

COMMUNITY CHRISTIAN SCHOOL OF WESTERN NEBRASKA, INC.

FINANCIAL STATEMENTS

ACCOUNTANTS' COMPILATION REPORT

JUNE 30, 2008

DANA F. COLE & COMPANY, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
Community Christian School of Western Nebraska, Inc.  
Scottsbluff, Nebraska

We have compiled the accompanying statement of financial position of Community Christian School of Western Nebraska, Inc. as of June 30, 2008, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Dana F Cole + Company, LLP

Scottsbluff, Nebraska  
November 12, 2008

COMMUNITY CHRISTIAN SCHOOL OF WESTERN NEBRASKA, INC.  
STATEMENT OF FINANCIAL POSITION  
SEE ACCOUNTANTS' COMPILATION REPORT  
JUNE 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash in bank	38,254	11,665	49,919
Accounts receivable	3,621		3,621
Gift cards	<u>5,215</u>		<u>5,215</u>
Total current assets	<u>47,090</u>	<u>11,665</u>	<u>58,755</u>
PROPERTY AND EQUIPMENT			
Building and improvements	68,774		68,774
Equipment	<u>20,034</u>		<u>20,034</u>
	88,808		88,808
Less accumulated depreciation	<u>40,625</u>		<u>40,625</u>
Net property and equipment	<u>48,183</u>		<u>48,183</u>
TOTAL ASSETS	<u>95,273</u>	<u>11,665</u>	<u>106,938</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accrued payroll and payroll taxes	31,531		31,531
Unearned revenue received	<u>65,554</u>		<u>65,554</u>
Total current liabilities	<u>97,085</u>		<u>97,085</u>
NET ASSETS			
Unrestricted - undesignated	(1,812)		(1,812)
Temporarily restricted		<u>11,665</u>	<u>11,665</u>
Total net assets	<u>(1,812)</u>	<u>11,665</u>	<u>9,853</u>
TOTAL LIABILITIES AND NET ASSETS	<u>95,273</u>	<u>11,665</u>	<u>106,938</u>

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

COMMUNITY CHRISTIAN SCHOOL OF WESTERN NEBRASKA, INC.  
STATEMENT OF ACTIVITIES  
SEE ACCOUNTANTS' COMPILATION REPORT  
YEAR ENDED JUNE 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Donations	19,601	14,603	34,204
Registration	34,871		34,871
Tuition	303,251		303,251
Books/publications	754		754
Interest	1,268		1,268
Fund raisers	68,458		68,458
Special events	2,588		2,588
Before/after school care	3,566		3,566
Miscellaneous	3,974		3,974
Hot lunches	25,119		25,119
Net assets released from restrictions	<u>15,051</u>	<u>(15,051)</u>	
Total revenues, gains and other support	<u>478,501</u>	<u>(448)</u>	<u>478,053</u>
<b>PROGRAM AND SUPPORT EXPENDITURES</b>			
Salaries	319,526		319,526
Books/tests	18,639		18,639
Payroll taxes	24,598		24,598
Utilities	21,171		21,171
Maintenance and repairs	12,576		12,576
Insurance	6,724		6,724
School and office supplies	10,760		10,760
Special events	3,357		3,357
Playground and sports equipment	847		847
Membership and dues	1,576		1,576
Yearbook and directory	2,452		2,452
Miscellaneous	4,117		4,117
Depreciation	3,615		3,615
Student insurance	910		910
Professional fees	725		725
Hot lunch expense	22,626		22,626
Workshops	1,669		1,669
Expenditures for restricted activities	<u>15,051</u>		<u>15,051</u>
Total program and support expenditures	<u>470,939</u>		<u>470,939</u>
<b>CHANGE IN NET ASSETS</b>	7,562	(448)	7,114
<b>NET ASSETS, beginning of year</b>	<u>(9,374)</u>	<u>12,113</u>	<u>2,739</u>
<b>NET ASSETS, end of year</b>	<u>(1,812)</u>	<u>11,665</u>	<u>9,853</u>

