

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Statement of Net Position
June 30, 2016

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 1,637,051
Receivables	
Due from Other Governments	213,213
Taxes Receivable	3,123
Other Receivables	1,128
Due from Agency Funds	8,936
Prepaid Expenditures	13,298
Total Current Assets	<u>1,876,749</u>

Noncurrent Assets:

Capital Assets	
Land and Land Improvements	3,172,430
Building and Improvements	5,770,204
Furniture, Fixtures, and Equipment	43,564
Less: Accumulated Depreciation	<u>(445,501)</u>
Total Noncurrent Assets	8,540,697
Website, net of Accumulated Amortization	298
Total Assets	<u>10,417,744</u>

Deferred Outflows - Pension Related	<u>910,775</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	6,814
Accrued Liabilities	368,473
Accrued Interest Payable	52,631
Current Portion of Long-Term Debt	<u>160,000</u>
Total Current Liabilities	<u>587,918</u>

Noncurrent Liabilities:

Long-Term Debt	10,290,000
Net Pension Liability	<u>5,215,495</u>
Total Noncurrent Liabilities	<u>15,505,495</u>
Total Liabilities	<u>16,093,413</u>

Deferred Inflows - Pension Related	<u>120,167</u>
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NET POSITION

Net Investment in Capital Assets	(1,909,005)
Restricted	1,439,634
Unrestricted (Deficit)	<u>(4,415,690)</u>
Total Net Position	<u>\$ (4,885,061)</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 Activities
For The Year Ended June 30, 2016

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	\$ 3,334,114	30,867	210,024	-	(3,093,223)
Support Services:					
Students	232,054	-	-	-	(232,054)
Instruction	41,711	-	-	-	(41,711)
General Administration	58,761	-	-	-	(58,761)
School Administration	337,205	-	-	-	(337,205)
Central Services	185,824	-	-	-	(185,824)
Operation & Maintenance of Plant	534,674	-	-	-	(534,674)
Other Support Services	103,179	-	-	-	(103,179)
Student Transportation	283,825	-	281,465	-	(2,360)
Facilities Materials, Supplies & Other Services	1,591,467	-	-	498,083	(1,093,384)
Total Governmental Activities	\$ 6,702,814	30,867	491,489	498,083	(5,682,375)
General Revenues:					
Property Taxes					\$ 177,672
State Equalization Guarantee					4,261,019
Miscellaneous					918,756
Total General Revenues					<u>5,357,447</u>
Change in Net Position					<u>(324,928)</u>
Net Position- Beginning					(4,560,133)
Net position, Ending					<u>\$ (4,885,061)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Balance Sheets - Governmental Funds
June 30, 2016

	Operational 11000	Student Transportation 13000	Instructional Materials 14000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 212,346	84,495	91,613	-
Accounts Receivable				
Due from Governments	-	-	-	-
Taxes Receivable	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	215,026	-	-	-
Prepaid Expenditures	13,298	-	-	-
Total Assets	\$ 440,670	84,495	91,613	-
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 4,829	-	-	-
Accrued Expenditures	360,715	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	365,544	-	-	-
Fund Balances				
Fund Balance:				
Nonspendable:				
Prepaid Expenditures	13,298	-	-	-
Restricted for:				
Instruction	-	-	91,613	-
Student Transportation	-	84,495	-	-
Capital Improvements	-	-	-	-
Unassigned	61,828	-	-	-
Total Fund Balance	75,126	84,495	91,613	-
Total Liabilities and Fund Balances	\$ 440,670	84,495	91,613	-

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Teacher Principal Training 24154	USHHS/CDC School Health 24186	2012 SB-66 Student Library 27107	Technology for Education 27117
-	-	-	-	-	-
87,857	117	783	4,999	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>87,857</u>	<u>117</u>	<u>783</u>	<u>4,999</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
7,122	-	-	-	-	-
<u>80,735</u>	<u>117</u>	<u>783</u>	<u>4,999</u>	<u>-</u>	<u>-</u>
<u>87,857</u>	<u>117</u>	<u>783</u>	<u>4,999</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>87,857</u>	<u>117</u>	<u>783</u>	<u>4,999</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Balance Sheets - Governmental Funds (Continued)
June 30, 2016

