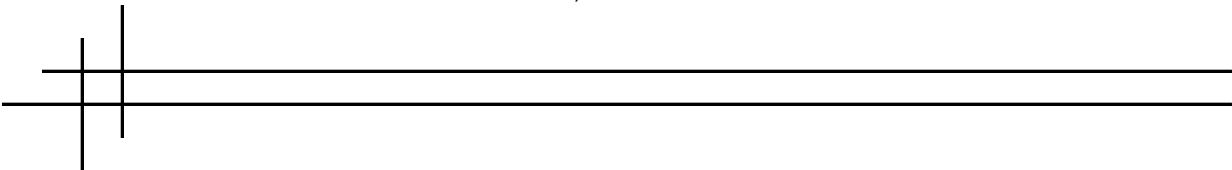


STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS

ANNUAL FINANCIAL REPORT
June 30, 2014

De'Aun Willoughby CPA, PC
Certified Public Accountant
Clovis, New Mexico



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STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
Official Roster
June 30, 2014

BOARD OF EDUCATION

Lowell M. Irby	President
Jeff Bowman	Vice-President
Margaret Aguilar	Secretary
Carolyn Shearman	Member
Becky Harwell	Member

SCHOOL OFFICIALS

Dr. Crit D. Caton	Superintendent
J.R. Null	Assistant Superintendent for Curriculum
Thad Phipps	Assistant Superintendent for Operations
Janet Grice	Business Manager

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Artesia Public Schools

Mr. Balderas and Members of the Board

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Artesia Public Schools (District), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, and the budgetary comparisons for the major capital projects and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparisons for the major capital projects and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the Management's Discussion and Analysis which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the other schedules required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and other schedules required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and other schedules required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Clovis, New Mexico
October 16, 2014

FINANCIAL SECTION

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
 Government-Wide Statement of Net Position
 June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 25,624,848
Property Taxes Receivable	1,243,893
Due from Grantor	787,419
Inventory	10,677
Total Current Assets	<u>27,666,837</u>
Noncurrent Assets	
Capital Assets	100,645,438
Less: Accumulated Depreciation	<u>(47,160,341)</u>
Total Noncurrent Assets	<u>53,485,097</u>
Total Assets	<u>81,151,934</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	286,865
Accrued Salaries and Benefits	235,724
Compensated Absences	181,388
Total Current Liabilities	<u>703,977</u>
Total Liabilities	<u>703,977</u>
NET POSITION	
Invested in Capital Assets	53,485,097
Restricted for Capital Projects	23,538,142
Restricted for Debt Service	597,445
Unrestricted	2,827,273
Total Net Position	<u>\$ 80,447,957</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
 Government-Wide Statement of Activities
 For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities					
Instruction	\$ 21,687,721	\$ 578,426	\$ 1,875,140	\$ 0	\$ (19,234,155)
Support Services					
Students	2,261,710	228,613	148,286	0	(1,884,811)
Instruction	825,068	0	132,102	0	(692,966)
General Administration	637,876	0	38,221	0	(599,655)
School Administration	2,631,304	0	346,414	0	(2,284,890)
Central Services	707,565	0	0	0	(707,565)
Operation of Plant	8,011,463	112,050	0	0	(7,899,413)
Student Transportation	1,215,190	0	1,183,641	0	(31,549)
Other	46,467	0	0	0	(46,467)
Food Services Operations	1,668,754	476,201	1,142,980	0	(49,573)
Community Service	44,265	0	0	0	(44,265)
Total Governmental Activities	\$ 39,737,383	\$ 1,395,290	\$ 4,866,784	\$ 0	\$ (33,475,309)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					1,183,808
Property Taxes, Levied for Capital Projects					16,765,238
Property Taxes, Levied for Debt Service					11,595
Federal and State aid not restricted to specific purpose					
General					24,948,223
Capital					525,796
Interest and investment earnings					17,784
Miscellaneous					64,733
Subtotal, General Revenues					<u>43,517,177</u>
Change in Net Position					10,041,868
Net Position - Beginning					<u>70,406,089</u>
Net Position - Ending					<u>\$ 80,447,957</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2014

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
ASSETS			
Cash and Cash Equivalents	\$ 1,847,825	\$ 79,995	\$ 0
Receivables			
Property Taxes	82,113	0	0
Due From Grantor	0	0	0
Interfund Balances	759,961	0	0
Inventory	0	0	0
Total Assets	\$ 2,689,899	\$ 79,995	\$ 0
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 19,464	\$ 7,283	\$ 0
Accrued Salaries and Benefits	208,113	325	0
Interfund Balances	0	0	0
Total Liabilities	227,577	7,608	0
Deferred Inflows of Resources			
Unavailable Revenue	10,165	0	0
Total Deferred Inflows of Resources	10,165	0	0
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Outlay	0	0	0
Debt Service	0	0	0
Unassigned	2,452,157	72,387	0
Total Fund Balances	2,452,157	72,387	0
Total Liabilities, Deferred Inflows and Fund Balances	\$ 2,689,899	\$ 79,995	\$ 0

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2014

	General Fund		Special Revenue	
	Instructional Materials 14000	Title I 24101	IDEA B Entitlement 24106	
ASSETS				
Cash and Cash Equivalents	\$ 28,861	\$ 0	\$ 0	
Receivables				
Property Taxes	0	0	0	
Due From Grantor	0	295,806	212,581	
Interfund Balances	0	0	0	
Inventory	0	0	0	
Total Assets	<u>\$ 28,861</u>	<u>\$ 295,806</u>	<u>\$ 212,581</u>	
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts Payable	\$ 18,811	\$ 4,367	\$ 134	
Accrued Salaries and Benefits	0	6,355	13,059	
Interfund Balances	0	285,084	199,388	
Total Liabilities	<u>18,811</u>	<u>295,806</u>	<u>212,581</u>	
Deferred Inflows of Resources				
Unavailable Revenue	0	0	0	
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	
Fund Balances				
Nonspendable-Inventory	0	0	0	
Restricted for:				
Special Revenue Funds	0	0	0	
Capital Outlay	0	0	0	
Debt Service	0	0	0	
Unassigned	10,050	0	0	
Total Fund Balances	<u>10,050</u>	<u>0</u>	<u>0</u>	
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 28,861</u>	<u>\$ 295,806</u>	<u>\$ 212,581</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2014

	<u>Capital Projects</u>		
	<u>House Bill 33 31600</u>	<u>Senate Bill Nine 31700</u>	<u>Other Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 17,362,736	\$ 5,401,841	\$ 903,590
Receivables			
Property Taxes	828,509	331,992	1,279
Due From Grantor	0	0	279,032
Interfund Balances	0	0	0
Inventory	0	0	10,677
Total Assets	<u>\$ 18,191,245</u>	<u>\$ 5,733,833</u>	<u>\$ 1,194,578</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 204,776	\$ 31,469	\$ 561
Accrued Salaries and Benefits	0	0	7,872
Interfund Balances	0	0	275,489
Total Liabilities	<u>204,776</u>	<u>31,469</u>	<u>283,922</u>
Deferred Inflows of Resources			
Unavailable Revenue	<u>107,080</u>	<u>43,611</u>	<u>744</u>
Total Deferred Inflows of Resources	<u>107,080</u>	<u>43,611</u>	<u>744</u>
Fund Balances			
Nonspendable-Inventory	0	0	10,677
Restricted for:			
Special Revenue Funds	0	0	301,790
Capital Outlay	17,879,389	5,658,753	0
Debt Service	0	0	597,445
Unassigned	0	0	0
Total Fund Balances	<u>17,879,389</u>	<u>5,658,753</u>	<u>909,912</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 18,191,245</u>	<u>\$ 5,733,833</u>	<u>\$ 1,194,578</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2014

	Total Governmental Funds
ASSETS	
Cash and Cash Equivalents	\$ 25,624,848
Receivables	
Property Taxes	1,243,893
Due From Grantor	787,419
Interfund Balances	759,961
Inventory	10,677
Total Assets	<u>\$ 28,426,798</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ 286,865
Accrued Salaries and Benefits	235,724
Interfund Balances	759,961
Total Liabilities	<u>1,282,550</u>
Deferred Inflows of Resources	
Unavailable Revenue	<u>161,600</u>
Total Deferred Inflows of Resources	<u>161,600</u>
Fund Balances	
Nonspendable-Inventory	10,677
Restricted for:	
Special Revenue Funds	301,790
Capital Outlay	23,538,142
Debt Service	597,445
Unassigned	<u>2,534,594</u>
Total Fund Balances	<u>26,982,648</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 28,426,798</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 June 30, 2014

Total Fund Balance - Governmental Funds \$ 26,982,648

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

Property taxes receivable will be collected after the period of
 availability, but are not available soon enough to pay for the
 current period's expenditures, and therefore are deferred in
 the funds. 161,600

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

	\$	100,645,438	
Capital Assets			
Accumulated Depreciation		<u>(47,160,341)</u>	53,485,097

Long-term and certain other liabilities are not due and payable
 in the current period and therefore are not reported as
 liabilities in the funds. Other liabilities at year end consist of :

		<u>(181,388)</u>	
Compensated Absences			

Total Net Position - Governmental Activities \$ 80,447,957

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2014

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
Revenues			
Property Taxes	\$ 1,174,602	\$ 0	\$ 0
Interest Income	4,496	0	0
Fees	388,809	112,050	0
State & Local Grants	24,935,205	0	1,174,960
Federal Grants	13,018	0	0
Miscellaneous	3,639	0	0
Total Revenues	<u>26,519,769</u>	<u>112,050</u>	<u>1,174,960</u>
Expenditures			
Current			
Instruction	16,706,746	0	0
Support Services			
Students	1,938,110	0	0
Instruction	692,225	0	0
General Administration	550,067	0	0
School Administration	2,254,666	0	0
Central Services	709,291	0	0
Operation & Maintenance of Plant	2,856,780	61,738	0
Transportation	0	0	1,207,688
Other	46,467	0	0
Food Services	0	0	0
Community Services	44,265	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>25,798,617</u>	<u>61,738</u>	<u>1,207,688</u>
Excess (Deficiency) of Revenues Over Expenditures	721,152	50,312	(32,728)
Fund Balance Beginning of Year	<u>1,731,005</u>	<u>22,075</u>	<u>32,728</u>
Fund Balance End of Year	<u>\$ 2,452,157</u>	<u>\$ 72,387</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
 GOVERNMENTAL FUNDS
 Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended June 30, 2014

	General Fund		Special Revenue	
	Instructional Materials 14000	Title I 24101	IDEA B Entitlement 24106	
Revenues				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0	0
Fees	0	0	0	0
State & Local Grants	253,838	0	0	0
Federal Grants	0	766,853	822,302	
Miscellaneous	0	0	0	0
Total Revenues	<u>253,838</u>	<u>766,853</u>	<u>822,302</u>	
Expenditures				
Current				
Instruction	239,585	592,685	520,152	
Support Services				
Students	0	0	145,278	
Instruction	0	0	0	0
General Administration	0	15,117	16,290	
School Administration	0	159,051	140,582	
Central Services	0	0	0	0
Operation & Maintenance of Plant	0	0	0	0
Transportation	0	0	0	0
Other	0	0	0	0
Food Services	0	0	0	0
Community Services	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>239,585</u>	<u>766,853</u>	<u>822,302</u>	
Excess (Deficiency) of Revenues Over Expenditures	14,253	0	0	
Fund Balance Beginning of Year	<u>(4,203)</u>	<u>0</u>	<u>0</u>	
Fund Balance End of Year	<u>\$ 10,050</u>	<u>\$ 0</u>	<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2014

	<u>Capital Projects</u>		
	<u>House Bill 33 31600</u>	<u>Senate Bill Nine 31700</u>	<u>Other Governmental Funds</u>
Revenues			
Property Taxes	\$ 11,916,016	\$ 4,752,712	\$ 11,975
Interest Income	6,004	6,474	810
Fees	0	0	894,431
State & Local Grants	0	161,797	766,473
Federal Grants	0	0	1,446,357
Miscellaneous	31,197	24,734	5,163
Total Revenues	<u>11,953,217</u>	<u>4,945,717</u>	<u>3,125,209</u>
Expenditures			
Current			
Instruction	0	0	682,870
Support Services			
Students	0	0	178,322
Instruction	0	0	132,102
General Administration	31,961	12,616	10,518
School Administration	0	0	58,665
Central Services	0	0	0
Operation & Maintenance of Plant	2,787,076	2,300,285	0
Transportation	0	0	8,681
Other	0	0	0
Food Services	0	0	1,668,754
Community Services	0	0	0
Capital Outlay	3,400,466	890,220	350,217
Total Expenditures	<u>6,219,503</u>	<u>3,203,121</u>	<u>3,090,129</u>
Excess (Deficiency) of Revenues Over Expenditures	5,733,714	1,742,596	35,080
Fund Balance Beginning of Year	<u>12,145,675</u>	<u>3,916,157</u>	<u>874,832</u>
Fund Balance End of Year	<u>\$ 17,879,389</u>	<u>\$ 5,658,753</u>	<u>\$ 909,912</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2014

	Total Governmental Funds
Revenues	
Property Taxes	\$ 17,855,305
Interest Income	17,784
Fees	1,395,290
State & Local Grants	27,292,273
Federal Grants	3,048,530
Miscellaneous	64,733
Total Revenues	<u>49,673,915</u>
Expenditures	
Current	
Instruction	18,742,038
Support Services	
Students	2,261,710
Instruction	824,327
General Administration	636,569
School Administration	2,612,964
Central Services	709,291
Operation & Maintenance of Plant	8,005,879
Transportation	1,216,369
Other	46,467
Food Services	1,668,754
Community Services	44,265
Capital Outlay	4,640,903
Total Expenditures	<u>41,409,536</u>
Excess (Deficiency) of Revenues Over Expenditures	8,264,379
Fund Balance Beginning of Year	<u>18,718,269</u>
Fund Balance End of Year	<u>\$ 26,982,648</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2014

Net Change in Fund Balance-Governmental Funds \$ 8,264,379

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

Some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities.

