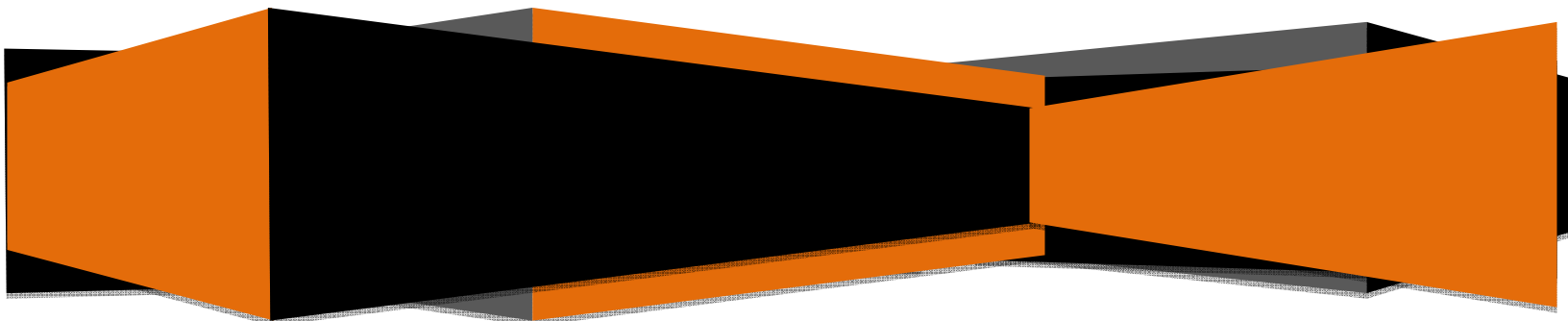


**STATE OF NEW MEXICO  
AZTEC MUNICIPAL SCHOOL DISTRICT**



**FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL  
INFORMATION WITH ACCOMPANYING  
AUDITORS' REPORTS**

**FOR THE YEAR ENDED JUNE 30, 2014**



**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
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## **INTRODUCTION SECTION**

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Official Roster  
June 30, 2014

BOARD OF EDUCATION

Wayne Ritter	President
Mitch Waggoner	Vice-President
Christy Lillywhite	Secretary
Roger Collins	Member
Jimmy Dusenberry	Member

SCHOOL OFFICIALS

Kirk Carpenter	Superintendent
Tania Prokop	Deputy Superintendent
Judy Englehart	Associate Superintendent
Christa Kulidge	Director of Exceptional Programs
Gary Martinez	Director of Finance
Charlie Lee	Director of Maintenance
Nathan Holmes	Director of Technology
Riley Roland	Director of Transportation

## **FINANCIAL SECTION**



**Accounting & Consulting Group, LLP**  
Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Hector Balderas  
New Mexico State Auditor  
The Office of Management and Budget  
The Board of Education  
Aztec Municipal Schools  
Aztec, New Mexico

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison for the General Fund and major special revenue fund of Aztec Municipal Schools (the 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, the combining financial statements for the General Fund, the component unit funds, and the budgetary comparisons for the major capital projects fund, major debt service fund, the component unit funds 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 misstatement, 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 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 District'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 District'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 financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Aztec Municipal Schools, as of June 30, 2014, and the respective changes in financial position thereof, and the respective budget 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, the component unit funds and the combining financial statements for General Fund of the District as of June 30, 2014, and the respective changes in financial position, thereof, and the respective budgetary comparisons for the major capital projects funds, major debt service funds, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 6 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other 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 introductory section, the Schedule of Expenditures of Federal Awards as required by Office of Management and Budget *Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations* and Supporting Schedules I through IV required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and Supporting Schedules I through IV 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and Supporting Schedules I through IV required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 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.

*Accounting & Consulting Group, LLP*

Accounting & Consulting Group, LLP  
Albuquerque, NM  
September 24, 2014



## Introduction

The financial performance of the Aztec Municipal Schools (the District) for the fiscal year ended June 30, 2014 will be the subject of this discussion and analysis. The intent is to look at the financial performance as a whole; however, readers may also utilize the accompanying financial statements and notes for comprehensive information.