	GO Bonds Instructional Materials 27171	Next Generation Assessments 27185	Public School Capital Outlay 31200	Special Capital Outlay State 31400
ASSETS				
Cash and Cash Equivalents	\$ -	-	-	-
Accounts Receivable				
Due from Governments	-	-	119,457	-
Taxes Receivable	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Prepaid Expenditures	-	-	-	-
Total Assets	\$ -	-	119,457	-
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	-	-	-
Accrued Expenditures	-	-	-	-
Due to Other Funds	-	-	119,456	-
Total Liabilities	-	-	119,456	-
Fund Balances				
Fund Balance:				
Nonspendable:				
Prepaid Expenditures	-	-	-	-
Restricted for:				
Instruction	-	-	-	-
Student Transportation	-	-	-	-
Capital Improvements	-	-	1	-
Unassigned	-	-	-	-
Total Fund Balance	-	-	1	-
Total Liabilities and Fund Balances	\$ -	-	119,457	-

The accompanying notes are an integral part of these financial statements

SB-9 Capital Improvements 31700	Foundation	Total
-	1,248,597	1,637,051
-	-	213,213
3,123	-	3,123
-	1,128	1,128
-	-	215,026
-	-	13,298
<u>3,123</u>	<u>1,249,725</u>	<u>2,082,839</u>
-	1,985	6,814
-	636	368,473
-	-	206,090
<u>-</u>	<u>2,621</u>	<u>581,377</u>
-	-	13,298
-	-	91,613
-	-	84,495
3,123	1,247,104	1,250,228
-	-	61,828
<u>3,123</u>	<u>1,247,104</u>	<u>1,501,462</u>
<u>3,123</u>	<u>1,249,725</u>	<u>2,082,839</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2016

Fund Balances - Total Governmental Funds **\$ 1,501,462**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Other Assets	298	
Capital Assets	8,986,198	
Accumulated Depreciation	<u>(445,501)</u>	8,540,995

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds		910,775
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Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.

Accrued Interest Payable	(52,631)	
Long-Term Debt	(10,450,000)	
Net Pension Liability	<u>(5,215,495)</u>	(15,718,126)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds		<u>(120,167)</u>
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Net Position-Total Governmental Activities **\$ (4,885,061)**

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 (Deficit)
Governmental Funds
For The Year Ended June 30, 2016

	Operational 11000	Student Transportation 13000	Instructional Materials 14000	Title I IASA 24101
REVENUES				
Property Taxes	\$ -	-	-	-
State Grant	4,261,019	281,465	50,755	-
Federal Grant	-	-	-	-
Charges for Services	30,867	-	-	-
Miscellaneous Income	21,304	-	-	-
Total Revenues	<u>4,313,190</u>	<u>281,465</u>	<u>50,755</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	3,031,779	-	27,233	-
Support Services:				
Students	197,114	-	-	-
Instruction	41,711	-	-	-
General Administration	35,227	-	-	-
School Administration	302,668	-	-	-
Central Services	185,824	-	-	-
Operation & Maintenance of Plant	541,925	-	-	-
Student Transportation	-	283,825	-	-
Other Support Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>4,336,248</u>	<u>283,825</u>	<u>27,233</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(23,058)</u>	<u>(2,360)</u>	<u>23,522</u>	<u>-</u>
Net Changes in Fund Balances	<u>(23,058)</u>	<u>(2,360)</u>	<u>23,522</u>	<u>-</u>
Fund Balances (Deficit) - Beginning of Year	<u>98,184</u>	<u>86,855</u>	<u>68,091</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 75,126</u>	<u>84,495</u>	<u>91,613</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Teacher Principal Training 24154	USHHS/CDC School Health 24186	2012 SB-66 Student Library 27107	Technology for Education 27117
-	-	-	-	-	-
-	-	-	-	-	-
148,034	117	6,119	4,999	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>148,034</u>	<u>117</u>	<u>6,119</u>	<u>4,999</u>	<u>-</u>	<u>-</u>
78,557	117	6,119	4,999	-	-
34,940	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
34,537	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>148,034</u>	<u>117</u>	<u>6,119</u>	<u>4,999</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - Continued
Governmental Funds
For The Year Ended June 30, 2016