Property Taxes Receivable, June 30, 2013	(56,261)	
Property Taxes Receivable, June 30, 2014	<u>161,600</u>	105,339

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.

Depreciation expense	\$ (2,943,116)	
Capital Outlays	<u>4,640,903</u>	1,697,787

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences, June 30, 2013	155,751	
Compensated Absences, June 30, 2014	<u>(181,388)</u>	<u>(25,637)</u>

Changes in Net Position of Governmental Activities \$ 10,041,868

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 980,000	\$ 1,150,000	\$ 1,155,397	\$ 5,397
Interest Income	3,500	3,500	4,496	996
Fees	318,500	318,500	388,809	70,309
State Grant	24,301,605	25,047,588	24,935,205	(112,383)
Federal Grant	0	0	13,018	13,018
Miscellaneous	35	35	3,639	3,604
Total Revenues	<u>25,603,640</u>	<u>26,519,623</u>	<u>26,500,564</u>	<u>(19,059)</u>
Expenditures				
Instruction				
Personnel Services	12,004,030	12,004,030	12,081,062	(77,032)
Employee Benefits	4,314,977	4,460,920	4,062,110	398,810
Professional & Tech Services	130,500	130,500	122,425	8,075
Other Purchased Services	171,327	322,654	174,838	147,816
Supplies	281,299	610,074	233,575	376,499
Total Instruction	<u>16,902,133</u>	<u>17,528,178</u>	<u>16,674,010</u>	<u>854,168</u>
Support Services				
Students				
Personnel Services	1,260,963	1,260,963	1,191,332	69,631
Employee Benefits	483,039	483,039	404,587	78,452
Professional & Tech Services	421,500	601,163	338,634	262,529
Other Purchased Services	80	80	0	80
Supplies	3,500	3,500	3,557	(57)
Total Students	<u>2,169,082</u>	<u>2,348,745</u>	<u>1,938,110</u>	<u>410,635</u>
Instruction				
Personnel Services	516,761	516,761	463,728	53,033
Employee Benefits	270,772	270,772	200,686	70,086
Professional & Tech Services	2,200	2,200	47	2,153
Other Purchased Services	1,500	1,500	1,568	(68)
Supplies	26,250	36,250	14,718	21,532
Total Instruction	<u>817,483</u>	<u>827,483</u>	<u>680,747</u>	<u>146,736</u>
General Administration				
Personnel Services	312,240	312,240	327,460	(15,220)
Employee Benefits	160,032	210,032	111,440	98,592
Professional & Tech Services	57,300	70,317	51,430	18,887
Other Purchased Services	24,680	24,680	20,713	3,967
Supplies	23,800	23,800	22,044	1,756
Total General Administration	<u>\$ 578,052</u>	<u>\$ 641,069</u>	<u>\$ 533,087</u>	<u>\$ 107,982</u>

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
School Administration				
Personnel Services	\$ 1,639,283	\$ 1,639,283	\$ 1,627,778	\$ 11,505
Employee Benefits	654,192	719,192	541,555	177,637
Professional & Tech Services	16,500	16,500	11,186	5,314
Other Purchased Services	2,000	2,000	1,796	204
Supplies	16,000	16,000	11,525	4,475
Total School Administration	<u>2,327,975</u>	<u>2,392,975</u>	<u>2,193,840</u>	<u>199,135</u>
Central Services				
Personnel Services	455,126	455,126	491,042	(35,916)
Employee Benefits	154,794	219,794	154,016	65,778
Professional & Tech Services	19,500	19,500	14,366	5,134
Other Purchased Services	2,100	2,100	6,553	(4,453)
Supplies	9,600	54,600	16,166	38,434
Total Central Services	<u>641,120</u>	<u>751,120</u>	<u>682,143</u>	<u>68,977</u>
Operation of Plant				
Personnel Services	1,168,228	1,168,228	1,070,297	97,931
Employee Benefits	559,957	559,957	435,913	124,044
Professional & Tech Services	9,000	9,000	2,707	6,293
Purchased Property Services	829,840	1,099,880	695,244	404,636
Other Purchased Services	583,500	583,500	555,554	27,946
Supplies	86,500	111,500	71,489	40,011
Total Operation of Plant	<u>3,237,025</u>	<u>3,532,065</u>	<u>2,831,204</u>	<u>700,861</u>
Other Support Services				
Other	128,510	153,510	46,467	107,043
Total Other Support Services	<u>128,510</u>	<u>153,510</u>	<u>46,467</u>	<u>107,043</u>
Total Support Services	<u>9,899,247</u>	<u>10,646,967</u>	<u>8,905,598</u>	<u>1,741,369</u>
Community Services				
Personnel Services	47,637	47,637	33,858	13,779
Employee Benefits	24,088	24,088	10,406	13,682
Total Community Services	<u>71,725</u>	<u>71,725</u>	<u>44,264</u>	<u>27,461</u>
Total Expenditures	<u>\$ 26,873,105</u>	<u>\$ 28,246,870</u>	<u>\$ 25,623,872</u>	<u>\$ 2,622,998</u>

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,269,465)	\$ (1,727,247)	\$ 876,692	\$ 2,603,939
Cash Balance Beginning of Year	<u>1,731,094</u>	<u>1,731,094</u>	<u>1,731,094</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 461,629</u>	<u>\$ 3,847</u>	<u>\$ 2,607,786</u>	<u>\$ 2,603,939</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 876,692	
Net Change in Taxes Receivable			28,409	
Net Change in Accounts Payable			33,369	
Net Change in Accrued Salaries and Benefits			(208,113)	
Net Change in Unavailable Revenue			<u>(9,205)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 721,152</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
GENERAL FUND-TEACHERAGE-12000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 80,050	\$ 80,050	\$ 112,050	\$ 32,000
Total Revenues	<u>80,050</u>	<u>80,050</u>	<u>112,050</u>	<u>32,000</u>
Expenditures				
Support Services				
Operation of Plant				
Personnel Services	19,089	19,089	16,196	2,893
Employee Benefits	8,091	8,091	6,747	1,344
Professional & Tech Services	0	0	207	(207)
Purchased Property Services	21,782	37,225	2,585	34,640
Other Purchased Services	26,988	26,988	27,673	(685)
Supplies	2,500	2,500	352	2,148
Supply Assets	8,319	8,319	457	7,862
Total Operation of Plant	<u>86,769</u>	<u>102,212</u>	<u>54,217</u>	<u>47,995</u>
Total Support Services	<u>86,769</u>	<u>102,212</u>	<u>54,217</u>	<u>47,995</u>
Total Expenditures	<u>86,769</u>	<u>102,212</u>	<u>54,217</u>	<u>47,995</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,719)	(22,162)	57,833	79,995
Cash Balance Beginning of Year	<u>22,162</u>	<u>22,162</u>	<u>22,162</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 15,443</u>	<u>\$ 0</u>	<u>\$ 79,995</u>	<u>\$ 79,995</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 57,833	
Net Change in Accounts Payable			(7,196)	
Net Change in Accrued Salaries and Benefits			(325)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 50,312</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
GENERAL FUND-TRANSPORTATION-13000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 1,320,243	\$ 1,206,955	\$ 1,174,960	\$ (31,995)
Total Revenues	<u>1,320,243</u>	<u>1,206,955</u>	<u>1,174,960</u>	<u>(31,995)</u>
Expenditures				
Support Services				
Transportation				
Personnel Services	80,410	28,316	28,383	(67)
Employee Benefits	28,475	14,606	19,895	(5,289)
Professional & Tech Services	3,225	5,225	1,554	3,671
Purchased Property Services	41,806	75,939	70,245	5,694
Other Purchased Services	1,147,830	1,064,293	1,087,064	(22,771)
Supplies	18,497	19,309	547	18,762
Total Transportation	<u>1,320,243</u>	<u>1,207,688</u>	<u>1,207,688</u>	<u>0</u>
Total Support Services	<u>1,320,243</u>	<u>1,207,688</u>	<u>1,207,688</u>	<u>0</u>
Total Expenditures	<u>1,320,243</u>	<u>1,207,688</u>	<u>1,207,688</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(733)	(32,728)	(31,995)
Cash Balance Beginning of Year	<u>32,728</u>	<u>32,728</u>	<u>32,728</u>	<u>0</u>
Cash Balance End of Year	\$ <u>32,728</u>	\$ <u>31,995</u>	\$ <u>0</u>	\$ <u>(31,995)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (32,728)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ (32,728)	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 195,410	\$ 224,977	\$ 253,838	\$ 28,861
Total Revenues	<u>195,410</u>	<u>224,977</u>	<u>253,838</u>	<u>28,861</u>
Expenditures				
Instruction				
Supplies	<u>191,207</u>	<u>220,774</u>	<u>220,774</u>	<u>0</u>
Total Instruction	<u>191,207</u>	<u>220,774</u>	<u>220,774</u>	<u>0</u>
Total Expenditures	<u>191,207</u>	<u>220,774</u>	<u>220,774</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	4,203	4,203	33,064	28,861
Cash Balance Beginning of Year	<u>(4,203)</u>	<u>(4,203)</u>	<u>(4,203)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 28,861</u>	<u>\$ 28,861</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 33,064	
Net Change in Accounts Payable			<u>(18,811)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 14,253</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND-TITLE I-24101
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 941,023	\$ 1,127,136	\$ 725,287	\$ (401,849)
Total Revenues	<u>941,023</u>	<u>1,127,136</u>	<u>725,287</u>	<u>(401,849)</u>
Expenditures				
Instruction				
Personnel Services	368,370	378,370	313,572	64,798
Employee Benefits	109,805	109,805	93,172	16,633
Purchase Services	18,500	58,500	27,180	31,320
Other Purchased Services	5,205	10,205	199	10,006
Supplies	7,399	53,012	48,072	4,940
Supply Assets	0	80,000	102,081	(22,081)
Total Instruction	<u>509,279</u>	<u>689,892</u>	<u>584,276</u>	<u>105,616</u>
Support Services				
General Administration				
Purchase Services	14,148	18,148	15,117	3,031
Total General Administration	<u>14,148</u>	<u>18,148</u>	<u>15,117</u>	<u>3,031</u>
School Administration				
Personnel Services	116,817	116,817	116,398	419
Employee Benefits	43,039	43,039	38,281	4,758
Professional & Tech Services	3,500	5,000	2,053	2,947
Supplies	0	0	6	(6)
Total School Administration	<u>163,356</u>	<u>164,856</u>	<u>156,738</u>	<u>8,118</u>
Total Support Services	<u>177,504</u>	<u>183,004</u>	<u>171,855</u>	<u>11,149</u>
Total Expenditures	<u>686,783</u>	<u>872,896</u>	<u>756,131</u>	<u>116,765</u>
Excess (Deficiency) of Revenues Over Expenditures	254,240	254,240	(30,844)	(285,084)
Cash Balance Beginning of Year	<u>(254,240)</u>	<u>(254,240)</u>	<u>(254,240)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (285,084)</u>	<u>\$ (285,084)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (30,844)	
Net Change in Due from Grantor			41,565	
Net Change in Accounts Payables			(4,367)	
Net Change in Accrued Salaries and Benefits			(6,354)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND-IDEA B ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 205,462	\$ 1,342,148	\$ 820,914	\$ (521,234)
Total Revenues	<u>205,462</u>	<u>1,342,148</u>	<u>820,914</u>	<u>(521,234)</u>
Expenditures				
Instruction				
Personnel Services	0	336,198	274,924	61,274
Employee Benefits	0	155,088	123,164	31,924
Professional & Tech Services	0	59,375	59,049	326
Other Purchased Services	0	2,309	9,205	(6,896)
Supplies	0	46,950	27,054	19,896
Supply Assets	0	60,100	19,740	40,360
Total Instruction	<u>0</u>	<u>660,020</u>	<u>513,136</u>	<u>146,884</u>
Support Services				
Students				
Personnel Services	0	113,276	95,013	18,263
Employee Benefits	0	40,339	26,050	14,289
Professional & Tech Services	0	98,156	15,414	82,742
Supplies	0	18,200	11,016	7,184
Supply Assets	0	5,000	0	5,000
Total Students	<u>0</u>	<u>274,971</u>	<u>147,493</u>	<u>127,478</u>
General Administration				
Professional & Tech Services	0	23,416	16,290	7,126
Total General Administration	<u>0</u>	<u>23,416</u>	<u>16,290</u>	<u>7,126</u>
School Administration				
Personnel Services	0	98,375	91,533	6,842
Employee Benefits	0	41,494	33,213	8,281
Professional & Tech Services	0	1,110	925	185
Other Purchased Services	0	0	624	(624)
Supplies	0	24,300	8,677	15,623
Supply Assets	0	13,000	2,949	10,051
Total School Administration	<u>0</u>	<u>178,279</u>	<u>137,921</u>	<u>40,358</u>
Total Support Services	<u>0</u>	<u>476,666</u>	<u>301,704</u>	<u>174,962</u>
Total Expenditures	<u>0</u>	<u>1,136,686</u>	<u>814,840</u>	<u>321,846</u>
Excess (Deficiency) of Revenues Over Expenditures	205,462	205,462	6,074	(199,388)
Cash Balance Beginning of Year	<u>(205,462)</u>	<u>(205,462)</u>	<u>(205,462)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (199,388)</u>	<u>\$ (199,388)</u>