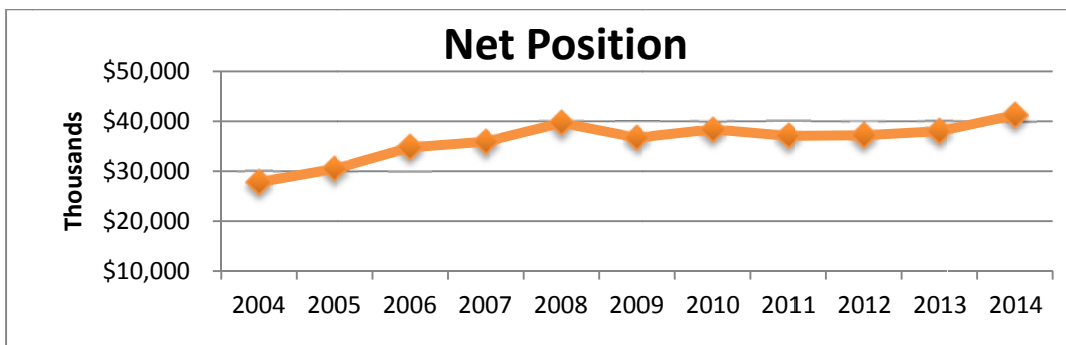
## Financial Highlights

Key financial highlights for fiscal year 2014 are as follows:

- During the fiscal year ended June 30, 2014, the District's debt management program produced a tax rate for debt at \$8.45 per thousand dollars of assessed valuation. This rate increased from \$6.52 in the prior year in order to meet upcoming bond payments as the oil and natural gas portion of the district's tax base declined.

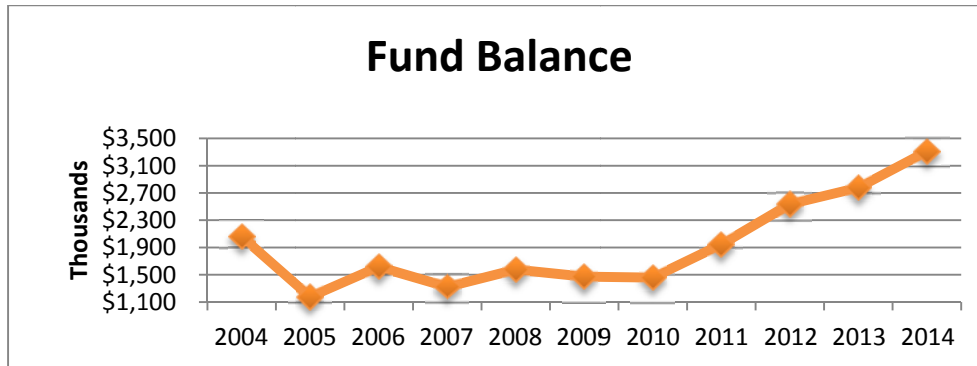


Total assets of Governmental Activities was	\$ 82,936,866
Total liabilities of Governmental Activities was	\$ 41,978,330
Net position of Governmental Activities was	\$ 40,958,536





- General Fund revenues exceeded expenditures by \$ 499,042 resulting in a year-end fund balance of \$3,307,721, 15% of total general fund expenditures.



- All assets, including real estate and buildings, were recorded and accumulated depreciation on these assets was also recorded in the conversion to this requirement. Capital assets of \$117,461,604 with accumulated depreciation of \$ 50,665,536 were recorded.

## Basic Financial Statements

This annual report introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

The Statement of Net position and Statement of Activities are district-wide (government) information that presents both an aggregate view of the District's finances and a longer-term view of trends. The next level of information is in the fund level financial statements. A fund is an accountability unit used to maintain control over resources for specified activities or objectives. The fund financial statements will look at the District's most significant funds while combining all other non-major funds into a single summary.

## Government -Wide Financial Statements

### Statement of Net Position and Statements of Activities

These two statements report the District's net position and changes in net position. This change in net position is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial. Non-financial factors include the District's property tax base, facility conditions, required educational programs, and other factors.

*Governmental Activities* – All of the District's programs and services are considered governmental and include the instructional program, support services, operation and maintenance of plant, pupil transportation, and activities.