	GO Bonds Instructional Materials 27171	Next Generation Assessments 27185	Public School Capital Outlay 31200	Special Capital Outlay State 31400
REVENUES				
Property Taxes	\$ -	-	-	-
State Grant	-	-	477,826	-
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	-	-	477,826	-
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services Operations	-	-	-	-
Capital Outlay	-	-	477,825	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	-	-	477,825	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	1	-
Net Changes in Fund Balances	-	-	1	-
Fund Balances (Deficit) - Beginning of Year	-	-	-	-
Fund Balances - End of Year	\$ -	-	1	-

The accompanying notes are an integral part of these financial statements

SB-9 Capital Improvements		
31700	Foundation	Total
177,672	-	177,672
20,257	-	5,091,322
-	-	159,269
-	-	30,867
-	897,452	918,756
<u>197,929</u>	<u>897,452</u>	<u>6,377,886</u>
-	-	3,148,804
-	-	232,054
-	-	41,711
-	23,534	58,761
-	-	337,205
-	-	185,824
-	214	542,139
-	-	283,825
-	103,179	103,179
275,401	-	753,226
-	160,000	160,000
-	635,891	635,891
<u>275,401</u>	<u>922,818</u>	<u>6,482,619</u>
<u>(77,472)</u>	<u>(25,366)</u>	<u>(104,733)</u>
<u>(77,472)</u>	<u>(25,366)</u>	<u>(104,733)</u>
<u>80,595</u>	<u>1,272,470</u>	<u>1,606,195</u>
<u>3,123</u>	<u>1,247,104</u>	<u>1,501,462</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2016

Net Change in Fund Balances-Total Governmental Funds **\$ (104,733)**

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

Change in net pension liability (185,310)

Expenditures to purchase or build capital assets, pay for interest on debt,
 and amortization on long term 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

Increase in Accrued Interest Payable	(52,631)	
Principal Payments	160,000	
Amortization Expense	(596)	
Depreciation Expense	(150,440)	
Capital Asset Additions	8,782	
	8,782	(34,885)

Change in Net Position-Total Governmental Activities **\$ (324,928)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2016

	<u>Agency</u>
ASSETS	
Cash in Bank	\$ -
Total Assets	<u>\$ -</u>
LIABILITIES	
Deposits Held for Others	\$ (8,936)
Due to Governmental Funds	8,936
Total Liabilities	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Cottonwood Classical Preparatory School
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For The Year Ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
ASSETS				
Cash in Bank	\$ (70)	45,465	(45,395)	-
Total Assets	<u>\$ (70)</u>	<u>45,465</u>	<u>(45,395)</u>	<u>-</u>
LIABILITIES				
Deposits Held for Others	\$ (70)	36,529	(45,395)	(8,936)
Due to Governmental Funds	-	8,936	-	8,936
Total Liabilities	<u>\$ (70)</u>	<u>45,465</u>	<u>(45,395)</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
 Notes to the Financial Statements
 June 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Cottonwood Classical Preparatory School’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Cottonwood Classical Preparatory School (CCPS) does not capitalize any interest with regard to its capital assets.