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND-IDEA B ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	<u>Original</u>	<u>Final</u>		
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 6,074	
Net Change in Due from Grantor			1,387	
Net Change in Accounts Payable			5,597	
Net Change in Accrued Salaries and Benefits			<u>(13,058)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ 0</u></u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
Statement of Fiduciary Assets and Liabilities-Agency Funds
For the Year Ended June 30, 2014

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 1,362,888
Total Assets	<u>\$ 1,362,888</u>
Liabilities	
Deposits Held for Others	\$ 1,362,888
Total Liabilities	<u>\$ 1,362,888</u>

The notes to the financial statements are an integral part of this statement.

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Artesia Public School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

The District has been in existence since the early nineteen hundreds, and is currently operating under the provisions of the Public School District Code, Chapter 22, of the New Mexico Statutes Annotated, 1978 Compilation. The District operates with a local board of education - superintendent form of government and provides a supervised program of instruction designed to educate students at the elementary and secondary level.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

The District has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected District members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows below:

Governmental Funds

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets and the servicing of general long-term debt.

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

Debt Service Fund - The Debt Service Fund is used to account for the resources for, and the payment of, principal, interest and related costs.

Fiduciary Fund Type

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

Major Funds

The District reports the following major governmental funds:

GENERAL FUND (11000)(12000)(13000)(14000)

The General Fund consist of four sub funds. The first is the Operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Teacherage accounts for rents collected from teachers and related expenditures. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

SPECIAL REVENUE FUNDS

Title I (24101) To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the Elementary and Secondary Act of 1965, Chapter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of federal grant provisions.

IDEA B Entitlement (24106) To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

Improving Teacher Quality (24154) To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

CAPITAL PROJECT FUNDS

House Bill 33 (31600) To account for resources received through House Bill 33 and local tax levies obtained for the financing, construction and remodeling of various school buildings. Expenditures are restricted to Capital Improvements.

Senate Bill Nine (31700) The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

Measurement Focus and Basis of Accounting
Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

In the government-wide Statement of Net Position, the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts - invested in net capital assets; restricted and unrestricted net position.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources resulting from nonexchange transactions are recognized in accordance with the requirement of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include: 1) charges for services to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function 2) program-specific operating grants and contributions, Transportation, Food Service, Special Revenue Funds such as special education as well as others., and 3) program specific capital grants and contributions.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

Revenues

Taxes. Ad valorem taxes are susceptible to full accrual on the government wide financial statements. Property Tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied.

Grants. Government mandated nonexchange transaction and voluntary nonexchange transactions. Recipients should recognize revenues in the period when all applicable eligibility requirements have been met and the resources are available.

Revenue Recognition for Grants.

Eligibility requirements for government-mandated and voluntary nonexchange transaction comprise one or more of the following:

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts).
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).
3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.
4. Contingencies. The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

Other receipts. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and therefore are not accrued. Salaries for the twelve month employees payroll are accrued.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Basis of Budgeting

Formal budgetary integration is employed as a management control device during the year.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). These budgets are prepared using the cash basis of accounting. Budgetary comparisons for the various funds in this report are on the non-GAAP budgetary basis.

The District follows the following procedures in establishing data reflected in the financial statements:

1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.

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2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBFAU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBFAU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBFAU.
5. No school board or officer or employee of the District shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBFAU.
7. Legal budget control for expenditures is by function. Included in the 2000 function is sub-functions that can be over spent by function.
8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The District is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

All money not immediately necessary for the public uses of the District may be invested in :

- (a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or
- (b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Property Taxes

The County collects the District's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the District on a monthly basis. The District accounts for its share of property taxes in the General, Debt Service and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Food Service Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

Capital Assets

Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 (per Section 12-6-10 NMSA1978) and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on 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.

If there are any construction projects funded by the NM Public School Facilities Authority they are included in the appropriate capital projects fund and in the capital assets.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings & Improvements	20-50 Years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3-15 Years

Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet.

Long-Term Liabilities

For district-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Restricted Net Position

For the government-wide statement of net position, restrictions are reported when constraints placed on net position use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available it will first be applied to restricted resources.

Fund Balances of Fund Financial Statements

Nonspendable fund balance indicates that portion of fund equity is not spendable such as inventory.

The restricted fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resources providers, or through enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance is the residual amount that is not restricted or committed.

Interfund Transfers

In governmental funds, transfers should be reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Unearned and Unavailable Revenue

The District reports unearned and unavailable revenues on its Statement of Net Position and Fund Balance Sheet. Unearned revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and the revenue is recognized. Unavailable revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 30 days of the fiscal year end.

Compensated Absences

After a non-certified employee has been with the District for a period of at least six months, the employee is entitled to a one-week paid vacation; when employed twelve months, the employee is entitled to a two week paid vacation accumulative to no more than 20 contract days. Vacation is to be scheduled at an appropriate time and approved by the supervisor. If an employee is discharged because of lack of work, and through no fault of the employee, the employee shall receive commensurate vacation pay.

The District's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both the following conditions are met:

- (a) The employees' right to receive compensation is attributable to services already rendered.
- (b) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

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.

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NOTE B: DEPOSITS AND INVESTMENTS

The District is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

First American Bank

Name of Account	Balance Per Bank 6/30/14	Reconciled Balance	Type
Operational Money Market	\$ 1,020	\$ 1,020	Interest bearing
Artesia Public Schools	1,000	1,000	Non-interest
Activity Fund	1,013	968	Interest bearing
Activity Money Market	1,221	1,221	Interest bearing
Cafeteria	95,922	95,922	Interest bearing
Capital Improvement	22,522,977	22,273,290	Interest bearing
Special Building Fund HB 33	1,024	1,024	Interest bearing
Artesia Public Schools	500,000	500,000	Interest bearing
Artesia Public Schools	250,000	250,000	Interest bearing
TOTAL Deposited	<u>23,374,177</u>	<u>\$ 23,124,445</u>	
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	23,124,177		
50% collateral requirement	11,562,089		
Pledged securities	<u>13,677,153</u>		
Over (Under) requirement	<u>\$ 2,115,065</u>		

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

The following securities are pledged at **First American Bank**:

Description	CUSIP #	Par Value	Maturity Date	Location
Gallup McKinley NM SD	064010NP9	\$ 300,000	08/15/2013	FHLB-Dallas, TX
Gadsden NM ISD #016	362550KM6	400,000	06/01/2014	FHLB-Dallas, TX
Dulce NM ISD #21	2644304KB4	190,000	08/01/2014	FHLB-Dallas, TX
Grant Cnty NM	387766BV9	500,000	08/15/2014	FHLB-Dallas, TX
Torrance ETC Cntys NM	891400MP5	1,800,000	08/15/2014	FHLB-Dallas, TX
Portales N EX Muni Sch	736151DA6	400,000	09/01/2018	FHLB-Dallas, TX
Albuquerque NM MET AR	013572JD5	560,000	09/01/2016	FHLB-Dallas, TX
Artesia NM Hosp Dist.	04310KAT9	1,475,000	01/15/2017	FHLB-Dallas, TX
San Juan Cnty NM Cent	798359HQ1	900,000	01/15/2017	FHLB-Dallas, TX
Albuquerque NM Muni Sch	013595qn6	200,000	02/01/2017	FHLB-Dallas, TX
Hobbs NM School Dist. #16	433866CR9	1,000,000	08/01/2017	FHLB-Dallas, TX
Grants & Cibola Cntys	388240FZ1	800,000	08/01/2017	FHLB-Dallas, TX
Belen NM	077581MQ6	175,000	08/01/2018	FHLB-Dallas, TX
Albuquerque, NM Muni Sch	013595LM3	2,000,000	07/15/2020	FHLB-Dallas, TX
Alamogordo, NM Muni Sch	011464HL1	800,000	08/01/2020	FHLB-Dallas, TX
Clovis, NM Muni Sch	189414JA4	650,000	08/01/2022	FHLB-Dallas, TX
Ruidoso NM Supplement	781346DP3	265,000	08/01/2023	FHLB-Dallas, TX
MSB GNMA II	36225FLV9	1,262,153	08/01/2024	FHLB-Dallas, TX
		<u>\$ 13,677,153</u>		

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<u>Name of Account</u>	Balance		<u>Type</u>
	Per Bank 6/30/14	Reconciled Balance	
Operational	\$ 5,063,799	\$ 3,251,036	Interest bearing
Operational Money Market	21,538	21,538	Interest bearing
Debt Service	587,176	587,176	Interest bearing
TOTAL Deposited	5,672,513	\$ 3,859,750	
Less: FDIC Coverage	(250,000)		
Uninsured Amount	5,422,513		
50% collateral requirement	2,711,257		
Pledged securities	3,977,864		
Over (Under) requirement	\$ 1,266,608		

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

The following securities are pledged at **Western Bank**:

<u>Description</u>	<u>CUSIP #</u>	<u>Par Value / Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
Los Luna, NM	545562ph7	\$ 350,000	07/15/2021	FHLB-Dallas, TX
Belen, NM	077581kx3	200,000	08/01/2015	FHLB-Dallas, TX
Artesia, NM	04310lat7	355,000	06/01/2027	FHLB-Dallas, TX
GNMA Pool #2578	36202c2k8	22,714	04/20/2028	FHLB-Dallas, TX
FNMA #93311	31412sky0	176,832	03/01/2038	FHLB-Dallas, TX
FNMA	3136GoQL8	688,622	06/27/2018	FHLB-Dallas, TX
FNMA Pool #257203	3137nu45	46,221	04/01/2028	FHLB-Dallas, TX
FNMA	313Go5J6	934,207	05/26/2021	FHLB-Dallas, TX
FHLB	3133xfkf2	1,204,268	06/11/2021	FHLB-Dallas, TX
		\$ 3,977,864		

Artesia School Employees Credit Union

<u>Name of Account</u>	Balance		<u>Type</u>
	Per Bank 6/30/14	Reconciled Balance	
ERB	\$ 3,541	\$ 3,541	Non-interest
TOTAL Deposited	3,541	\$ 3,541	
Less: FDIC Coverage	(3,541)		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	\$ 0		

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 503,541
Collateralized:	
Collateral held by the pledging bank in District's name	17,655,017
Uninsured and uncollateralized	10,891,673
Total Deposits	\$ 29,050,231

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Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2014 \$10,891,673 of the District's bank balance of \$29,050,231 was exposed to custodial credit risk.