State of New Mexico  
Aztec Municipal Schools  
Management's Discussion and Analysis  
For the Year Ended June 30, 2014



Statement of Net Position – This is a District-wide statement including all assets and liabilities using an accrual basis of accounting. This basis of accounting, similar to private sector business, includes all of the current year's revenues and expenses regardless of when actual cash was received or paid. Differences between assets and liabilities are reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

**Summary of Statement of Net Position**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
<u>Assets</u>			
Current assets	\$ 10,832,947	\$ 10,532,310	\$ 11,469,094
Capital assets	117,461,604	116,582,186	115,806,439
Accumulated depreciation	(50,665,536)	(47,953,168)	(45,463,932)
Other noncurrent assets	5,307,851	4,588,388	4,563,968
<b>Total assets</b>	<b>\$ 82,936,866</b>	<b>\$ 83,749,716</b>	<b>\$ 86,375,569</b>
<u>Liabilities</u>			
Accounts payable	\$ 963,204	\$ 959,017	\$ 1,070,583
Accrued interest	312,359	326,182	355,481
Other current liabilities	4,427,452	3,793,475	3,308,166
Long-term liabilities	36,275,315	40,657,385	44,410,182
<b>Total liabilities</b>	<b>\$ 41,978,330</b>	<b>\$ 45,736,059</b>	<b>\$ 49,144,412</b>
<u>Net Position</u>			
Invested in capital assets	\$ 26,324,668	\$ 25,302,145	\$ 26,973,809
Restricted: Debt service	5,742,340	4,440,151	3,972,038
Restricted: Capital projects	4,973,864	4,361,560	3,095,140
Restricted: Other Purpose	901,493	475,214	708,822
Unrestricted	3,016,171	3,434,587	2,481,348
<b>Total net position</b>	<b>\$ 40,958,536</b>	<b>\$ 38,013,657</b>	<b>\$ 37,231,157</b>

State of New Mexico  
Aztec Municipal Schools  
Management's Discussion and Analysis  
For the Year Ended June 30, 2014



Statement of Activities – This statement reports how the District's net position changed during the fiscal year. This report compliments the Statement of Net Position by being designed to show the financial reliance on various sources of revenue used for the functions or activities provided by the District.

**Summary of Statement of Activities**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
<u>Revenues</u>	-	-	
Program Revenues:			
Charges for Services	493,983	530,493	556,615
Operating Grants	5,478,186	4,936,111	4,459,698
Capital Grants	91,006	94,998	90,674
General Revenues:			
Property Taxes	4,162,800	3,437,444	2,487,343
Federal and State Aid	20,534,409	20,332,464	20,267,718
Other	3,741,471	2,987,923	3,485,988
<b>Total Revenues</b>	<u>34,501,855</u>	<u>32,319,433</u>	<u>31,348,036</u>
<u>Expenses</u>			
Instruction	18,031,554	18,404,858	18,366,733
Support Services	10,536,132	10,516,509	10,412,102
Food Services	1,381,939	1,299,413	1,296,076
Interest on long term debt	1,258,773	1,316,153	1,143,493
<b>Total Expenses</b>	<u>31,208,398</u>	<u>31,536,933</u>	<u>31,218,404</u>
<b>Change in net position</b>	<u>3,293,457</u>	<u>782,500</u>	<u>129,632</u>

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State of New Mexico  
Aztec Municipal Schools  
Management's Discussion and Analysis  
For the Year Ended June 30, 2014

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## **Fund Financial Statements**

The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. The District uses many funds to account for a multitude of various transactions. Within the basic financial statements, fund financial statements focus only on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined; individual non-fund data are presented in later sections of this report. The District's major governmental funds, as defined in GASB 34, are the General Fund, IDEA B, Capital Improvement SB-9, and Debt Service Fund.

### Governmental Funds

Governmental funds encompass most of the District's activities and are reported in fund financial statements. These statements focus on short-term periods on how resources flow into and out of those funds and the resources available at the end of the fiscal period. These funds are reported in the modified accrual accounting method that recognizes cash and any other financial assets that can be readily converted. Governmental fund statements and government-wide reporting focus on two different perspectives, short-term and long-term impact, thus the relationship or differences can be understood by reconciling the two different financial statements.

### Governmental Activities

This statement of activity reports the cost of program services, the charges of services, and the revenues that are received to perform these services. The Statement of Activities for governmental activities reports the total cost of services and the net cost of services.

It becomes apparent that dependence upon revenues from the State of New Mexico for governmental activities is significant. The New Mexico Legislature and the operation of the State Equalization Guarantee (SEG) Formula for operational funding by the New Mexico Department of Education have minimized local tax support for public education. This fund pays for teaching staff, instructional support staff, administrative staff and maintenance staff. This represents 98% of the total operating budget from the State of New Mexico through the SEG.