CCP

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. CCPS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5-10 years
Land and Land Improvements	15 years
Buildings and Improvements	5-40 years

Capital assets for CCPS are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2. RECEIVABLES

Receivables as of June 30, 2016 are as follows:

Due from Other Governments:	
IDEA-B Entitlement	\$ 87,857
IDEA-B Risk Pool	117
Teacher / Principal Training	783
USHHS / CDC School Health	4,999
Public School Capital Outlay	<u>119,457</u>
Total Due from Other Governments	<u>\$ 213,213</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Notes to the Financial Statements
June 30, 2016

NOTE 2. RECEIVABLES (Continued)

Taxes Receivable:		
SB-9 Capital Improvements		\$ <u>3,123</u>
Total Taxes Receivable		<u>\$ 3,123</u>
Other Receivables:		
Foundation		\$ <u>1,128</u>
Total Other Receivables		<u>\$ 1,128</u>

NOTE 3. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2016 follows:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<i>Capital Assets not being</i>				
<i>Depreciated</i>				
Land	\$ 3,167,743	-	-	3,167,743
Land Improvements	4,687	-	-	4,687
<i>Total</i>	<u>3,172,430</u>	<u>-</u>	<u>-</u>	<u>3,172,430</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 34,782	8,782	-	43,564
Building and Improvements	5,770,204	-	-	5,770,204
<i>Total</i>	<u>5,804,986</u>	<u>8,782</u>	<u>-</u>	<u>5,813,768</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(8,502)	(5,514)	-	(14,016)
Building and Improvements	(286,559)	(144,926)	-	(431,485)
<i>Total</i>	<u>(295,061)</u>	<u>(150,440)</u>	<u>-</u>	<u>(445,501)</u>
Capital Assets, Net	<u>\$ 8,682,355</u>	<u>(141,658)</u>	<u>-</u>	<u>8,540,697</u>

Depreciation expensed for the year ended June 30, 2016 was expensed to the following functions:

Facilities, Materials, Supplies & Other Services	\$ 149,123
Operation & Maintenance of Plant	<u>1,317</u>
Total	<u>\$ 150,440</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Notes to the Financial Statements
June 30, 2016

NOTE 4. COMMITMENTS AND LIABILITIES

Revenue Bonds are secured by pledges of certain revenues and assets. On December 1, 2012, Cottonwood Classical Preparatory School, pursuant to a lease purchase agreement with Cottonwood Classical Foundation, Inc. and indenture of trust, issued its Educational Facility Revenue Bonds Series 2012A in the aggregate principal amount of \$10,250,000 and \$360,000 Taxable Educational Facility Revenue Bonds Series 2012B. Bond proceeds were used to acquire and renovate a 47,161 square foot charter school facility that will house classrooms from sixth through twelfth grade. CCPS pledges, transfers, and grants a security interest in and assigns to Wells Fargo Bank, N.A. to secure the payment of lease payments in accordance with the terms and provisions of the lease, all funds, monies, grants, or other distributions received by the School from the State of New Mexico with respect to Equalization Guarantee funding, State Leasing or account established by CCPS, but specifically excluding State funding under the Charter School Act which is specifically dedicated to the payment of expenses of the Charter School which do not include payment of amounts due under the Lease and all such operating expenses of CCPS required under State or federal laws to provide required educational program expenditures.

The total bond payable as of June 30, 2016 is as follows:

Series 2012A Education Facility Revenue Bond; Interest rate 5.25% due in quarterly installments; Maturing December 1, 2022	\$ 1,200,000
Series 2012A Education Facility Revenue Bond; Interest rate 6.00% due in quarterly installments; Maturing December 1, 2032	3,220,000
Series 2012A Education Facility Revenue Bond; Interest rate 6.25% due in quarterly installments; Maturing December 1, 2042	5,830,000
Series 2012B Taxable Education Facility Revenue Bond; Interest rate 5.5% due in quarterly installments; Maturing December 1, 2017	<u>200,000</u>
Total Bond Payable	<u><u>\$ 10,450,000</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Notes to the Financial Statements
June 30, 2016

NOTE 4. COMMITMENTS AND LIABILITIES (Continued)

The aggregate amounts of principal maturities and interest of bonds payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 170,000	631,575	801,575
2018	180,000	622,225	802,225
2019	190,000	612,700	802,700
2020	200,000	602,725	802,725
2021	210,000	592,225	802,225
2022-2026	1,230,000	2,778,575	4,008,575
2027-2031	1,635,000	2,368,775	4,003,775
2032-2036	2,200,000	1,811,638	4,011,638
2037-2041	2,970,000	1,037,500	4,007,500
2042-2043	1,465,000	138,750	1,603,750
Total	<u>\$ 10,450,000</u>	<u>11,196,688</u>	<u>21,646,688</u>

NOTE 5. DEFICIT FUND BALANCE

There were no funds that had a deficit fund balance at June 30, 2016.