NOTE C: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances is as follows:

Receivable Fund	Payable Funds		
	Title I	IDEA B	Non-Major
		Entitlement	Governmental
	24106	Funds	
General Fund	\$ 285,084	\$ 199,388	\$ 275,489
Totals	\$ 285,084	\$ 199,388	\$ 275,489

The above interfund balances resulted from reimbursement grants. The shortfalls were covered by the General Fund. All transactions will be repaid within one year.

NOTE D: TAXES RECEIVABLE

Following is a schedule of property taxes receivable as of June 30, 2014:

	General	House Bill 33	Senate Bill Nine	Non-Major Governmental Funds
Property Taxes Receivable:				
Available	\$ 71,948	\$ 721,429	\$ 288,381	\$ 535
Unavailable	10,165	107,080	43,611	744
Total Property Taxes Receivable	\$ 82,113	\$ 828,509	\$ 331,992	\$ 1,279

NOTE E: DUE FROM OTHER GOVERNMENT UNITS

Amounts due from other agencies and units of government were as follows as of June 30, 2014:

Federal Agencies	\$ 596,791
State Agencies	190,628
Total	\$ 787,419

NOTE F: UNEARNED AND UNAVAILABLE REVENUES

Revenues are deferred in accordance with the modified accrual basis of accounting for the fund financial statements. The following deferred revenues are measurable but do not represent available expendable resources for the fund financial statements for the fiscal year ended June 30, 2014:

	General	House Bill 33	Senate Bill Nine
Property Taxes	\$ 82,113	\$ 828,509	\$ 331,992
Federal Revenues	0	0	0
Total Deferred Revenues	\$ 82,113	\$ 828,509	\$ 331,992

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	Non-Major Governmental Funds	Total
Property Taxes	\$ 1,279	\$ 1,243,893
Federal Revenues	0	0
Total Deferred Revenues	<u>\$ 1,279</u>	<u>\$ 1,243,893</u>

NOTE G: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2014, is as follows:

	Balance 6/30/13	Additions	Deletions	Balance 6/30/14
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 2,031,305	\$ 0	\$ 0	\$ 2,031,305
Total Capital Assets not being Depreciated	<u>2,031,305</u>	<u>0</u>	<u>0</u>	<u>2,031,305</u>
Capital Assets, being Depreciated				
Buildings	92,031,806	2,365,598	0	94,397,404
Equipment	7,994,889	2,275,305	0	10,270,194
Total Capital Assets being Depreciated	<u>100,026,695</u>	<u>4,640,903</u>	<u>0</u>	<u>104,667,598</u>
Less Accumulated Depreciation				
Buildings & Improvements	43,738,214	2,599,391	0	46,337,605
Equipment	6,532,476	343,725	0	6,876,201
Total Accumulated Depreciation	<u>50,270,690</u>	<u>2,943,116</u>	<u>0</u>	<u>53,213,806</u>
Capital Assets, net	<u>\$ 51,787,310</u>	<u>\$ 1,697,787</u>	<u>\$ 0</u>	<u>\$ 53,485,097</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 2,943,116
Total depreciation expenses	<u>\$ 2,943,116</u>

NOTE H: LONG TERM DEBT

A summary of activity in the Long-Term Debt is as follows:

	Balance 6/30/13	Additions	Reductions	Balance 6/30/14	Amounts Due Within One Year
Other Liabilities					
Compensated Absences					
	\$ 155,751	\$ 129,322	\$ 103,685	\$ 181,388	\$ 181,388
Total Other Liabilities	<u>155,751</u>	<u>129,322</u>	<u>103,685</u>	<u>181,388</u>	<u>181,388</u>
Long-Term	<u>\$ 155,751</u>	<u>\$ 129,322</u>	<u>\$ 103,685</u>	<u>\$ 181,388</u>	<u>\$ 181,388</u>

Payments on the general obligation bonds are made by the Debt Service Fund. The compensated absences liability will ultimately be liquidated by several of the District's governmental funds, with most being paid by the General Fund.

The current portion of the compensated absences is estimated at zero since there are no anticipated retirements or terminations.

NOTE I: COMMITMENTS

There are various remodeling projects ongoing. The HB 33 and SB9 funds are financing the projects.

NOTE J: PENSION PLAN

Plan Description

Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of state public school districts, colleges and universities and some state agency employees) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB's website at www.nmerb.org.

Funding Policy

Member Contributions-Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required make the following contributions to the Plan: 10.10% of their gross salary in the fiscal year 2014; and 10.17% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions-The District contributed 13.15% of the gross covered salary in the fiscal year 2014. In fiscal year 2015 the District will contribute 13.9% of gross covered salary.

The contribution requirements of the plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2014, 2013, and 2012, were \$2,492,214, \$2,095,756, and \$1,825,014 respectively, which equal the amount of the required contributions for each fiscal year.

NOTE K: POST-EMPLOYMENT BENEFITS

Plan Description

Plan Description. The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2014, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act. The District is not a member of the enhanced retirement plan.

The District's contributions to the RHCA for the years ended June 30, 2014, 2013 and 2012 were \$379,253, \$382,053, and \$359,779 respectively, which equal the required contributions for each year.

NOTE L: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

Reconciliations are located at the bottom of each budget actual.

NOTE M: INSURANCE COVERAGE

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

- Workers Compensation
- Property and Automobile Liability and Physical Damage
- Liability and Civil Rights and Personal Injury
- Contract School Bus Coverage; and
- Crime

NOTE N: JOINT POWERS AGREEMENTS

The Southeastern New Mexico Educational Resource Center was established in recognition of the need to compensate for the unique isolation of the school districts in southeastern New Mexico. The primary mission of the regional center is to provide resources to the school districts in Chaves, Eddy, and Lea Counties through the collaborative efforts of the eleven participating districts and three government agencies. Local businesses have also joined in this partnership by providing sponsorship to many of the programs developed by the partners. Southeastern New Mexico Educational Resource Center is not a legal entity since it was not properly formed through a joint powers agreement adopted by each participating school district.

A joint powers agreement was entered into between the Artesia Public Schools (District) and the New Mexico Human Services Department to participate in the Medicaid School-Based Services program.

The Human Services Department (HSD) shall oversee the provision of direct services in the Medicaid School Based Services program. The District shall identify the special education and related services needs of each IDEA-eligible child or youth, regardless of whether all services identified qualify for Medicaid reimbursement. The District will collaborate with local community health and human service providers to develop and implement a Collaborative Plan that identifies health needs with the community and outlines strategies to meet those needs.

The purpose of the program is provide Medicaid reimbursable services to Medicaid eligible children.

The agreement became effective February 28, 2005 and remains in effect until terminated by the parties pursuant to the terms of the agreement.

The Human Services Department will reimburse the District for administrative costs in an amount not to exceed \$50,000 for each fiscal year.

The District and HSD shall maintain fiscal records, as required by applicable federal and state laws and regulations. The District shall provide copies of such reports to HSD when requested, in accordance with the requirements of the Medicaid Provider Participation Agreement. The District has the audit responsibility for the revenues and expenditures at the District.

NOTE O: SURETY BOND

The officials and certain employees of the District are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
 CAPITAL PROJECT FUND-HOUSE BILL 33-31600
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Non-GAAP-Budgetary Basis)
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 8,110,000	\$ 8,110,000	\$ 11,723,449	\$ 3,613,449
Interest Income	5,000	5,000	6,004	1,004
Miscellaneous	0	0	31,197	31,197
Total Revenues	<u>8,115,000</u>	<u>8,115,000</u>	<u>11,760,650</u>	<u>3,645,650</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	35,000	85,000	31,961	53,039
Total General Administration	<u>35,000</u>	<u>85,000</u>	<u>31,961</u>	<u>53,039</u>
Total Support Services	<u>35,000</u>	<u>85,000</u>	<u>31,961</u>	<u>53,039</u>
Capital Outlay				
Personnel Services	69,050	69,050	117,424	(48,374)
Employee Benefits	24,150	24,150	30,244	(6,094)
Building Improvements	9,500,000	11,157,005	3,849,066	7,307,939
Land Improvements	7,331,607	7,896,607	287,266	7,609,341
Fixed Assets	0	0	1,190,280	(1,190,280)
Supply Assets	0	0	508,486	(508,486)
Total Capital Outlay	<u>16,924,807</u>	<u>19,146,812</u>	<u>5,982,766</u>	<u>13,164,046</u>
Total Expenditures	<u>16,959,807</u>	<u>19,231,812</u>	<u>6,014,727</u>	<u>13,217,085</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,844,807)	(11,116,812)	5,745,923	16,862,735
Cash Balance Beginning of Year	<u>11,616,813</u>	<u>11,616,813</u>	<u>11,616,813</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,772,006</u>	<u>\$ 500,001</u>	<u>\$ 17,362,736</u>	<u>\$ 16,862,735</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,745,923	
Net Change in Taxes Receivable			261,147	
Net Change in Accounts Payable			(204,776)	
Net Change in Unavailable Revenue			(68,580)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 5,733,714</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
CAPITAL PROJECT FUND-SENATE BILL NINE-31700
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 2,800,000	\$ 2,800,000	\$ 4,676,058	\$ 1,876,058
Interest Income	2,000	2,000	6,474	4,474
State Grants	79,349	79,349	24,734	(54,615)
Miscellaneous	0	82,448	161,797	79,349
Total Revenues	<u>2,881,349</u>	<u>2,963,797</u>	<u>4,869,063</u>	<u>1,905,266</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	12,000	42,000	12,616	29,384
Total General Administration	<u>12,000</u>	<u>42,000</u>	<u>12,616</u>	<u>29,384</u>
Total Support Services	<u>12,000</u>	<u>42,000</u>	<u>12,616</u>	<u>29,384</u>
Capital Outlay				
Maintenance & Repairs	3,196,325	3,196,326	1,236,139	1,960,187
Building Improvements	0	0	20,676	(20,676)
Rent	0	0	10,283	(10,283)
Supplies	1,050,000	1,250,000	211,432	1,038,568
Software	0	0	361,685	(361,685)
Land Improvements	1,779,349	2,309,022	16,166	2,292,856
Building Purchases	0	0	3,395	(3,395)
Vehicles	0	0	169,803	(169,803)
Fixed Assets	0	0	318,495	(318,495)
Supply Assets	0	0	940,083	(940,083)
Total Capital Outlay	<u>6,025,674</u>	<u>6,755,348</u>	<u>3,288,157</u>	<u>3,467,191</u>
Total Expenditures	<u>6,037,674</u>	<u>6,797,348</u>	<u>3,300,773</u>	<u>3,496,575</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,156,325)	(3,833,551)	1,568,290	5,401,841
Cash Balance Beginning of Year	<u>3,833,551</u>	<u>3,833,551</u>	<u>3,833,551</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 677,226</u>	<u>\$ 0</u>	<u>\$ 5,401,841</u>	<u>\$ 5,401,841</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,568,290	
Net Change in Taxes Receivable			104,584	
Net Change in Accounts Payable			97,652	
Net Change in Unavailable Revenue			(27,930)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,742,596</u>	

The notes to the financial statements are an integral part of this statement.

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

Food Service (21000) To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

Athletics (22000) To account for revenue and expenditures associated with the District's budgeted athletic activities. (NMAC 6.20.2).

IDEA Preschool (24109) To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, 101-476, and 102-119. The fund was created by the authority of federal grant provisions.

English Language Acquisition (24153) To account for revenues and expenditures received from a federal grant provided to develop school-wide programs for limited English proficient students that reform, restructure, and upgrade all relevant programs. The fund was created by the Elementary and Secondary Education Act of 1965, as amended, Title VII, Part A.

Rural Low-Income Schools (24160) To account for revenues and expenditures received from a federal grant that is designed to address the needs of rural, low-income schools by providing additional funds to impact the student proficiency and AYP of groups not meeting State standards. The fund was created by Title VI, Part B of the Elementary and Secondary Education Act of 1965, as amended by Public Law 107-110.