The state of New Mexico, through the Public Education Department, establishes annually a "Unit Value" that is used, along with student membership and the SEG formula factors, to determine the amount of state support to be received by individual districts. The Unit Value has decreased over the past couple of years however a leveling off due to favorable state wide economic factors is expected. The District anticipates membership to remain relatively flat for the near future.

### General Fund Budgeting Highlights

The State of New Mexico school budget process is defined in the New Mexico Statutes (Section 22) and the New Mexico Administrative Code (Section 6). Specific items are further defined in the New Mexico Manual of Procedures for Public School Accounting and Budgeting. The District follows an internal process of budgeting by recognizing the Educational Plan for Student Success and the priorities defined. District management and the Board of Education utilize a continuous improvement model for student success and district improvement. The General Fund is the most significant budgeted fund; other major funds, are the IDEA B, Capital Improvement SB-9, and Debt Service Fund.

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State of New Mexico  
Aztec Municipal Schools  
Management's Discussion and Analysis  
For the Year Ended June 30, 2014

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The General Fund had final budgeted revenues of \$22,506,805 and actual cash basis revenues of \$22,525,420. Expenditures were budgeted at \$25,359,289 and actual cash basis expenditures were \$22,002,936. The difference between budget and actual expenditures was due to budgetary savings/requirements within the budget and allowable cash balance. General Fund balance at year end was \$3,374,968

### **Capital Asset and Debt Administration**

#### Capital Assets

As of June 30, 2014 the District had \$117,461,604 invested in capitalized assets and had accumulated depreciation of \$50,665,536. A systematic process is in place that adds newly acquired capital assets, deletes capital assets that are disposed of and requires local school sites to verify possession of capital assets at individual locations. During the fiscal year the major additions included the acquisition of several new buses.

#### Long -Term Debt

The District may incur general obligation debt under the terms of Article IX, Section 11 of the New Mexico Constitution. The issuance of such general obligation debt is dependent upon local voter approval and is limited to 6% of the assessed valuation of taxable property within the District. As of June 30, 2014, the District had outstanding general obligation bonds in the amount of \$38,425,000. The District is bonded to 83.26% of its legal limit of \$46,029,229 based on assessed property value of \$706,153,819.

The District completed and approved a five (5) year Facilities Master Plan (FMP) in September, 2011. This plan is compliant with the Public School Facilities Authority guidelines and serves as a working document for future facility needs within the District.

In May, 2013, the voters approved to extend the existing 2-mil property tax levy which provides funding for the ongoing maintenance and repair of District facilities. To avoid a mill levy increase for residential tax payers, the mill was reduced from 2.00 to 1.886.

The District plans no immediate growth related projects based upon current enrollment projects. In February 2012, voters authorized the issuance of \$17 million in bonds; however the Board of Education has chosen not to sell bonds at this time due to unfavorable economic conditions.

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State of New Mexico  
Aztec Municipal Schools  
Management's Discussion and Analysis  
For the Year Ended June 30, 2014



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### **Future Outlook and Budget**

The District is committed to openness and transparency and focuses on performance based budgeting, which means the District will fund what works, using the budget to drive improved student performance. Performance based budgeting is going to be a key framework for how we drive the dollars to the programs and practices that are valued and needed to improve outcomes for all children. The District will tie budget investments to expected performance outcomes and in doing so outcomes will drive budgetary decision rather than the budget dictating programming. The performance based budget will allow the District to ensure that budget investments are well-aligned and articulated with clear lines of accountability.

To improve student learning for all students and staff, the District is fully engaged in Professional Learning Communities (PLC), adopting the Common Core State Standards, while implementing a new teacher evaluation program for the state. As the District moves forward, it is vital that the financial position of the District remain strong not only to support the functions of the District but to ensure the District can take advantage of every opportunity to improve learning for all students and staff. Future financial stability is not without its challenges.