NOTE 6. OVERSPENT BUDGET LINE ITEMS

Cottonwood Classical Preparatory School did not have any funds with expenditures in excess of the budget during the year ended June 30, 2016.

NOTE 7. RELATED PARTY TRANSACTIONS

Cottonwood Classical Preparatory School has created a Foundation which donates various funds to the school and entered into revenue bonds to construct a building for the school. The Foundation is considered a component unit of the School and is presented as a blended component unit.

The Director of Operations' son is employed at the school.

The Business Manager of the school is also the CEO of the Vigil Group.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Notes to the Financial Statements
June 30, 2016

NOTE 8. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Cottonwood Classical Preparatory School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. The contribution requirements of defined benefit plan members and Cottonwood Classical Preparatory School are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal years ended June 30, 2015 and June 30, 2016 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from Cottonwood Classical Preparatory School were \$360,115 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2016, Cottonwood Classical Preparatory School reported a liability of \$5,215,495 for its proportionate share of the net pension liability. Cottonwood Classical Preparatory School's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, Cottonwood Classical Preparatory School's proportion was 0.08052% percent, which was an increase of 0.00555% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, Cottonwood Classical Preparatory School recognized pension expense of \$545,425. As of June 30, 2016, Cottonwood Classical Preparatory School reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Notes to the Financial Statements
June 30, 2016

NOTE 8. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	96,690
Changes in assumptions	179,389	-
Net difference between projected and actual earnings on pension plan investments	-	23,476
Changes in proportion and differences between Cottonwood Classical Preparatory School's contributions and proportionate share of contributions	371,271	-
Cottonwood Classical Preparatory School's contributions subsequent to the measurement date	<u>360,115</u>	<u>-</u>
Total	<u>\$ 910,775</u>	<u>120,166</u>

\$360,115 reported as deferred outflows of resources related to pensions resulting from Cottonwood Classical Preparatory School's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	\$ 136,295
2018	131,983
2019	89,777
2020	<u>72,439</u>
Total	<u>\$ 430,494</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Cottonwood Classical Preparatory School
 Notes to the Financial Statements
 June 30, 2016

NOTE 8. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Sensitivity of Cottonwood Classical Preparatory School's proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2015. In particular, the table presents the (employer's) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Cottonwood Classical Preparatory School's proportionate share of the net pension liability	<u>\$ 7,017,797</u>	<u>5,215,495</u>	<u>3,701,374</u>

Payables to the pension plan. Cottonwood Classical Preparatory School accrued \$91,938 in ERB benefits at June 30, 2016 for teachers with ten month contracts.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2016**

**New Mexico Educational Retirement Board Pension Plan
Schedule of Ten Year Tracking Data*
(Dollars in Thousands)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School's Proportion of the Net Pension Liability (Asset)	2.66%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School's Proportionate Share of Net Pension Liability (Asset)	\$ 4,278	5,215	-	-	-	-	-	-	-	-
School's Covered-Employee Payroll	\$ 2,067	2,198	-	-	-	-	-	-	-	-
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	206.97%	237.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.54%	63.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*These amounts presented for each fiscal year were determined as of June 30, 2015

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2016**

**New Mexico Educational Retirement Board Pension Plan
Schedule of Ten Year Tracking Data
(Dollars in Thousands)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 272	363	-	-	-	-	-	-	-	-
Contributions in Relation to the Contractually Required Contribution	272	318	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ -	45	-	-	-	-	-	-	-	-

