

COTTONWOOD MONTESSORI SCHOOL

**FINANCIAL STATEMENTS
ACCOUNTANTS' COMPILATION REPORT**

**For The Year Ended
May 31, 2012**

CERTIFIED PUBLIC ACCOUNTANTS

Robert E. Mileschosky, CPA

Jane M. Pluemer, CPA

Mrs. Patricia Nickerson, Director
Cottonwood Montessori School
Corrales, New Mexico

ACCOUNTANTS' COMPILATION REPORT

We have compiled the accompanying statement of financial position of Cottonwood Montessori School (a non-profit corporation) as of May 31, 2012, and the related statement of activities and net assets for the twelve month then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements they might influence the user's conclusions about the Company's financial position, results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

June 15, 2013



Member of The American Institute of Certified Public Accountants

2625 Pennsylvania, N.E. Suite 750 Albuquerque, New Mexico 87110
Phone • 505 875-1035 Fax • 505 875-1201

COTTONWOOD MONTESSORI SCHOOL

STATEMENT OF FINANCIAL POSITION

May 31, 2012

ASSETS

CURRENT ASSETS

| | |
|---------------------|---------------|
| Petty Cash | \$ 1,331 |
| Petty Cash – PTA | 57 |
| Cash in Bank | 369,026 |
| Cash in Bank – PTA | 7,154 |
| Accounts Receivable | 74,651 |
| Employee Advances | <u>11,036</u> |

Total Current Assets 463,255

PROPERTY AND EQUIPMENT

| | |
|--------------------------------|-------------------|
| Building | 1,302,467 |
| Building Improvements | 340,946 |
| Land Improvements | 91,784 |
| Site Improvements | 44,428 |
| Furniture and Fixtures | 26,403 |
| Office Equipment | 68,962 |
| School Equipment | 116,312 |
| Vehicle | <u>21,500</u> |
| Total | 2,012,802 |
| Less: accumulated depreciation | <u>(702,401)</u> |
| Total | 1,310,401 |

Land 700,000

Total Property and Equipment 2,010,401

OTHER ASSETS

Construction in Progress 280,059

Total Other Assets 280,059

Total Assets \$ 2,753,715

SEE ACCOUNTANTS' COMPILATION REPORT

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|---|----------------|
| Credit Card Payable | \$ 18,361 |
| Current Portion on Long-Term Note Payable | 36,732 |
| Prepaid Tuition | <u>667,767</u> |
| Total Current Liabilities | <u>722,860</u> |

LONG-TERM LIABILITIES

| | |
|--|------------------|
| Note Payable – Alcalde | 25,000 |
| Note Payable – Baca | 20,000 |
| Note Payable – Nickerson | 115,000 |
| Note Payable – Overman | 25,000 |
| Note Payable – Tobin | 10,000 |
| Note Payable – Weststar Mortgage Corp. | 1,665,536 |
| Less: Current Portion | <u>(36,732)</u> |
| Total Long-Term Liabilities | <u>1,823,804</u> |
| Total Liabilities | <u>2,546,664</u> |

NET ASSETS

| | |
|-----------------------------|----------------|
| Fund Balance - Unrestricted | <u>207,051</u> |
| Total Net Assets | <u>207,051</u> |

Total Liabilities and Net Assets \$ 2,753,715

SEE ACCOUNTANTS' COMPILATION REPORT

COTTONWOOD MONTESSORI SCHOOL

STATEMENT OF ACTIVITIES AND NET ASSETS

For the Year Ended May 31, 2012

INCOME

| | |
|--|----------------------|
| Tuition Revenue: | |
| Childcare Receipts | \$ 75,955 |
| Tuition | 1,343,941 |
| Tuition – Application Fees | 780 |
| Tuition – Deposits | 77,500 |
| Tuition – School Lunch Receipts | 14,015 |
| Tuition – Summer School | 76,445 |
| Tuition Refunds | (32,905) |
| Total Tuition Revenue | <u>1,555,731</u> |
| Donation Revenue: | |
| Temporarily Restricted Donations | 11,335 |
| Temporarily Restricted Donations – Building Campaign | 14,293 |
| Temporarily Restricted Donations – Capital Campaign | 830 |
| Temporarily Restricted Donations – GIFT Campaign | 2,380 |
| Temporarily Restricted Donations – Literary | 200 |
| Unrestricted Donations | <u>24,657</u> |
| Total Donation Revenue | <u>53,695</u> |
| Fundraising Revenue: | |
| Auction | 93,186 |
| Book Fair Sales | 1,512 |
| Burrito Revenue | 6,379 |
| Fun Run Revenue | 3,935 |
| Read-A-Thon Revenue | 5,763 |
| Yearbook Revenue | 3,650 |
| Other Fundraising Revenue | <u>16,980</u> |
| Total Fundraising Revenue | <u>131,405</u> |
| Total Income | <u>1,740,831</u> |