Title XIX Medicaid (25153) To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. The fund was created by the authority of federal grant provisions. (Title XIX Social Security Act).

Dual Credits Instructional Materials (27103) To provide funding to the District to purchase college books for students attending college classes and obtaining dual credits. The fund was created by grant provisions.

2010 GO Students Library (27106) To account for a bond issue to fund a state grant to provide library books for school districts. The fund was created by state grant provisions.

2012 GO Student Library (27107). To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

NM Reads to Lead K-3 (27114). To account for revenue and expenditures received from a state grant for the purpose of improving skills of young students in the area of reading. The fund was created by the authority of state grant provisions.

Breakfast for Elementary Students (27155) To account for the revenue and expenditures to provide elementary students with breakfast. The fund was created by state grant provision.

Summer School/After School (27166) To account for the revenue and expenditures to provide students with additional services in an after school program. The fund was created by state grant provision.

NONMAJOR SPECIAL REVENUE FUNDS

STEM Teacher Initiative (27181). To account for a state grant used to equipment a science classroom. The fund was created by the authority of state grant provisions.

Next Generation Assessments (27185). To account for a state grant used to purchase computer equipment for the science classroom. The fund was created by the authority of state grant provisions.

NON-MAJOR CAPITAL PROJECTS FUND

Special Capital Outlay State (31400)

To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading buildings.

NON-MAJOR DEBT SERVICE FUND

Debt Service (41000)

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values. Expenditures are restricted to debt reduction.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2014

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	IDEA Preschool 24109
ASSETS			
Cash and Cash Equivalents	\$ 28,287	\$ 142,375	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	26,302
Inventory	10,677	0	0
Total Assets	<u>\$ 38,964</u>	<u>\$ 142,375</u>	<u>\$ 26,302</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 420	\$ 141	\$ 0
Accrued Salaries and Benefits	4,274	55	3,543
Interfund Balances	0	0	22,759
Total Liabilities	<u>4,694</u>	<u>196</u>	<u>26,302</u>
Deferred Inflows of Resources			
Unavailable Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	10,677	0	0
Restricted for:			
Special Revenue Funds	23,593	142,179	0
Debt Service	0	0	0
Total Fund Balance	<u>34,270</u>	<u>142,179</u>	<u>0</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 38,964</u>	<u>\$ 142,375</u>	<u>\$ 26,302</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2014

	Special Revenue Funds		
	English Language Acquisition 24153	Improving Teacher Quality 24154	Rural and Low-Income Schools 24160
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	1,816	36,776	23,510
Inventory	0	0	0
Total Assets	<u>\$ 1,816</u>	<u>\$ 36,776</u>	<u>\$ 23,510</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	0	0	0
Interfund Balances	1,816	36,776	23,510
Total Liabilities	<u>1,816</u>	<u>36,776</u>	<u>23,510</u>
Deferred Inflows of Resources			
Unavailable Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 1,816</u>	<u>\$ 36,776</u>	<u>\$ 23,510</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2014

	Special Revenue Funds		
	Title XIX Medicaid 25153	Duel Credits Instructional Materials 27103	2010 GO Student Library 27106
ASSETS			
Cash and Cash Equivalents	\$ 136,018	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	1,084
Inventory	0	0	0
Total Assets	<u>\$ 136,018</u>	<u>\$ 0</u>	<u>\$ 1,084</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	0	0	0
Interfund Balances	0	0	1,084
Total Liabilities	<u>0</u>	<u>0</u>	<u>1,084</u>
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	136,018	0	0
Debt Service	0	0	0
Total Fund Balance	<u>136,018</u>	<u>0</u>	<u>0</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 136,018</u>	<u>\$ 0</u>	<u>\$ 1,084</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2014

	Special Revenue Funds		
	2012 GO Student Library 27107	NM Reads to Lead 27114	Breakfast for Elementary Students 27155
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	29,302	6,771	0
Inventory	0	0	0
Total Assets	<u>\$ 29,302</u>	<u>\$ 6,771</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	0	0	0
Interfund Balances	29,302	6,771	0
Total Liabilities	<u>29,302</u>	<u>6,771</u>	<u>0</u>
Deferred Inflows of Resources			
Unavailable Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 29,302</u>	<u>\$ 6,771</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2014

	Special Revenue Funds		
	Kindergarten Three Plus 27166	STEM Teacher Initiative 27181	Next Generation Assessment 27185
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	142,706	10,765	0
Inventory	0	0	0
Total Assets	<u>\$ 142,706</u>	<u>\$ 10,765</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	0	0	0
Interfund Balances	142,706	10,765	0
Total Liabilities	<u>142,706</u>	<u>10,765</u>	<u>0</u>
Deferred Inflows of Resources			
Unavailable Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 142,706</u>	<u>\$ 10,765</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2014

	Special Capital Outlay-State 31400	Debt Service 41000	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 596,910	\$ 903,590
Receivables			
Property Taxes		1,279	1,279
Due From Grantor	0	0	279,032
Inventory	0	0	10,677
Total Assets	<u>\$ 0</u>	<u>\$ 598,189</u>	<u>\$ 1,194,578</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 561
Accrued Salaries and Benefits	0	0	7,872
Interfund Balances	0	0	275,489
Total Liabilities	<u>0</u>	<u>0</u>	<u>283,922</u>
Deferred Inflows of Resources			
Unavailable Revenue	0	744	744
Total Deferred Inflows of Resources	<u>0</u>	<u>744</u>	<u>744</u>
Fund Balance			
Nonspendable-Inventory	0	0	10,677
Restricted for:			
Special Revenue Funds	0	0	301,790
Debt Service	0	597,445	597,445
Total Fund Balance	<u>0</u>	<u>597,445</u>	<u>909,912</u>
Total Liabilities, Deferred Inflows and Fund Balance			
	<u>\$ 0</u>	<u>\$ 598,189</u>	<u>\$ 1,194,578</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2014

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	IDEA Preschool 24109
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	134	90	0
Fees	476,201	189,617	0
State & Local Grants	0	0	0
Federal Grants	1,137,627	0	41,169
Miscellaneous	3,560	1,603	0
Total Revenues	<u>1,617,522</u>	<u>191,310</u>	<u>41,169</u>
Expenditures			
Current			
Instruction	0	160,623	7,358
Support Services			
Students	0	0	3,008
Instruction	0	0	0
General Administration	0	0	752
School Administration	0	0	30,051
Transportation	0	0	0
Food Services	1,663,401	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>1,663,401</u>	<u>160,623</u>	<u>41,169</u>
Excess (Deficiency) of Revenues Over Expenditures	(45,879)	30,687	0
Fund Balances at Beginning of Year	<u>80,149</u>	<u>111,492</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 34,270</u>	<u>\$ 142,179</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2014

	Special Revenue Funds		
	English Language Acquisition 24153	Improving Teacher Quality 24154	Rural and Low-Income Schools 24160
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	3,370	181,044	83,147
Miscellaneous	0	0	0
Total Revenues	<u>3,370</u>	<u>181,044</u>	<u>83,147</u>
Expenditures			
Current			
Instruction	3,002	177,516	81,539
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	71	3,528	1,608
School Administration	297	0	0
Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>3,370</u>	<u>181,044</u>	<u>83,147</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2014

	Special Revenue Funds		
	Title XIX Medicaid 25153	Duel Credits Instructional Materials 27103	2010 GO Student Library 27106
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	228,613	0	0
State & Local Grants	0	7,864	8,500
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>228,613</u>	<u>7,864</u>	<u>8,500</u>
Expenditures			
Current			
Instruction	0	7,864	0
Support Services			
Students	175,314	0	0
Instruction	0	0	8,500
General Administration	3,685	0	0
School Administration	11,884	0	0
Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>190,883</u>	<u>7,864</u>	<u>8,500</u>
Excess (Deficiency) of Revenues Over Expenditures	37,730	0	0
Fund Balances at Beginning of Year	<u>98,288</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 136,018</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2014

	Special Revenue Funds		
	2012 GO Student Library 27107	NM Reads to Lead 27114	Breakfast for Elementary Students 27155
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	29,302	76,976	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	29,302	76,976	0
Expenditures			
Current			
Instruction	0	76,121	0
Support Services			
Students	0	0	0
Instruction	29,302	0	0
General Administration	0	855	0
School Administration	0	0	0
Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	29,302	76,976	0
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	0	0	0
Fund Balance End of Year	\$ 0	\$ 0	\$ 0

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2014

	Special Revenue Funds		
	Kindergarten Three Plus 27166	STEM Teacher Initiative 27181	Next Generation Assessment 27185
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	174,767	10,765	94,300
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>174,767</u>	<u>10,765</u>	<u>94,300</u>
Expenditures			
Current			
Instruction	144,300	10,765	0
Support Services			
Students	0	0	0
Instruction	0	0	94,300
General Administration	0	0	0
School Administration	16,433	0	0
Transportation	8,681	0	0
Food Services	5,353	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>174,767</u>	<u>10,765</u>	<u>94,300</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2014