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount Deferred	Amortization Years	Increase (Decrease) in Pension Expense over Recognition Periods									
			2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2014	\$ 281	5		\$ 60	60	64	97	-				
2015	\$ 430	5			136	132	90	72	-			
2016	-	5				-	-	-	-	-		
2017	-	5					-	-	-	-	-	
2018	-	5						-	-	-	-	-
2019	-	5							-	-	-	-
2020	-	5								-	-	-
2021	-	5									-	-
2022	-	5										-
2023	-	5										
	<u>\$ 711</u>			<u>\$ 60</u>	<u>196</u>	<u>196</u>	<u>187</u>	<u>72</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 4,132,939	4,261,020	4,261,019	(1)
Charges for Services	-	23,000	30,867	7,867
Miscellaneous Income	-	73,044	90,892	17,848
Total Revenues	<u>4,132,939</u>	<u>4,357,064</u>	<u>4,382,778</u>	<u>25,714</u>
EXPENDITURES				
Current:				
Instruction	2,959,048	3,052,633	3,031,779	20,854
Support Services:				
Students	179,806	191,665	197,114	(5,449)
Instruction	43,188	41,855	41,711	144
General Administration	34,434	35,395	35,227	168
School Administration	300,672	309,081	302,668	6,413
Central Services	163,021	233,226	190,504	42,722
Operation & Maintenance of Plant	542,770	519,770	543,679	(23,909)
Total Expenditures	<u>4,222,939</u>	<u>4,383,625</u>	<u>4,342,682</u>	<u>40,943</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(90,000)</u>	<u>(26,561)</u>	<u>40,096</u>	<u>66,657</u>
Net Changes in Fund Balances	<u>(90,000)</u>	<u>(26,561)</u>	<u>40,096</u>	<u>66,657</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>26,561</u>	<u>26,561</u>
Cash or Fund Balances - End of Year	<u>\$ (90,000)</u>	<u>(26,561)</u>	<u>66,657</u>	<u>93,218</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 40,096	
Adjustments to Revenues			(69,588)	
Adjustments to Expenditures			<u>6,434</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (23,058)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Student Transportation 13000
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 294,942	324,893	281,465	(43,428)
Total Revenues	<u>294,942</u>	<u>324,893</u>	<u>281,465</u>	<u>(43,428)</u>
EXPENDITURES				
Current:				
Student Transportation	294,942	368,321	283,825	84,496
Total Expenditures	<u>294,942</u>	<u>368,321</u>	<u>283,825</u>	<u>84,496</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(43,428)</u>	<u>(2,360)</u>	<u>41,068</u>
Net Changes in Fund Balances	<u>-</u>	<u>(43,428)</u>	<u>(2,360)</u>	<u>41,068</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>86,855</u>	<u>86,855</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(43,428)</u>	<u>84,495</u>	<u>127,923</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (2,360)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (2,360)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 36,730	50,755	50,755	-
Total Revenues	<u>36,730</u>	<u>50,755</u>	<u>50,755</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	56,456	70,481	27,233	43,248
Total Expenditures	<u>56,456</u>	<u>70,481</u>	<u>27,233</u>	<u>43,248</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(19,726)</u>	<u>(19,726)</u>	<u>23,522</u>	<u>43,248</u>
Net Changes in Fund Balances	<u>(19,726)</u>	<u>(19,726)</u>	<u>23,522</u>	<u>43,248</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>68,091</u>	<u>68,091</u>
Cash or Fund Balances - End of Year	<u>\$ (19,726)</u>	<u>(19,726)</u>	<u>91,613</u>	<u>111,339</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 23,522	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 23,522</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 85,366	148,034	62,961	(85,073)
Total Revenues	<u>85,366</u>	<u>148,034</u>	<u>62,961</u>	<u>(85,073)</u>
EXPENDITURES				
Current:				
Instruction	41,957	78,557	78,557	-
Support Services:				
Students	9,609	34,940	34,940	-
School Administration	33,800	34,537	34,537	-
Total Expenditures	<u>85,366</u>	<u>148,034</u>	<u>148,034</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(85,073)	(85,073)
Net Changes in Fund Balances	-	-	(85,073)	(85,073)
Cash or Fund Balances - Beginning of Year	-	-	(2,784)	(2,784)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(87,857)</u>	<u>(87,857)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (85,073)	
Adjustments to Revenues			85,073	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA B Risk Pool 24120
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ -	117	-	(117)
Total Revenues	<u>-</u>	<u>117</u>	<u>-</u>	<u>(117)</u>
EXPENDITURES				
Current:				
Instruction	-	117	117	-
Total Expenditures	<u>-</u>	<u>117</u>	<u>117</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(117)	(117)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(117)</u>	<u>(117)</u>
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(117)</u>	<u>(117)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (117)	
Adjustments to Revenues			117	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 10,767	28,218	10,419	(17,799)
Total Revenues	<u>10,767</u>	<u>28,218</u>	<u>10,419</u>	<u>(17,799)</u>
EXPENDITURES				
Current:				
Instruction	10,767	28,218	6,119	22,099
Total Expenditures	<u>10,767</u>	<u>28,218</u>	<u>6,119</u>	<u>22,099</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	4,300	4,300
Net Changes in Fund Balances	-	-	4,300	4,300
Cash or Fund Balances - Beginning of Year	-	-	(5,083)	(5,083)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(783)</u>	<u>(783)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 4,300	
Adjustments to Revenues			(4,300)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
USHHS / CDC School Health 24186
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ -	4,999	4,822	(177)
Total Revenues	<u>-</u>	<u>4,999</u>	<u>4,822</u>	<u>(177)</u>
EXPENDITURES				
Current:				
Instruction	-	4,999	4,999	-
Total Expenditures	<u>-</u>	<u>4,999</u>	<u>4,999</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(177)</u>	<u>(177)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(177)</u>	<u>(177)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(4,822)</u>	<u>(4,822)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(4,999)</u>	<u>(4,999)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (177)	
Adjustments to Revenues			177	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
2012 SB-66 Student Library 27107
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 4,790	4,790	-	(4,790)
Total Revenues	<u>4,790</u>	<u>4,790</u>	<u>-</u>	<u>(4,790)</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	4,790	4,790	-	4,790
Total Expenditures	<u>4,790</u>	<u>4,790</u>	<u>-</u>	<u>4,790</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Technology for Education 27117
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
EXPENDITURES				
Current:				
Instruction	\$ -	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Cottonwood Classical Preparatory School
 Schedule of Budgetary Comparisons - Budgetary Basis
 GO Bonds Instructional Materials 27171
 For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Next Generation Assessments 27185
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	477,826	469,454	(8,372)
Total Revenues	<u>-</u>	<u>477,826</u>	<u>469,454</u>	<u>(8,372)</u>
EXPENDITURES				
Capital Outlay	-	477,826	477,825	1
Total Expenditures	<u>-</u>	<u>477,826</u>	<u>477,825</u>	<u>1</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(8,371)</u>	<u>(8,371)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(8,371)</u>	<u>(8,371)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(111,085)</u>	<u>(111,085)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(119,456)</u>	<u>(119,456)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (8,371)	
Adjustments to Revenues			8,372	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 1</u>	

