cash	
Bond funds held by bondholder	\$ 1,513,508

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COTTONWOOD CLASSICAL PREPARATORY SCHOOL
CASH RECONCILIATION
JUNE 30, 2013

Schedule III
(Page 1 of 2)

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000	Activity Account 23000
Cash, June 30, 2012	\$ 22,801	\$ -	\$ 13,577	\$ 836
Add:				
2012-13 revenues	3,094,993	265,091	29,274	133,076
Loans from other funds	-	-	-	-
Total cash available	3,117,794	265,091	42,851	133,912
Less:				
2012-13 expenditures	(3,039,314)	(140,834)	(14,641)	(79,642)
Loans to other funds	(747)	-	-	-
Receivables/Payables	77,107	-	-	-
Cash, June 30, 2013	<u>154,840</u>	<u>124,257</u>	<u>28,210</u>	<u>54,270</u>
Fund Balance Reconciliation to GAAP Basis:				
Audit reclassifications to cash	152	-	-	-
Cash per Books	<u>154,992</u>	<u>124,257</u>	<u>28,210</u>	<u>54,270</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(203,777)	(62,129)	-	(54,270)
Fund Balance, Modified Accrual Basis (deficit)	<u>(48,937)</u>	<u>62,128</u>	<u>28,210</u>	<u>-</u>

*Foundation is not required to be reported to the PED and is therefore not included in the cash report

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COTTONWOOD CLASSICAL PREPARATORY SCHOOL
CASH RECONCILIATION
JUNE 30, 2013

Schedule III
 (Page 2 of 2)

Federal Flowthrough 24000	State Flowthrough 27000	Public School Capital Outlay 31200	Total
\$ -	\$ 5,929	\$ -	\$ 43,143
64,802	-	325,607	3,912,843
-	-	-	-
64,802	5,929	325,607	3,955,986
(69,387)	(5,496)	(325,607)	(3,674,921)
747	-	-	-
3,838	-	-	80,945
-	433	-	362,010
-	(152)	-	-
-	281	-	362,010
		Less Activity Funds	54,270
		Foundation*	1,599,419
		Per Exhibit B-1	\$ 1,907,159
-	(152)	-	(320,328)
-	281	-	41,682
		Foundation*	1,569,258
		Per Exhibit B-1	\$ 1,610,940

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