OPERATING EXPENSES

| | |
|-------------------------|----------------|
| Facility Costs: | |
| Cafeteria Expense | 1,431 |
| Depreciation Expense | 54,244 |
| Dumpster Expense | 3,581 |
| Janitorial Maintenance | 25,412 |
| Landscaping | 1,488 |
| Rent and Storage | 220 |
| Repairs and Maintenance | 22,351 |
| Telephone and Cable | 6,753 |
| Utilities | <u>19,662</u> |
| Total Facility Costs | <u>135,142</u> |

SEE ACCOUNTANTS' COMPILATION REPORT

COTTONWOOD MONTESSORI SCHOOL

STATEMENT OF ACTIVITIES AND NET ASSETS

For the Year Ended May 31, 2012

OPERATING EXPENSES(continued)

Fundraising Costs:

| | |
|---------------------------|--------------|
| Auction | 34,752 |
| Fun Run Expenses | 1,647 |
| Other Fundraising Expense | 6,805 |
| Special Events | <u>5,006</u> |
| Total Fundraising Costs | 48,210 |

General and Administrative Costs:

| | |
|--|---------------|
| Advertising | 29,476 |
| Bad Debt Expense | 507 |
| Bank and Credit Card Fees | 20,853 |
| Business Promotion | 11,063 |
| Computer Expense | 3,510 |
| Contributions | 3,541 |
| Depreciation | 2,766 |
| Dues and Subscriptions | 6,319 |
| Equipment Rental | 5,421 |
| Equipment Repairs | 414 |
| Fees Expense | 1,658 |
| Insurance Expense | 18,869 |
| Licenses and Permits | 725 |
| Meals Expense | 1,251 |
| Miscellaneous Expense | 40 |
| Office Supplies | 3,503 |
| Postage and Delivery | 1,359 |
| Printing and Reproduction | 1,941 |
| Professional Fees | <u>23,803</u> |
| Total General and Administrative Costs | 137,019 |

Officer's Costs:

| | |
|-------------------------------|---------------|
| Automobile Gas, Oil & Repairs | 708 |
| Officer's Salary | <u>80,560</u> |
| Total Officer's Costs | 81,268 |

Staff Costs:

| | |
|--------------------------|----------------|
| Background Checks | 555 |
| Employee Relations | 3,671 |
| Employee Benefits | 26,340 |
| Insurance – Workers Comp | 5,998 |
| Payroll Service Fees | 3,258 |
| Payroll Taxes | 81,396 |
| Professional Development | 26,856 |
| Staff Salaries | <u>938,385</u> |
| Total Staff Costs | 1,086,459 |

SEE ACCOUNTANTS' COMPILATION REPORT

COTTONWOOD MONTESSORI SCHOOL
STATEMENT OF ACTIVITIES AND NET ASSETS

For the Year Ended May 31, 2012

| | |
|---|-------------------|
| OPERATING EXPENSES(continued) | |
| Student Costs and Program Fees: | |
| Café Expense | 1,562 |
| Camp | 545 |
| Classroom Supplies and Materials | 11,536 |
| Counseling | 39,705 |
| Field Trip Expense | 2,934 |
| Miscellaneous Expenses | 1,383 |
| Parent Gifts | 180 |
| Program Costs – Aftercare | 851 |
| Program Costs – Art | 1,951 |
| Program Costs – Drama | 451 |
| Program Costs – Environmental Education | 592 |
| Program Costs – Library | 340 |
| Program Costs – Music | 599 |
| Program Costs – Permaculture | 2,660 |
| Program Costs – Physical Education | 2,985 |
| Program Costs – Summer School | 1,794 |
| School Equipment | 492 |
| School Equipment Depreciation | 19,129 |
| School Lunches | 14,178 |
| Textbooks | <u>4,550</u> |
| Total Student Costs and Program Fees | <u>108,417</u> |
| | |
| Total Operating Expenses | <u>1,596,515</u> |
| | |
| Net Operating Income(Loss) | 144,316 |
| | |
| OTHER INCOME AND (EXPENSE) | |
| Interest Income | 180 |
| Other Income | 5,550 |
| Interest Expense | <u>(119,098)</u> |
| Total Other Income and (Expense) | <u>(113,368)</u> |
| | |
| Change in Net Assets | 30,948 |
| | |
| Net Assets, June 1, 2011 | <u>176,103</u> |
| | |
| Net Assets, May 31, 2012 | <u>\$ 207,051</u> |

SEE ACCOUNTANTS' COMPILATION REPORT