### **Contacting the District**

This financial report is designed to provide the reader, citizens, taxpayers, investors and other patrons with a general overview of the Aztec Municipal Schools financial condition and to provide accountability for the funds the District receives. Questions about this financial report or the operations of the district may be directed to:

Kirk Carpenter  
Superintendent  
Aztec Municipal Schools  
1118 W. Aztec Blvd  
Aztec, NM 87410  
[adcarpki@aztec.k12.nm.us](mailto:adcarpki@aztec.k12.nm.us)

Gary Martinez  
Director of Finance  
Aztec Municipal Schools  
1118 W. Aztec Blvd  
Aztec, NM 87410  
[admartga@aztec.k12.nm.us](mailto:admartga@aztec.k12.nm.us)

Other District information may be accessed at:

[www.aztecschools.com](http://www.aztecschools.com)



## **BASIC FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**

Aztec Municipal Schools

Statement of Net Position

As of June 30, 2014

	<u>Primary Government</u>		<u>Component Unit</u>
	<u>Governmental</u>		
	<u>Activities</u>		
<b>Assets</b>			
Current assets:			
Cash	\$ 9,027,980	\$	330,567
Receivables			
Property taxes receivable	262,486		2,024
Other taxes receivable	702,592		-
Due from other governments	810,469		
Due from others	11,278		78,022
Inventory	18,142		-
Total current assets	<u>10,832,947</u>		<u>410,613</u>
Non-Current Assets:			
Restricted assets			
Cash	5,307,851		-
Capital assets	117,461,604		361,901
Less: accumulated depreciation	<u>(50,665,536)</u>		<u>(147,536)</u>
Total non-current assets	<u>72,103,919</u>		<u>214,365</u>
Total assets	\$ <u>82,936,866</u>	\$	<u>624,978</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued salaries and benefits	\$ 963,204	\$	43,174
Accrued interest	312,359		-
Current portion of compensated absences payable	39,291		-
Current bond underwriter premiums	488,161		-
Current portion of long-term obligations	<u>3,900,000</u>		<u>1,632</u>
Total current liabilities	<u>5,703,015</u>		<u>44,806</u>
Long-term liabilities:			
Non-current portion of compensated absences payable	157,162		-
Non-current portion of bond underwriter premiums (net of accumulated amortization of \$505,487)	1,593,153		-
Non-current portion of long-term obligations	<u>34,525,000</u>		<u>1,904</u>
Total long-term liabilities	<u>36,275,315</u>		<u>1,904</u>
Total liabilities	<u>41,978,330</u>		<u>46,710</u>
<b>Net Position</b>			
Net investment in capital assets	26,324,668		210,829
Restricted for :			
Special revenue	901,493		-
Debt service	5,742,340		-
Capital projects	4,973,864		22,374
Unrestricted	<u>3,016,171</u>		<u>345,065</u>
Total net position	\$ <u>40,958,536</u>	\$	<u>578,268</u>

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
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	Primary Government	Component Unit
Primary Government						
Governmental activities:					Governmental Activities	Charter School
Instruction	\$ 18,031,554	\$ 128,838	\$ 1,509,398	\$ 91,006	\$ (16,302,312)	\$ -
Support services - students	2,197,715	-	236,566	-	(1,961,149)	-
Support services - instruction	509,696	-	103,216	-	(406,480)	-
Support services - general administration	346,419	-	47,275	-	(299,144)	-
Support services - school administration	1,814,797	-	282,825	-	(1,531,972)	-
Central services	1,044,574	-	198,936	-	(845,638)	-
Operations and maintenance of plant	3,022,513	-	-	-	(3,022,513)	-
Student transportation	1,565,603	-	2,029,230	-	463,627	-
Other support services	34,815	-	-	-	(34,815)	-
Food services	1,381,939	365,145	1,070,741	-	53,947	-
Interest on long-term obligations	1,258,773	-	-	-	(1,258,773)	-
Total Governmental activities	\$ 31,208,398	\$ 493,983	\$ 5,478,186	\$ 91,006	(25,145,223)	
<b>Component Unit Activities:</b>						
Charter school	\$ 1,519,471	\$ 1,242	\$ 114,662	\$ 109,481		(1,294,086)
<b>General Revenues:</b>						
Taxes:						
Property taxes, levied for general purposes					135,299	-
Property taxes, levied for debt service					3,330,030	-
Property taxes, levied for capital projects					697,471	37,769
Oil and gas taxes					3,629,587	-
State equalization guarantee					20,534,409	1,257,399
Interest and investment income					5,526	-
Miscellaneous income					114,611	3,076
Donated capital assets					25,000	-
Net loss on disposal of capital assets					(33,253)	-
Total general revenues					28,438,680	1,298,244
Change in net position					3,293,457	4,158
Net position - beginning of year					38,013,657	574,110
Net position - restatement (Note 1)					(348,578)	-
Net position - as restated					37,665,079	574,110
Net position - end of year					\$ 40,958,536	\$ 578,268