	Special Capital Outlay-State 31400	Debt Service 41000	Total
Revenues			
Property Taxes	\$ 0	\$ 11,975	\$ 11,975
Interest Income	0	586	810
Fees	0	0	894,431
State & Local Grants	363,999	0	766,473
Federal Grants	0	0	1,446,357
Miscellaneous	0	0	5,163
Total Revenues	<u>363,999</u>	<u>12,561</u>	<u>3,125,209</u>
Expenditures			
Current			
Instruction	13,782	0	682,870
Support Services			
Students	0	0	178,322
Instruction	0	0	132,102
General Administration	0	19	10,518
School Administration	0	0	58,665
Transportation	0	0	8,681
Food Services	0	0	1,668,754
Capital Outlay	350,217	0	350,217
Total Expenditures	<u>363,999</u>	<u>19</u>	<u>3,090,129</u>
Excess (Deficiency) of Revenues Over Expenditures	0	12,542	35,080
Fund Balances at Beginning of Year	<u>0</u>	<u>584,903</u>	<u>874,832</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 597,445</u>	<u>\$ 909,912</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND-FOOD SERVICE-21000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 110	\$ 110	\$ 134	\$ 24
Fees	450,267	450,267	476,201	25,934
Federal Grant	995,462	1,145,462	1,062,790	(82,672)
Miscellaneous	185	185	3,560	3,375
Total Revenues	<u>1,446,024</u>	<u>1,596,024</u>	<u>1,542,685</u>	<u>(53,339)</u>
Expenditures				
Food Services				
Personnel Services	434,218	484,218	481,547	2,671
Employee Benefits	245,943	245,943	238,228	7,715
Professional & Tech Services	2,361	2,361	2,262	99
Other Purchased Services	10,296	10,296	8,376	1,920
Supplies	753,206	955,858	886,638	69,220
Total Food Services	<u>1,446,024</u>	<u>1,698,676</u>	<u>1,617,051</u>	<u>81,625</u>
Total Expenditures	<u>1,446,024</u>	<u>1,698,676</u>	<u>1,617,051</u>	<u>81,625</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(102,652)	(74,366)	28,286
Cash Balance Beginning of Year	<u>102,653</u>	<u>102,653</u>	<u>102,653</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 102,653</u>	<u>\$ 1</u>	<u>\$ 28,287</u>	<u>\$ 28,286</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (74,366)	
Net Change in Inventory			(3,473)	
Net Change in Accounts Payables			36,234	
Net Change in Accrued Salaries and Benefits			(4,274)	
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (45,879)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND-ATHLETICS-22000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 99	\$ 99	\$ 90	\$ (9)
Fees	195,000	195,000	189,617	(5,383)
Miscellaneous	0	0	1,603	1,603
Total Revenues	<u>195,099</u>	<u>195,099</u>	<u>191,310</u>	<u>(3,789)</u>
Expenditures				
Instruction				
Personnel Services	52,000	52,000	40,746	11,254
Employee Benefits	14,910	14,910	10,515	4,395
Professional & Tech Services	13,000	13,000	10,621	2,379
Other Purchased Services	149,140	149,140	72,279	76,861
Supplies	50,360	82,181	30,906	51,275
Total Instruction	<u>279,410</u>	<u>311,231</u>	<u>165,067</u>	<u>146,164</u>
Total Expenditures	<u>279,410</u>	<u>311,231</u>	<u>165,067</u>	<u>146,164</u>
Excess (Deficiency) of Revenues Over Expenditures	(84,311)	(116,132)	26,243	142,375
Cash Balance Beginning of Year	<u>116,132</u>	<u>116,132</u>	<u>116,132</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 31,821</u>	<u>\$ 0</u>	<u>\$ 142,375</u>	<u>\$ 142,375</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 26,243	
Net Change in Accounts Payable			4,499	
Net Change in Accrued Salaries and Benefits			(55)	
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 30,687</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND-IDEA PRESCHOOL-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 60,949	\$ 94,242	\$ 33,970	\$ (60,272)
Total Revenues	<u>60,949</u>	<u>94,242</u>	<u>33,970</u>	<u>(60,272)</u>
Expenditures				
Instruction				
Personal Services	5,273	5,273	2,809	2,464
Employee Benefits	1,566	1,566	964	602
Professional & Tech Services	0	3,708	0	3,708
Other Purchased Services	1,000	1,000	0	1,000
Supplies	618	6,279	43	6,236
Supply Assets	0	11,000	0	11,000
Total Instruction	<u>8,457</u>	<u>28,826</u>	<u>3,816</u>	<u>25,010</u>
Support Services				
Students				
Professional & Tech Services	2,500	8,500	3,008	5,492
Other Purchased Services	500	5,000	0	5,000
Total Students	<u>3,000</u>	<u>13,500</u>	<u>3,008</u>	<u>10,492</u>
General Administration				
Professional & Tech Services	1,035	1,549	752	797
Total General Administration	<u>1,035</u>	<u>1,549</u>	<u>752</u>	<u>797</u>
School Administration				
Personnel Services	20,210	22,120	20,198	1,922
Employee Benefits	8,744	8,744	9,852	(1,108)
Professional & Tech Services	400	400	0	400
Total School Administration	<u>29,354</u>	<u>31,264</u>	<u>30,050</u>	<u>1,214</u>
Total Support Services	<u>33,389</u>	<u>46,313</u>	<u>33,810</u>	<u>12,503</u>
Total Expenditures	<u>41,846</u>	<u>75,139</u>	<u>37,626</u>	<u>37,513</u>
Excess (Deficiency) of Revenues Over Expenditures	19,103	19,103	(3,656)	(22,759)
Cash Balance Beginning of Year	<u>(19,103)</u>	<u>(19,103)</u>	<u>(19,103)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(22,759)</u>	\$ <u>(22,759)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,656)	
Net change in Due from Grantor			7,199	
Net Change in Accrued Salaries and Benefits			(3,543)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND-ENGLISH LANGUAGE ACQUISITION-24153
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 9,976	\$ 11,898	\$ 3,027	\$ (8,871)
Total Revenues	<u>9,976</u>	<u>11,898</u>	<u>3,027</u>	<u>(8,871)</u>
Expenditures				
Instruction				
Personnel Services	3,008	3,008	0	3,008
Employee Benefits	982	982	206	776
Professional & Tech Services	1,500	2,382	932	1,450
Purchased Services	250	250	0	250
Supplies	2,012	3,012	1,864	1,148
Total Instruction	<u>7,752</u>	<u>9,634</u>	<u>3,002</u>	<u>6,632</u>
Support Services				
General Administration				
Professional & Tech Services	200	240	70	170
Total General Administration	<u>200</u>	<u>240</u>	<u>70</u>	<u>170</u>
School Administration				
Professional & Tech Services	550	550	297	253
Total School Administration	<u>550</u>	<u>550</u>	<u>297</u>	<u>253</u>
Total Support Services	<u>750</u>	<u>790</u>	<u>367</u>	<u>423</u>
Total Expenditures	<u>8,502</u>	<u>10,424</u>	<u>3,369</u>	<u>7,055</u>
Excess (Deficiency) of Revenues Over Expenditures	1,474	1,474	(342)	(1,816)
Cash Balance Beginning of Year	<u>(1,474)</u>	<u>(1,474)</u>	<u>(1,474)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,816)</u>	<u>\$ (1,816)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (342)	
Net change in Due from Grantor			342	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND-IMPROVING TEACHER QUALITY-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 267,876	\$ 278,155	\$ 237,322	\$ (40,833)
Total Revenues	<u>267,876</u>	<u>278,155</u>	<u>237,322</u>	<u>(40,833)</u>
Expenditures				
Instruction				
Personnel Services	124,159	131,419	128,056	3,363
Employee Benefits	46,284	49,303	49,212	91
Professional & Tech Services	850	850	247	603
Total Instruction	<u>171,293</u>	<u>181,572</u>	<u>177,515</u>	<u>4,057</u>
Support Services				
General Administration				
Professional & Tech Services	3,528	3,528	3,528	0
Total General Administration	<u>3,528</u>	<u>3,528</u>	<u>3,528</u>	<u>0</u>
Total Support Services	<u>3,528</u>	<u>3,528</u>	<u>3,528</u>	<u>0</u>
Total Expenditures	<u>174,821</u>	<u>185,100</u>	<u>181,043</u>	<u>4,057</u>
Excess (Deficiency) of Revenues Over Expenditures	93,055	93,055	56,279	(36,776)
Cash Balance Beginning of Year	<u>(93,055)</u>	<u>(93,055)</u>	<u>(93,055)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (36,776)</u>	<u>\$ (36,776)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 56,279	
Net change in Due from Grantor			<u>(56,279)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND-RURAL & LOW INCOME SCHOOLS-24160
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 65,712	\$ 101,585	\$ 61,906	\$ (39,679)
Total Revenues	<u>65,712</u>	<u>101,585</u>	<u>61,906</u>	<u>(39,679)</u>
Expenditures				
Instruction				
Personnel Services	42,500	72,200	58,626	13,574
Employee Benefits	14,335	20,508	20,104	404
Professional & Tech Services	5,000	5,000	2,809	2,191
Total Instruction	<u>61,835</u>	<u>97,708</u>	<u>81,539</u>	<u>16,169</u>
Support Services				
General Administration				
Professional & Tech Services	1,608	1,608	1,608	0
Total General Administration	<u>1,608</u>	<u>1,608</u>	<u>1,608</u>	<u>0</u>
Total Support Services	<u>1,608</u>	<u>1,608</u>	<u>1,608</u>	<u>0</u>
Total Expenditures	<u>63,443</u>	<u>99,316</u>	<u>83,147</u>	<u>16,169</u>
Excess (Deficiency) of Revenues Over Expenditures	2,269	2,269	(21,241)	(23,510)
Cash Balance Beginning of Year	<u>(2,269)</u>	<u>(2,269)</u>	<u>(2,269)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(23,510)</u>	\$ <u>(23,510)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (21,241)	
Net change in Due from Grantor			<u>21,241</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND- TITLE XIX-MEDICAID-25153
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 187,528	\$ 187,528	\$ 228,613	\$ 41,085
Total Revenues	<u>187,528</u>	<u>187,528</u>	<u>228,613</u>	<u>41,085</u>
Expenditures				
Support Services				
Students				
Personnel Services	100,636	100,636	114,019	(13,383)
Employee Benefits	43,267	43,267	40,928	2,339
Professional & Tech Services	500	500	352	148
Other Purchased Services	12,000	12,000	12,583	(583)
Supplies	3,500	101,785	7,429	94,356
Total Students	<u>159,903</u>	<u>258,188</u>	<u>175,311</u>	<u>82,877</u>
General Administration				
Professional & Tech Services	3,685	3,685	3,685	0
Total General Administration	<u>3,685</u>	<u>3,685</u>	<u>3,685</u>	<u>0</u>
School Administration				
Personnel Services	12,811	12,811	9,229	3,582
Employee Benefits	3,140	3,140	2,126	1,014
Professional & Tech Services	0	0	532	(532)
Total School Administration	<u>15,951</u>	<u>15,951</u>	<u>11,887</u>	<u>4,064</u>
Total Support Services	<u>179,539</u>	<u>277,824</u>	<u>190,883</u>	<u>86,941</u>
Total Expenditures	<u>179,539</u>	<u>277,824</u>	<u>190,883</u>	<u>86,941</u>
Excess (Deficiency) of Revenues Over Expenditures	7,989	(90,296)	37,730	128,026
Cash Balance Beginning of Year	<u>98,288</u>	<u>98,288</u>	<u>98,288</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 106,277</u>	<u>\$ 7,992</u>	<u>\$ 136,018</u>	<u>\$ 128,026</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 37,730	
Net Change in Due from Grantor			0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 37,730</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND-DUAL CREDIT INSTRUCTIONAL MATERIALS-27103
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 7,864	\$ 7,864	\$ 0
Total Revenues	<u>0</u>	<u>7,864</u>	<u>7,864</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	7,864	7,864	0
Total Instruction	<u>0</u>	<u>7,864</u>	<u>7,864</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>7,864</u>	<u>7,864</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net Change Due from Grantor			<u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND-2010 GO STUDENT LIBRARY-27106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 8,501	\$ 8,501	\$ 7,416	\$ (1,085)
Total Revenues	<u>8,501</u>	<u>8,501</u>	<u>7,416</u>	<u>(1,085)</u>
Expenditures				
Support Services				
Instruction				
Supplies	8,501	8,501	8,500	1
Total Instruction	<u>8,501</u>	<u>8,501</u>	<u>8,500</u>	<u>1</u>
Total Support Services	<u>8,501</u>	<u>8,501</u>	<u>8,500</u>	<u>1</u>
Total Expenditures	<u>8,501</u>	<u>8,501</u>	<u>8,500</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	8,501	0	(1,084)	(1,084)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8,501</u>	<u>\$ 0</u>	<u>\$ (1,084)</u>	<u>\$ (1,084)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,084)	
Net Change in Due from Grantor			<u>1,084</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND-2012 GO STUDENT LIBRARY-27107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 34,408	\$ 34,408	\$ 0	\$ (34,408)
Total Revenues	<u>34,408</u>	<u>34,408</u>	<u>0</u>	<u>(34,408)</u>
Expenditures				
Support Services				
Instruction				
Supplies	34,408	34,408	29,302	5,106
Total Instruction	<u>34,408</u>	<u>34,408</u>	<u>29,302</u>	<u>5,106</u>
Total Support Services	<u>34,408</u>	<u>34,408</u>	<u>29,302</u>	<u>5,106</u>
Total Expenditures	<u>34,408</u>	<u>34,408</u>	<u>29,302</u>	<u>5,106</u>
Excess (Deficiency) of Revenues Over Expenditures	34,408	0	(29,302)	(29,302)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 34,408</u>	<u>\$ 0</u>	<u>\$ (29,302)</u>	<u>\$ (29,302)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (29,302)	
Net Change in Due from Grantor			<u>29,302</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND-NEW MEXICO READS TO LEAD-27114
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 93,535	\$ 70,206	\$ (23,329)
Total Revenues	<u>0</u>	<u>93,535</u>	<u>70,206</u>	<u>(23,329)</u>
Expenditures				
Instruction				
Personnel Services	0	43,690	28,546	15,144
Employee Benefits	<u>0</u>	<u>48,990</u>	<u>47,576</u>	<u>1,414</u>
Total Instruction	<u>0</u>	<u>92,680</u>	<u>76,122</u>	<u>16,558</u>
Support Services				
General Administration				
Professional & Tech Services	<u>0</u>	<u>855</u>	<u>855</u>	<u>0</u>
Total General Administration	<u>0</u>	<u>855</u>	<u>855</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>855</u>	<u>855</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>93,535</u>	<u>76,977</u>	<u>16,558</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(6,771)	(6,771)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (6,771)</u>	<u>\$ (6,771)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (6,771)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (6,771)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND-BREAKFAST FOR ELEMENTARY STUDENTS-27155
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 2,652	\$ 2,652	\$ 0
Total Revenues	<u>0</u>	<u>2,652</u>	<u>2,652</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	2,652	2,652	0
Cash Balance Beginning of Year	<u>(2,652)</u>	<u>(2,652)</u>	<u>(2,652)</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (2,652)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,652	
Net change in Due from Grantor			<u>(2,652)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ 0</u></u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND-SUMMER SCHOOL/AFTER SCHOOL-27166
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 73,892	\$ 222,568	\$ 63,633	\$ (158,935)
Total Revenues	<u>73,892</u>	<u>222,568</u>	<u>63,633</u>	<u>(158,935)</u>
Expenditures				
Instruction				
Personal Services	18,000	103,024	104,330	(1,306)
Employee Benefits	4,108	24,138	23,189	949
Professional & Tech Services	12,830	9,952	7,410	2,542
Other Purchased Services	0	549	0	549
Supplies	0	13,324	9,371	3,953
Total Instruction	<u>34,938</u>	<u>150,987</u>	<u>144,300</u>	<u>6,687</u>
Support Services				
School Administration				
Personnel Services	6,009	13,314	13,314	0
Employee Benefits	1,372	3,120	3,119	1
Total School Administration	<u>7,381</u>	<u>16,434</u>	<u>16,433</u>	<u>1</u>
Total Support Services	<u>7,381</u>	<u>16,434</u>	<u>16,433</u>	<u>1</u>
Transportation				
Other Purchased Services	0	11,612	8,680	2,932
Total Transportation	<u>0</u>	<u>11,612</u>	<u>8,680</u>	<u>2,932</u>
Food Services				
Personal Services	0	9,683	4,365	5,318
Employee Benefits	0	2,279	988	1,291
Total Food Services	<u>0</u>	<u>11,962</u>	<u>5,353</u>	<u>6,609</u>
Total Expenditures	<u>42,319</u>	<u>190,995</u>	<u>174,766</u>	<u>16,229</u>
Excess (Deficiency) of Revenues Over Expenditures	31,573	31,573	(111,133)	(142,706)
Cash Balance Beginning of Year	<u>(31,573)</u>	<u>(31,573)</u>	<u>(31,573)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(142,706)</u>	\$ <u>(142,706)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (111,133)	
Net change in Due from Grantor			<u>111,133</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND-STEM TEACHER INITIATIVE-27181
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 15,000	\$ 0	\$ (15,000)
Total Revenues	<u>0</u>	<u>15,000</u>	<u>0</u>	<u>(15,000)</u>
Expenditures				
Instruction				
Personnel Services	0	12,218	10,000	2,218
Employee Benefits	0	2,782	765	2,017
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>15,000</u>	<u>10,765</u>	<u>4,235</u>
Total Expenditures	<u>0</u>	<u>15,000</u>	<u>10,765</u>	<u>4,235</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(10,765)	(10,765)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (10,765)</u>	<u>\$ (10,765)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (10,765)	
Net change in Due from Grantor			<u>10,765</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
SPECIAL REVENUE FUND-NEXT GENERATION ASSESSMENT-27185
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 94,300	\$ 94,300	\$ 0
Total Revenues	<u>0</u>	<u>94,300</u>	<u>94,300</u>	<u>0</u>
Expenditures				
Support Services				
Instruction				
Supply Assets	0	94,300	94,300	0
Total Instruction	<u>0</u>	<u>94,300</u>	<u>94,300</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>94,300</u>	<u>94,300</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>94,300</u>	<u>94,300</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net change in Due from Grantor			<u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
CAPITAL PROJECT FUND-SPECIAL CAPITAL OUTLAY-STATE-31400
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 364,000	\$ 364,000	\$ 364,000	\$ 0
Total Revenues	<u>364,000</u>	<u>364,000</u>	<u>364,000</u>	<u>0</u>
Expenditures				
Capital Outlay				
Building Improvements	364,000	364,000	289,000	75,000
Supplies	0	0	61,217	(61,217)
Supply Assets	0	0	13,783	(13,783)
Total Capital Outlay	<u>364,000</u>	<u>364,000</u>	<u>364,000</u>	<u>0</u>
Total Expenditures	<u>364,000</u>	<u>364,000</u>	<u>364,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net Change in Due from Grantor				
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
DEBT SERVICE-41000