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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay State 31400
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 148,250	148,250	-	(148,250)
Total Revenues	<u>148,250</u>	<u>148,250</u>	<u>-</u>	<u>(148,250)</u>
EXPENDITURES				
Capital Outlay	148,250	148,250	-	148,250
Total Expenditures	<u>148,250</u>	<u>148,250</u>	<u>-</u>	<u>148,250</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Property Taxes	\$ 197,998	197,998	177,234	(20,764)
State Grant	-	17,009	74,804	57,795
Total Revenues	<u>197,998</u>	<u>215,007</u>	<u>252,038</u>	<u>37,031</u>
EXPENDITURES				
Capital Outlay	267,156	284,165	275,401	8,764
Total Expenditures	<u>267,156</u>	<u>284,165</u>	<u>275,401</u>	<u>8,764</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(69,158)</u>	<u>(69,158)</u>	<u>(23,363)</u>	<u>45,795</u>
Net Changes in Fund Balances	<u>(69,158)</u>	<u>(69,158)</u>	<u>(23,363)</u>	<u>45,795</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>23,363</u>	<u>23,363</u>
Cash or Fund Balances - End of Year	<u>\$ (69,158)</u>	<u>(69,158)</u>	<u>-</u>	<u>69,158</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (23,363)	
Adjustments to Revenues			(54,109)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (77,472)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Cottonwood Classical Preparatory School
 Schedule of Collateral Pledged by Depository for Public Funds
 June 30, 2016