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Balance Sheet - Governmental Funds**  
**As of June 30, 2014**

	<u>Total General Fund</u>	<u>Entitlement IDEA-B</u>	<u>Capital Improvements SB-9</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>						
Assets:						
Cash	\$ 3,310,455	\$ 28,741	\$ 4,921,386	\$ 5,307,851	\$ 767,398	\$ 14,335,831
Property taxes receivable	9,267	-	48,338	204,881	-	262,486
Other taxes receivable	32,125	-	128,500	541,967	-	702,592
Due from grantor	-	293,087	-	-	517,382	810,469
Due from other funds	725,980	-	-	-	-	725,980
Other receivable	11,128	-	150	-	-	11,278
Inventory	-	-	-	-	18,142	18,142
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	\$ <u>4,088,955</u>	\$ <u>321,828</u>	\$ <u>5,098,374</u>	\$ <u>6,054,699</u>	\$ <u>1,302,922</u>	\$ <u>16,866,778</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>						
Liabilities:						
Accounts payable	\$ 113,742	\$ 63	\$ 124,510	\$ -	\$ 993	\$ 239,308
Accrued salaries and benefits	661,090	28,741	-	-	34,065	723,896
Due to other funds	-	293,087	-	-	432,893	725,980
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>774,832</u>	<u>321,891</u>	<u>124,510</u>	<u>-</u>	<u>467,951</u>	<u>1,689,184</u>
Deferred inflows of resources						
Unavailable Revenue	<u>6,402</u>	<u>-</u>	<u>35,695</u>	<u>164,965</u>	<u>13,235</u>	<u>220,297</u>
Total deferred inflows of resources	<u>6,402</u>	<u>-</u>	<u>35,695</u>	<u>164,965</u>	<u>13,235</u>	<u>220,297</u>
Fund balances						
Nonspendable						
Inventory	-	-	-	-	18,142	18,142
Spendable						
Restricted for:						
Education	85,645	-	-	-	83,086	168,731
Food service operations	-	-	-	-	394,023	394,023
Capital acquisitions and improvements	-	-	4,938,169	-	34,914	4,973,083
Debt Services	-	-	-	5,889,734	-	5,889,734
Committed for:						
Emergency reserves	1,300,000	-	-	-	-	1,300,000
Subsequent years expenditures	471,441	-	-	-	200	471,641
Unassigned	1,450,635	(63)	-	-	291,371	1,741,943
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balance	<u>3,307,721</u>	<u>(63)</u>	<u>4,938,169</u>	<u>5,889,734</u>	<u>821,736</u>	<u>14,957,297</u>
Total liabilities, deferred resources and fund balance	\$ <u>4,088,955</u>	\$ <u>321,828</u>	\$ <u>5,098,374</u>	\$ <u>6,054,699</u>	\$ <u>1,302,922</u>	\$ <u>16,866,778</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Governmental Funds  
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
As of June 30, 2014

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

Total fund balances - governmental funds	\$	14,957,297
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
The cost of capital assets is	117,461,604	
Accumulated depreciation is	<u>(50,665,536)</u>	66,796,068
Revenues not collected within sixty days after year-end are considered "available" revenues and are shown as unavailable revenues on the balance sheet.		
Delinquent property taxes	207,062	
State revenues	<u>13,235</u>	220,297
Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in governmental funds. Long-term and other liabilities at year-end consist of:		
Bonds payable		(38,425,000)
Compensated absences		(196,453)
Unamortized bond underwriter premiums		(2,081,314)
Accrued interest payable		<u>(312,359)</u>
Total net position - governmental activities	\$	<u><u>40,958,536</u></u>

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds**  
**For the Year Ended June 30, 2014**