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 4,400	\$ 4,400	\$ 12,022	\$ 7,622
Interest Income	201	201	586	385
Total Revenues	<u>4,601</u>	<u>4,601</u>	<u>12,608</u>	<u>8,007</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	50	50	18	32
Total General Administration	<u>50</u>	<u>50</u>	<u>18</u>	<u>32</u>
Total Support Services	<u>50</u>	<u>50</u>	<u>18</u>	<u>32</u>
Debt Service				
Principal	0	0	0	0
Interest	0	0	0	0
Total Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>50</u>	<u>50</u>	<u>18</u>	<u>32</u>
Excess (Deficiency) of Revenues Over Expenditures	4,551	4,551	12,590	8,039
Cash Balance Beginning of Year	<u>584,320</u>	<u>584,320</u>	<u>584,320</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 588,871</u>	<u>\$ 588,871</u>	<u>\$ 596,910</u>	<u>\$ 8,039</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 12,590	
Net Change in Taxes Receivable			(428)	
Net Change in Unavailable Revenue			380	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 12,542</u>	

The notes to the financial statements are an integral part of this statement.

OTHER SUPPLEMENTAL INFORMATION

AGENCY FUND

Activity Trust Fund

To account for funds of various student groups that are custodial in nature.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
 AGENCY FUNDS - ACTIVITY
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For the Year Ended June 30, 2014

	Balance 6/30/13	Receipts	Disbursements	Balance 6/30/14
ASSETS				
23700 Interest on Investments	\$ 7,887	\$ 1,265	\$ 0	\$ 9,152
23701 Red Ribbon Campaign	185	0	0	185
23704 Book Fund	653	1,828	124	2,357
23705 Elementary Art Program	123	0	0	123
23706 General Fund	2,263	0	425	1,838
23707 Gifted Programs	1,453	41	385	1,109
23708 Cafeteria General	64	0	64	0
23711 AIS PTO	16,135	13,430	18,999	10,566
23712 Summer School	2,760	19,832	21,245	1,347
23713 Snack Bar	740	0	0	740
23714 Yeso General	6,458	5,450	7,911	3,997
23715 Central Memorial	2,753	8,387	8,744	2,396
23716 Central General	3,341	4,426	1,750	6,017
23717 Central Special Account	3,253	0	3,103	150
23718 Grand Heights General	16,261	30,619	32,580	14,300
23719 Golf Boosters	2,984	4,175	4,695	2,464
23720 Hermosa General	2,830	9,821	7,562	5,089
23751 Hermosa PTO	4,106	27,835	21,315	10,626
23722 Penasco General	221	227	241	207
23723 AHS Paw Prowlers	34	250	0	284
23724 Roselawn General	8,095	9,253	10,053	7,295
23725 Elementary Science	320	0	0	320
23726 Yucca General	1,479	9,553	7,783	3,249
23727 AHS PTO	0	200	0	200
23728 AHS Boys A Club	8,207	6,095	3,427	10,875
23729 AHS Track Team	1,888	11,760	11,006	2,642
23730 AHS Girls A Club	223	0	0	223
23732 Lou Smith Scholarship	468	800	1,200	68
23733 J. Clark Bruce Scholarship	26	0	0	26
23734 Estell Yates Special	317,137	2,516	285,116	34,537
23735 Navajo Pie	38,294	0	15,388	22,906
23736 Mack Chase Scholarship	22,933	40,000	37,500	25,433
23737 AHS Arts and Crafts	3,850	145	0	3,995
23738 AHS Annual Fund	12,936	12,770	13,725	11,981
23740 AHS Band Fund	6,401	18,735	20,054	5,082
23741 AHS Baseball Boosters	37,601	8,385	20,602	25,384
23742 AHS Beacon	820	1,200	178	1,842
23743 AHS Girls Basketball	1,814	7,563	8,075	1,302
23744 AHS Tennis	7,685	1,200	3,592	5,293
23745 AHS Boys Basketball Camp	4,324	12,272	13,899	2,697
23746 AHS Cheerleaders	12,151	35,170	38,514	8,807
23747 Yeso Library	1,152	598	0	1,750
23748 AHS Chorus	17,847	63,992	69,019	12,820
23749 AHS Night Classes	1,608	200	734	1,074
23750 Workbook Fees	\$ 5,311	\$ 0	\$ 164	\$ 5,147

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
 AGENCY FUNDS - ACTIVITY
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For the Year Ended June 30, 2014

	Balance 6/30/13	Receipts	Disbursements	Balance 6/30/14
23751 Science Scholarship	\$ 879	\$ 0	\$ 0	\$ 879
23752 Class Of 2014	8,118	1,730	5,503	4,345
23753 Class Of 2013	1,362	6,682	4,127	3,917
23755 RDC Scholarship	2,416	0	0	2,416
23756 Class of 2015	2,995	11,187	9,017	5,165
23757 Chase Special Projects	356,310	44,859	84,663	316,506
23758 AHS Rodeo	11,783	5,568	5,806	11,545
23759 AHS Cross Country	1,004	546	0	1,550
23761 AHS Girls Soccer	9,463	1,767	6,563	4,667
23761 Boys Soccer	1,278	0	1,278	0
23762 Drivers Education	922	15,754	16,676	0
23763 AHS DECA	5,593	3,918	3,863	5,648
23764 AHS FFA	9,621	126,118	130,395	5,344
23765 AHS Volleyball	5,023	16,800	17,037	4,786
23766 Grads Activity	3,993	422	389	4,026
23767 AHS Football Boosters	16,363	10,555	19,632	7,286
23768 AHS Football Playoffs	15,417	0	15,417	0
23769 AHS General	6,949	9,924	11,203	5,670
23772 AHS Honor Society	58	1,361	1,122	297
23773 Athletic General	22,038	18,054	10,237	29,855
23774 AHS Industrial Arts	1,129	4,358	3,293	2,194
23775 Grads Co-Pay	10,368	0	0	10,368
23776 AHS Library	8,866	12,379	14,536	6,709
23778 AHS Drama Masques	5,724	6,756	959	11,521
23779 Kaci Houghtaling	1,088	0	0	1,088
23780 AHS Ideal NM	1,087	2,500	2,450	1,137
23781 Yeso Thunderbirds	5,884	0	2,869	3,015
23782 AHS BPA	151	7,703	6,813	1,041
23783 Scholarship Fund	5,959	98,500	61,015	43,444
23784 AHS International Club	1,187	0	0	1,187
23785 AHS Special Education	6,038	2,000	1,673	6,365
23786 AHS Student Council	2,221	505	620	2,106
23787 AHS Swimming Fund	4,759	9,185	12,883	1,061
23788 AHS Vocational Ag	3,325	0	610	2,715
23789 AHS Concessions	4,234	33,943	29,781	8,396
23790 AHS Auto Mechanics	1,095	9,487	7,494	3,088
23791 Girls Softball	4,921	26,172	19,925	11,168
23792 AHS Testing	2,416	11,910	12,471	1,855
23793 AJHS Activity	1,812	6,000	7,812	0
23794 AJHS Annual	6,726	5,295	6,654	5,367
23795 AJHS Concessions	15,809	22,740	25,149	13,400
23796 AJHS Arts and Crafts	5,004	1,217	190	6,031
23797 AJHS Band	45	0	45	0
23798 AJHS Cheerleaders	9,695	8,138	11,494	6,339
23799 AJHS FACS	707	22,653	21,264	2,096
23800 AJHS General	7,682	22,089	21,465	8,306
23801 AJHS Football	\$ 1,495	\$ 0	\$ 0	\$ 1,495

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
 AGENCY FUNDS - ACTIVITY
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For the Year Ended June 30, 2014

	Balance 6/30/13	Receipts	Disbursements	Balance 6/30/14
23802 AJHS Honor Society	\$ 1,407	\$ 380	\$ 980	\$ 807
23803 AJHS Border Conference	75	2,382	2,386	71
23804 AJHS Industrial Arts	6,642	0	0	6,642
23805 AJHS Track	1,450	0	52	1,398
23806 AJHS Library	3,480	2,240	4,416	1,304
23807 AIS Boys Athletics	1,076	20	325	771
23808 AHS NM MESA	0	1,811	1,008	803
23809 APS Transportation	3,212	570	833	2,949
23810 AJHS Student Council	1,000	150	546	604
23812 AIS General	13,556	8,542	14,029	8,069
23813 AIS Library	324	935	1,097	162
23814 AIS Grants	6	0	0	6
23816 AIS Vending	3,849	5,701	5,909	3,641
23817 AIS Band	8,634	20,772	19,111	10,295
23818 5th Grade Choir	6,282	3,400	1,515	8,167
23819 AIS Student Council	1,427	1,248	919	1,756
23821 AIS Chorus	8,983	38,607	34,976	12,614
23822 Children First	14	0	0	14
23823 AIS Art	1,667	2,012	2,070	1,609
23824 AIS Girls Athletics	1,444	690	1,583	551
23825 NMAA District Chair	9,922	7,188	7,357	9,753
23826 AHS Bowling	49	10,000	7,647	2,402
23829 Yeso PTO	15,193	43,882	48,546	10,529
23829 Roselawn PTO	7,181	6,200	7,629	5,752
23830 Yucca PTO	10,525	22,882	28,049	5,358
23832 Penasco PTO	3,294	7,306	6,350	4,250
23833 Rachel's Challenge	620	0	0	620
23834 LG Henerson	8,080	225	2,000	6,305
23835 Estel Yates II	1,044,650	111	642,962	401,799
23836 GH Morgan	41,050	11,779	52,400	429
23837 AIS Annual	0	6,485	4,275	2,210
23838 AHS Science	0	5,000	4,865	135
23839 Carol Tolle Scholarship	0	5,900	0	5,900
23840 PFS Activity	0	6,000	5,990	10
23900 NMPSIA	172	0	0	172
23920 Special Projects	1,742	0	0	1,742
Total Assets	<u>\$ 2,395,092</u>	<u>\$ 1,181,186</u>	<u>\$ 2,213,390</u>	<u>\$ 1,362,888</u>
LIABILITIES				
Deposits Held for Others	<u>\$ 2,395,092</u>	<u>\$ 1,181,186</u>	<u>\$ 2,213,390</u>	<u>\$ 1,362,888</u>
Total Liabilities	<u>\$ 2,395,092</u>	<u>\$ 1,181,186</u>	<u>\$ 2,213,390</u>	<u>\$ 1,362,888</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
Cash Reconciliations - All Funds
For the Year Ended June 30, 2014