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2016</u>
Wells Fargo	FNMA FNMS	3138W7GG3	3/1/2043	\$ 129,341
				<u>\$ 129,341</u>

Total Cash per Schedule of Cash Accounts (excluding Foundation):	\$ 397,729
Less: FDIC coverage:	<u>(250,000)</u>
Uninsured Public Funds:	147,729
Collateral Requirement:	73,865
Pledged Collateral Held by Pledging Financial Institution:	<u>129,341</u>
Balance Over Collateralized:	<u>\$ 55,476</u>
Balance Uninsured and Uncollateralized at June 30, 2016:	<u>\$ 18,388</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Cottonwood Classical Preparatory School
 Schedule of Cash Accounts
 June 30, 2016

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 397,729
Checking - Foundation	92,628
Bond Accounts - Foundation	<u>1,155,969</u>
Total on Deposit	1,646,326
Reconciling Items	<u>(9,275)</u>
Reconciled Balance June 30, 2016	<u>1,637,051</u>
Less Agency Funds	<u>-</u>
Total Cash	<u><u>\$ 1,637,051</u></u>

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, 2016

	Operational 11000	Student Transportation 13000	Instructional Materials 14000
Cash, June 30, 2015	\$ 351,974	86,855	68,091
Add:			
2015-16 revenues	<u>4,057,365</u>	<u>281,465</u>	<u>50,755</u>
Total cash available	4,409,339	368,320	118,846
Less:			
2015-16 expenditures	(4,342,682)	(283,825)	(27,233)
Receivables/Payables	360,715	-	-
Outstanding Loans	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2016	<u>427,372</u>	<u>84,495</u>	<u>91,613</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	<u>(215,026)</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>212,346</u>	<u>84,495</u>	<u>91,613</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	<u>(352,246)</u>	<u>-</u>	<u>-</u>
Fund Balance, Modified Accrual Basis	<u>\$ 75,126</u>	<u>84,495</u>	<u>91,613</u>

The accompanying notes are an integral part of these financial statements

Federal Flowthrough 24000	State Flowthrough 27000	Public School Capital Outlay 31200	Capital Improvements SB-9 31700	Total
(11,318)	-	(111,085)	23,363	407,880
<u>76,831</u>	<u>-</u>	<u>469,454</u>	<u>252,038</u>	<u>5,187,908</u>
65,513	-	358,369	275,401	5,595,788
(159,269)	-	(477,825)	(275,401)	(5,566,235)
7,122	-	-	-	367,837
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(86,634)</u>	<u>-</u>	<u>(119,456)</u>	<u>-</u>	<u>397,390</u>
<u>86,634</u>	<u>-</u>	<u>119,456</u>	<u>-</u>	<u>(8,936)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>388,454</u>
			Add: Foundation Cash per Balance Sheet - Governmental Funds	<u>1,248,597</u>
			Total Cash per Books	<u>\$ 1,637,051</u>
<u>86,634</u>	<u>-</u>	<u>119,457</u>	<u>3,123</u>	<u>(143,032)</u>
<u>-</u>	<u>-</u>	<u>1</u>	<u>3,123</u>	<u>254,358</u>
			Add: Foundation Fund Balance per Balance Sheet - Governmental Funds	<u>1,247,104</u>
			Total Fund Balance, Modified Accrual Basis	<u>\$ 1,501,462</u>