

# **COTTONWOOD INSTITUTE**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

TOGETHER WITH INDEPENDENT ACCOUNTANTS' REVIEW REPORT

**COTTONWOOD INSTITUTE**  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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# TAYLORROTH

*Certified Public Accountants*

WORKING EXCLUSIVELY WITH NONPROFITS

February 19, 2026

## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors  
Cottonwood Institute  
Denver, Colorado

### ***Opinion***

We have reviewed the accompanying statements of **Cottonwood Institute**, (a Colorado nonprofit corporation), which comprise the statement of financial position as of September 30, 2025 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***Management's Responsibility for the Financial Statements***

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; this includes the design, implementation and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Accountants' Responsibility***

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Cottonwood Institute and meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our review.

### ***Accountants' Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We previously reviewed Cottonwood Institute's 2024 financial statements and in our conclusion dated February 28, 2025, stated that based on our review, we were not aware of any material modifications that should be made to the 2024 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are unaware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended September 30, 2024, for it to be consistent with the reviewed financial statements from which it has been derived.

TAYLOR, ROTH AND COMPANY, PLLC  
CERTIFIED PUBLIC ACCOUNTANTS  
DENVER COLORADO

**COTTONWOOD INSTITUTE**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	2025	2024
<u>Assets</u>		
Cash and cash equivalents	\$ 71,857	\$ 112,829
Contributions and grants receivable (Note 4)	33,333	36,090
Investments (Note 5)	354,401	197,518
Property and equipment (Note 6)	5,640	9,408
Total assets	\$ 465,231	\$ 355,845
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 6,121	\$ 6,463
Deferred revenue (Note 7)	142,584	-
Payroll liabilities	33,052	19,107
Note payable (Note 8)	134,286	138,276
Total liabilities	316,043	163,846
<u>Net assets</u>		
Without donor restrictions	100,205	141,734
With donor restrictions (Note 9)	48,983	50,265
Total net assets	149,188	191,999
Total liabilities and net assets	\$ 465,231	\$ 355,845

See accompanying notes and independent accountants' review report

**COTTONWOOD INSTITUTE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	2025		2024	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
Foundations	\$ 223,616	\$ 20,000	\$ 243,616	\$ 216,983
Special events	210,403	-	210,403	152,787
Less: direct expenses	(32,331)	-	(32,331)	(26,511)
Contributions	164,131	41,200	205,331	181,240
Government fee for service	94,121	-	94,121	83,150
Programming and collaborative agreements	47,521	-	47,521	75,584
Investment income	10,537	-	10,537	17,983
Merchandise Sales	2,003	-	2,003	22,175
Net assets released from restrictions (Note 10)	62,482	(62,482)	-	-
Total revenue and other support	782,483	(1,282)	781,201	723,391
<u>Expense</u>				
Program services	691,625	-	691,625	676,361
Supporting services				
Management and general	60,921	-	60,921	53,035
Fundraising	71,466	-	71,466	18,975
Total expense	824,012	-	824,012	748,371
Change in net assets	(41,529)	(1,282)	(42,811)	(24,980)
Net assets, beginning of year	141,734	50,265	191,999	216,979
Net assets, end of year	\$ 100,205	\$ 48,983	\$ 149,188	\$ 191,999