		Beginning Cash 6/30/13	Revenues	Expenditures	Ending Cash 6/30/14
Operational	11000	\$ 1,731,094	\$ 26,500,565	\$ 25,623,873	\$ 2,607,786
Teacherage	12000	22,161	112,050	54,216	79,995
Transportation	13000	32,728	1,174,960	1,207,688	0
Instructional Materials	14000	(4,202)	253,838	220,775	28,861
Food Services	21000	102,652	1,542,686	1,617,051	28,287
Athletics	22000	116,135	191,310	165,070	142,375
Federal Flow through	24000	(575,605)	1,882,428	1,876,157	(569,334)
Federal Direct	25000	98,285	228,613	190,880	136,018
State Flow through	27000	(34,225)	246,070	402,473	(190,628)
Special Capital Outlay	31400	0	363,999	363,999	0
HB 33	31600	11,616,813	11,760,650	6,014,727	17,362,736
SB-9	31700	3,833,551	4,869,063	3,300,773	5,401,841
Debt Service	41000	584,320	12,609	19	596,910
Agency Funds		2,395,092	1,181,186	2,213,390	1,362,888
Total		\$ <u>19,918,799</u>	\$ <u>50,320,027</u>	\$ <u>43,251,091</u>	\$ <u>26,987,735</u>

The notes to the financial statements are an integral part of this statement.

FEDERAL COMPLIANCE

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2014

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-through State Public Education Department:			
National School Lunch Program	10.555	21000	\$ 694,933
School Breakfast Program	10.553	21000	367,857
Total Child Nutrition Cluster			<u>1,062,790</u>
Pass-through State Department of Human Services:			
Commodities Program	10.565	21000	(1) 74,837
Direct Program			
Forest Reserve	10.670	11000	<u>13,018</u>
Total U. S. Department of Agriculture			<u>1,150,645</u>
<u>U. S. Department of Education</u>			
Pass-through State Public Education Department:			
Special Education Cluster			
IDEA, Part B Entitlement	84.027	24106	\$ 822,302
IDEA Preschool	84.173	24109	41,169
Total Special Education Cluster			<u>863,471</u>
Title I	84.010	24101	766,853
English Language Acquisition	84.365	24153	3,370
Improving Teacher Quality	84.367	24154	181,044
Rural and Low Income Schools	84.358	24160	83,147
Total U. S. Department of Education			<u>\$ 1,897,885</u>
Total Federal Assistance			<u>\$ 3,048,530</u>

(1) Non-cash assistance

See accompanying notes to the Schedule of Expenditures of Federal Awards

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS

Notes to the Schedule of Expenditures of Federal Awards
June 30, 2014

Note 1: Significant Accounting Policies used in preparing the Schedule of Expenditure of Federal Awards

The modified accrual basis was used to prepare the Schedule of Expenditures of Federal Awards

Note 2: Insurance Requirements

There are no insurance requirements on the federal awards disclosed on the Schedule of Expenditures of Federal Awards

Note 3: Loans or Loan Guarantees

There were no loans or loan guarantees outstanding at year end.

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101

(855) 253-4313

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards*

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Artesia Public Schools

Mr. Balderas and Members of the Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the Artesia Public Schools (District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated October 16, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that are less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies. 2012-005 (12-5), 2014-002, 2014-004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of it's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2012-005 (12-5), 2014-001, 2014-002, 2014-003, 2014-004.

District's Responses to Findings

The District's responses to the findings identified in our audit as described in the accompanying Schedule of Findings and Questioned Cost. responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

 CPA PC

Clovis, New Mexico
October 16, 2014

Report on Compliance With Requirements
Applicable To Each Major Program and Internal Control
Over Compliance in Accordance With OMB Circular A-133

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Artesia Public Schools

Mr. Balderas and Members of the Board

Compliance

We have audited Artesia Public Schools District (District) compliance with the types of compliance requirements described in the *OMB A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

De'Ann Willoughby CPA PC

Clovis, New Mexico
October 16, 2014

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2014

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting

- * Material Weakness(es) yes no
- * Significant deficiencies(s) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- * Material Weakness(es) yes no
- * Significant deficiencies(s) identified that are not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
84.010	Title I

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low risk Auditee yes no

Federal Compliance Findings

Prior Year Audit Findings None
Current Year Audit Findings None

Financial Statements Findings

Prior Year Audit Findings

	<u>Status</u>
12-1 PED Cash Reports	Resolved
12-5 Payroll	Repeated & Modified
13-1 Expenditures Over Budget	Resolved
13-2 Capital Assets	Resolved
13-3 Late Audit Contract	Resolved

Current Year Audit Findings

2012-005 Payroll-Compliance and Internal Control-Significant Deficiency (12-5) Condition

During the course of the audit of payroll we noted the following of 50 personnel files sampled:

- 1) One I-9 used an unauthorized form from a list C document and 3 were incomplete.
- 2) Four were missing background checks

Criteria

NMAC 6.20.2.18 states the local board shall establish written policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP.

Cause

There was a change in personnel and a software conversion during the year. Attention was given to the conversion rather than training and supervision.

Effect

The District could be penalized, hire someone with a questionable background or withhold the incorrect amount of income tax from an employee's pay. All issues could result in lawsuits and other issues for the District.

Recommendation

Training and supervision on all new hire material will ensure the documents are being prepared correctly and timely.

Response

We will provide additional training and supervision on all new hire paperwork.

2014-001 Disposal of Capital Assets-Compliance and Other Matters

Condition

The District disposed of property (1992 Pickup) without complying with Sections 13-6-1, 13-6-2 NMSA 1978 and 2.2.2.10 V NMAC.

Criteria

Sections 13-6-1 and 13-6-2 NMSA 1978 govern the disposition of obsolete, worn-out or unusable tangible personal property owned by state agencies, local public bodies, school districts, and state educational institutions. At least thirty days prior to any disposition of property, written notification of the official finding and proposed disposition duly sworn and subscribed under oath by each member of the authority approving the action must be sent to the State Auditor.

Cause

Management was unaware they were violating Sections 13-6-1, 13-6-2 NMSA 1978 and 2.2.2.10 V NMAC.

Effect

Property could be disposed of without management's knowledge perpetrating fraud. Financial statements could be overstated.

Recommendation

Property disposals must follow Sections 13-6-1, 13-6-2 NMSA 1978 and 2.2.2.10 V NMAC and disposed capital assets should be removed from the depreciation schedule if they have been depreciated.

Agency Response

We will comply with Sections 13-6-1, 13-6-2 NMSA 1978 and 2.2.210 V NMAC.

2014-002 New Mexico New Hire Reporting - Compliance and Internal Control-Significant Deficiency

Condition

Out of 23 new hires sampled we noted:

- 1) 10 were not reported timely.
- 2) 2 were not reported when rehired.
- 3) 3 could not be confirmed if they were reported.

Criteria

Under New Mexico law (§50-13-1 to 50-13-4) and Federal law (42 USC §653.a.(b)(1)(A)), all public, private, non-profit, and government employers are required to report all newly hired employees within 20 days of hire or rehire to the New Mexico New Hires Directory.

Cause

A change in personnel, lack of training and supervision caused the new hire reporting requirements process to fail.

Effect

Pursuant to federal law, states have the option of imposing civil monetary penalties on employers who fail to report new hires. The fine can be up to \$20 per newly hired employee, and if there is a conspiracy between the employer and employee not to report, the penalty can be up to \$500 per newly hired employee.

Recommendation

Training and supervision should occur to assure the new hire reporting requirements are met.

Response

We have reviewed the process and are confident these mistakes will not occur again.

2014-003 1099's/W9's-Compliance and Other Matters

Condition

Of 13 W-9's sampled we noted:

- 1) 1 W-9 could not be located.
- 2) 1 W-9 was completed incorrectly. The W-9 included a company name, individual/sole proprietor box was checked and a federal identification number was used.
- 3) W-9 was signed after fact. (10/15/14)
- 4) 3 W-9's were issued to a company with social security numbers.
- 5) 4 W-9's did not have the same name as the 1099 issued.
- 6) 4 1099's were issued to company's name with a social security number.
- 7) 3 1099's did not have the complete or correct name that was provided on the W-9.

Criteria

Instructions for Form W-9 at www.irs.gov/uac/Form-W-9,-Request-for-Taxpayer-Identification-Number-and-Certification and Form 1099-MISC at www.irs.gov/instructions/1099misc states the name and federal identification number must agree.

Cause

When the vendor was entered into the computer system, the W-9 was not reviewed to reveal a business name needed a federal identification number rather than a social security number.

Effect

Form W-9, Request for Taxpayer Identification Number and Certification, as applicable (or a substitute document that is significantly similar to Form W-9), see (Publication 1281, Backup Withholding on Missing and Incorrect Name/TINS for detailed instructions for Form W-9). 1099 Compliance - As per the General instructions for certain information returns. There is a penalty of \$30 per 1099, maximum penalty \$250,000 per year if corrected by March 30. Penalty of \$60 fine per 1099, maximum of \$500,000 per year if corrected by August 1. If not corrected on August 1 \$100 fine per 1099 with a maximum penalty of \$1,500,00.

Recommendation

W-9s should be received and a comparison of the name to the federal identification number should be reviewed.

Agency Response

We will review the W-9 for correctness rather than just rely on what is given us by vendors.

2014-004 Expenditure Issues - Compliance and Internal Control-Significant Deficiency

Condition

Of a sample size of 169 revealed the following:

- Checks do not contain the proper wording "void after one year from date".
- 11 had PO's dated after the invoice totaling \$41,460.62.
- 6 could not be located totaling \$8,774.38.
- 1 invoice was paid after the due date totaling \$11,196.08.
- 1 invoice used an expired PO totaling \$24,400.00.

Criteria

In accordance with 6.20.2.17 Purchasing each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq, NMSA 1978.

Cause

There was a conversion of accounting software from Triadic to Visions. The conversion took six months to complete. We commend management for having so few expenditure issues considering the difficult software conversion.

Effect

Without proper documentation and following the procurement act, there are not adequate controls over expenditures. Results could be over spending.

Recommendation

Staff meeting need to be held with training on the procurement process. The Superintendent needs to enforce the process and write up those who violate it. There should be consequences to violations.

Response

We too are encouraged that there were so few expenditure issues and continue to train and enforce procurement issues.

Financial Statement Preparation

The financial statements were prepared by De'Aun Willoughby CPA. However, they are the responsibility of management.

Exit Conference

An exit was held on October 16, 2014. Present were Dr. Crit D. Caton-Superintendent, Thad Phipps-Assistant Superintendent of Operations, John Ross Null-Assistant Superintendent for Curriculum, Becky Harwell-Board Member, Vana Conner-Human Resources, Josie Reyes-Secretary to Superintendent, Ester Earl-Payroll/Business Office, Anna Bilberry-Payroll Assistant, Scotty Stall-Principal, Stephanie Faulkenberry-Payroll Business Office, Cindy Panzer-Business Office/Cafeteria, Melany Cardwell-STARS Coordinator/Audit Committee, Joy Conklin-Assistant Business Manager, Janet Grice-Business Manager, and DeAun Willoughby, CPA.