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

COMMUNITY CHRISTIAN SCHOOL OF WESTERN NEBRASKA, INC.  
STATEMENT OF CASH FLOWS  
SEE ACCOUNTANTS' COMPILATION REPORT  
YEAR ENDED JUNE 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from support and revenue	486,978
Interest revenue received	<u>1,268</u>
Cash provided by operating activities	488,246
Cash paid for wages and benefits	349,205
Other cash expenses	<u>128,415</u>
Cash disbursed for operating activities	477,620
Net cash provided by operating activities	<u>10,626</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	<u>(10,784)</u>
Net cash used in investing activities	<u>(10,784)</u>
NET DECREASE IN CASH	(158)
CASH, beginning of year	<u>50,077</u>
CASH, end of year	<u>49,919</u>
Reconciliation of Excess (Deficit) of Revenue Over	
Expenses to Net Cash Provided by Operating	
Activities	
Change in net assets	<u>7,114</u>
Adjustments to reconcile change in net assets	
to net cash provided by operating activities:	
Depreciation	3,615
(Increase) Decrease in accounts receivable	(352)
(Increase) Decrease in gift card inventory	(5,215)
Increase (Decrease) in accrued payroll and	
payroll taxes	(5,081)
Increase (Decrease) in unearned revenue	<u>10,545</u>
Total adjustments	<u>3,512</u>
Net cash provided by operating activities	<u>10,626</u>

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

COMMUNITY CHRISTIAN SCHOOL OF WESTERN NEBRASKA, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEE ACCOUNTANTS' COMPILATION REPORT

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Corporation

The Corporation operates as a private nonprofit school under Section 501(c)(3) of the Internal Revenue Code and a Class One School pursuant to the laws of the State of Nebraska. The purpose of which is to provide an educational background for its students involving religious principles as approved by its Board of Directors. Substantially all of the supporters are local residents.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the School, the accounts of the School are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund.

The School has adopted the Statement of Financial Accounting Standards No. 117 "Financial Statements for Not-for-Profit Organizations." Under the provisions of this standard, net assets and revenues, expenses, gains, and losses are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the School and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations may or will be met by actions of the School and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the School. Generally, the donors of these assets permit the School to use all or a part of the income earned on related investments for general or specific purposes.

Uncollectible Accounts

Accounts receivable have been adjusted for all known uncollectible accounts. No allowance for bad debts is considered necessary at year end.

Property and Equipment

Property and equipment are stated at cost. Major expenditures and those which substantially increase useful lives are capitalized. Maintenance, repairs and minor renewals are charged to operations when incurred. When assets are retired or otherwise disposed of, their cost and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

COMMUNITY CHRISTIAN SCHOOL OF WESTERN NEBRASKA, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEE ACCOUNTANTS' COMPILATION REPORT

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation

The School provides for depreciation of property and equipment using annual rates which are sufficient to amortize the cost of depreciable assets using the accelerated method over their estimated useful lives which range from seven to thirty-nine years. The difference between straight-line and accelerated methods is immaterial.

Income Tax

The School has qualified as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code, and therefore, is not subject to income tax.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the School considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At June 30, 2007, the School had no cash equivalents.

Compensated Absences

Full-time year around employees are entitled to paid vacation depending on the length of service and other factors. Accrued vacation pay at June 30, 2008 was deemed immaterial and not accrued.

NOTE 2. TEMPORARILY RESTRICTED NET ASSETS

The temporarily restricted net assets are related to funds raised/given for a special purpose. All these restrictions will either lapse with time or fulfillment of restriction. A summary of the temporarily restricted funds is as follows:

Playground	7,211
Other miscellaneous	<u>4,454</u>
Total temporarily restricted funds	<u>11,665</u>

COMMUNITY CHRISTIAN SCHOOL OF WESTERN NEBRASKA, INC.  
NOTES TO FINANCIAL STATEMENTS  
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NOTE 3. CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the School to concentrations of credit risk consist primarily of trade receivables with a variety of customers. The School generally does not require collateral from its customers. Such credit risk is considered by management to be limited due to the School's broad customer base and its customers' financial resources.