See accompanying notes and independent accountants' review report

**COTTONWOOD INSTITUTE**  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)

	2025			2024	
	<u>Supporting Services</u>				
	<u>Program</u>	<u>Management and General</u>	<u>Fund- raising</u>	<u>Total</u>	<u>Total</u>
Salaries	\$ 486,380	\$ 28,157	\$ 48,606	\$ 563,143	495,877
Payroll taxes and benefits	75,140	4,369	7,864	87,373	81,761
Cost of benefit to donors	-	-	32,331	32,331	26,511
Vehicles	22,009	-	-	22,009	21,490
Accounting	-	16,104	-	16,104	15,583
Contractors	15,406	-	-	15,406	10,171
Professional services	10,924	2,043	875	13,842	12,722
Program materials	12,452	-	-	12,452	13,480
Membership and subscription	5,500	4,145	2,217	11,862	8,534
Insurance	9,300	921	-	10,221	12,011
Program supplies	5,416	4,075	43	9,534	9,152
Occupancy	9,227	-	-	9,227	12,725
Fees	-	100	8,786	8,886	5,177
Travel	8,508	-	269	8,777	11,316
Facility and land access	8,383	-	-	8,383	8,923
Telephone and internet	5,890	-	-	5,890	5,645
Professional development	4,704	-	-	4,704	2,659
Interest	3,749	-	-	3,749	3,937
Scholarships	3,398	-	-	3,398	3,750
Meals	1,608	54	279	1,941	1,526
Merchandise	-	-	1,386	1,386	3,550
Postage	251	256	416	923	1,032
All other	742	132	160	1,034	3,583
	<u>688,987</u>	<u>60,356</u>	<u>103,232</u>	<u>852,575</u>	<u>771,115</u>
Depreciation expense	<u>2,638</u>	<u>565</u>	<u>565</u>	<u>3,768</u>	<u>3,768</u>
Total expenses	691,625	60,921	103,797	856,343	774,883
Less expenses included with revenues on the statement of activities:					
Cost of direct benefit to donors	<u>-</u>	<u>-</u>	<u>(32,331)</u>	<u>(32,331)</u>	<u>(26,511)</u>
Net expenses	<u>\$ 691,625</u>	<u>\$ 60,921</u>	<u>\$ 71,466</u>	<u>\$ 824,012</u>	<u>\$ 748,372</u>

See accompanying notes and independent accountants' review report

**COTTONWOOD INSTITUTE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	2025	2024
<u>Cash flows from operating activities</u>		
Change in net assets	\$ (42,811)	\$ (24,980)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	3,768	3,768
Realized and unrealized (gain) loss on investments, net	-	(10,816)
<u>Changes in operating assets and liabilities</u>		
Decrease(increase) in contributions and grants receivable	2,757	11,510
Increase(decrease) in accounts payable	(342)	(1,926)
Increase(decrease) in payroll liabilities	13,945	469
Increase(decrease) in deferred revenue	142,584	-
Net cash provided(used) by operating activities	119,901	(21,975)
<u>Changes in investing activities</u>		
(Reinvestment) of dividends and interest	(10,158)	(4,355)
(Purchases) of investments	(146,725)	(77,261)
Net cash provided(used) by investing activities	(156,883)	(81,616)
<u>Changes in financing activities</u>		
Borrowing (repayment) on note payable EIDL loan	(3,990)	(6,917)
Net increase(decrease) in cash and cash equivalents	(40,972)	(110,508)
Cash and cash equivalents, beginning of year	112,829	223,337
Cash and cash equivalents, end of year	\$ 71,857	\$ 112,829
<u>Supplemental disclosure of information</u>		
Cash paid during the fiscal year for interest	\$ 3,749	\$ 3,937

See accompanying notes and independent accountants' review report

**COTTONWOOD INSTITUTE**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025

NOTE 1 - NATURE OF ACTIVITIES

Cottonwood Institute (the Organization) was established and incorporated as a nonprofit organization in the state of Colorado in 2004. The Organization's mission is to connect middle and high school students to nature and inspire them to protect it. The Organization is supported primarily by foundations, special events, contributions, and government fee for service.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

The financial statements of Cottonwood Institute have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents, except for those which are held for long term purposes.

4. Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received; conditional promises to give with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend have been met.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

5. Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for furniture and equipment in excess of \$2,500. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

6. Estimates

The preparation of financial statements in conformity with 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.

7. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

8. Fair Value Measurements

The Organization follows the provisions of the Fair Value Measurements and Disclosures Topic of FASB ASC, which requires use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

9. Functional Reporting of Expenses

For the year ended September 30, 2025, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocations are determined by management on a rational and systematic basis. Salaries and professional fees are allocated using time and effort. Other expenses are assigned directly to the program or functional area benefited.

10. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2024, from which the summarized information was derived.

11. Subsequent Events

Management has evaluated subsequent events through February 19, 2026, the date the financial statements were available to be issued.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at September 30, 2025:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 71,857
Contributions receivable	33,333
Investments	<u>354,401</u>
Total financial assets	459,591
Less: amounts not available for general expenditures within one year, due to:	
Net assets with donor restrictions	<u>(48,983)</u>
Total financial assets available to meet general expenditures over the next twelve months	<u>\$ 410,608</u>

The Organization's goal is generally to maintain financial assets to meet six months of operating expenses.

NOTE 4 - CONTRIBUTIONS AND GRANTS RECEIVABLE

At year-end grants receivable consists of foundation awards and grants. Expected receipts are as follows:

<u>Fiscal year</u>	<u>Amount</u>
2026	<u>\$ 33,333</u>

NOTE 5 - INVESTMENTS

In conformity with generally accepted accounting principles, investments are stated at fair value (Level 1 inputs) and consist of:

<u>Description</u>	<u>Fair Value</u>
Cash	\$ 346,290
Certificate of deposit	<u>8,111</u>
Total	<u>\$ 354,401</u>

NOTE 5 - INVESTMENTS (Concluded)

Investment income is summarized as follows:

<u>Description</u>	<u>Amount</u>
Interest and dividend income	<u>\$ 10,035</u>

In addition, the Organization earned \$502 on its cash and cash equivalents.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Vehicle	\$ 28,248
Less: accumulated depreciation	<u>(22,608)</u>
Net property and equipment	<u>\$ 5,640</u>

Depreciation expense for the year was \$3,768.

NOTE 7 - DEFERRED REVENUE

The Organization received a \$200,000 award from a foundation that is conditional, containing both measurable outcomes of performance, and a right of return of funds. Revenue is recognized when performance obligations of delivering the services are achieved.

NOTE 8 - ECONOMIC INJURY DEVELOPMENT LOAN

In June 2020, the Foundation received \$150,000 pursuant to the Economic Injury Disaster Loan (EIDL) established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act. EIDL provides loans to qualifying businesses for amounts up to \$150,000. The EIDL is payable over thirty years at an interest rate of 2.75%. The minimum monthly payment is \$641. The remaining balance of principal and interest will be payable on June 16, 2050.

Future scheduled principal payments on the loan are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2026	\$ 4,069
2027	4,299
2028	4,419
2029	4,299
2030 and thereafter	<u>117,200</u>
Total	<u>\$ 134,286</u>

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

At year end, net assets with donor restrictions are available for the following purposes:

<u>Description</u>	<u>Amount</u>
CASA fun	\$ 21,483
Longmont children	20,000
Changemakers	<u>7,500</u>
Total	<u>\$ 48,983</u>

NOTE 10 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

During the year, net assets were released from donor restrictions by satisfying the restricted program purposes:

<u>Description</u>	<u>Amount</u>
CASA fun	\$ 21,482
Changemakers	12,500
CAP program	12,500
Longmont children	7,000
AVID scholarships	4,000
RiseUp	2,500
Lincoln Hills Cares	<u>2,500</u>
Total	<u>\$ 62,482</u>

NOTE 11 - PENSION PLAN

The Organization has a SIMPLE IRA retirement plan (the Plan) covering all eligible employees. The Organization makes a contribution to the Plan each year equal to 3% of all participants' compensation. Total pension plan expense for the year was \$12,718.

NOTE 12 - PROGRAMMING AND COLLABORATIVE AGREEMENTS

The Organization partners with various academies and school districts to build curriculum and provide educational programs. Revenue is recognized when classes are held and performance obligations of delivering the services are met. Amounts received in advance are deferred to the applicable period.