	<u>General Fund</u>	<u>Entitlement IDEA-B</u>	<u>Capital Improvements SB-9</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Revenues:</b>						
Federal grants	\$ 99,956	\$ 783,712	\$ -	\$ -	\$ 1,746,040	\$ 2,629,708
State grants	22,017,326	-	91,006	-	1,364,696	23,473,028
<b>Local sources:</b>						
Property Taxes	137,509	-	709,145	3,309,938	-	4,156,592
Oil and Gas Taxes	178,233	-	712,932	2,738,422	-	3,629,587
Local grants	-	-	-	-	87,586	87,586
Charges for services	54,052	-	-	-	439,931	493,983
Investment income	5,526	-	-	-	-	5,526
Miscellaneous	14,655	-	-	-	-	14,655
<b>Total revenues</b>	<u>22,507,257</u>	<u>783,712</u>	<u>1,513,083</u>	<u>6,048,360</u>	<u>3,638,253</u>	<u>34,490,665</u>
<b>Expenditures:</b>						
<b>Current:</b>						
Instruction	13,057,073	497,273	-	-	885,704	14,440,050
Support services - students	1,975,549	50,689	-	-	169,030	2,195,268
Support services - instruction	391,908	-	-	-	119,968	511,876
Support services - general administration	291,319	15,247	7,308	-	33,181	347,055
Support services - school administration	1,359,939	141,168	-	-	134,763	1,635,870
Central services	830,838	55,320	-	-	123,890	1,010,048
Operations and maintenance of plant	2,674,093	-	-	-	-	2,674,093
Student transportation	1,392,681	24,078	-	-	772,288	2,189,047
Other support services	34,815	-	-	-	-	34,815
Food services	-	-	-	-	1,368,580	1,368,580
<b>Debt service:</b>						
Other Services	-	-	-	1,552	-	1,552
Non-operating	-	-	-	31,319	-	31,319
Debt principal	-	-	-	3,500,000	-	3,500,000
Debt interest	-	-	-	1,272,596	-	1,272,596
Capital outlay	-	-	1,637,499	-	295,949	1,933,448
<b>Total expenditures</b>	<u>22,008,215</u>	<u>783,775</u>	<u>1,644,807</u>	<u>4,805,467</u>	<u>3,903,353</u>	<u>33,145,617</u>
Revenues over (under) expenditures	<u>499,042</u>	<u>(63)</u>	<u>(131,724)</u>	<u>1,242,893</u>	<u>(265,100)</u>	<u>1,345,048</u>
Fund balance - beginning of year	<u>2,808,679</u>	<u>-</u>	<u>5,069,893</u>	<u>4,646,841</u>	<u>1,086,836</u>	<u>13,612,249</u>
Fund balance - end of year	<u>\$ 3,307,721</u>	<u>\$ (63)</u>	<u>\$ 4,938,169</u>	<u>\$ 5,889,734</u>	<u>\$ 821,736</u>	<u>\$ 14,957,297</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
Aztec Municipal Schools  
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and  
Changes in Fund Balances to the Statement of Activities  
For the Year Ended June 30, 2014

Total net change in fund balances - governmental funds \$ 1,345,048

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those assets are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceeds depreciation for the year.

Depreciation expense	(3,061,633)	
Donated asset	25,000	
Loss on disposal of capital assets	(33,253)	
Capital outlays	<u>1,236,936</u>	
Excess of capital outlays over depreciation expense		(1,832,950)

In the Statement of Activities, certain operating expenses - compensated absences and interest expense - are measured by the amounts incurred during the year. In the fund financial statements, however, expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). The (increases) decreases in the liabilities for the year were:

Compensated absences payable	(7,614)	
Accrued interest payable	<u>13,823</u>	6,209

Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Bond principal payments 3,500,000

Bonds are refunded when a financial advantage would result to the District. The resulting savings is capitalized as a deferred gain and is amortized over the life of the new bonds. This amortization will be recorded in the Statement of Activities.

Amortization of underwriter premiums 255,707

Because some revenues will not be collected for several months after the fiscal year-end, they are not considered available revenues in the governmental funds. They are considered revenues in the Statement of Activities. The increase (decrease) in revenues receivable for the year were:

Property taxes 19,443

Change in net position of governmental activities \$ 3,293,457

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Federal Sources:				
Impact Aid	\$ -	\$ -	\$ -	\$ -
Indirect Costs - Federal Direct Grants	600	-	1,853	1,853
Indirect Costs - Federal Flowthrough Grants	10,000	20,900	52,652	31,752
Access Board (E-rate)	60,000	68,949	45,451	(23,498)
Total Federal Sources	<u>70,600</u>	<u>89,849</u>	<u>99,956</u>	<u>10,107</u>
State Sources:				
State Equalization Guarantee	20,497,209	20,497,209	20,534,409	37,200
Charter School Administration Revenue	20,000	20,000	25,661	5,661
Instructional Materials - Adopted 50%	84,214	98,549	109,010	10,461
Instructional Materials - Other 50%	84,214	98,550	109,010	10,460
Transportation Distribution	1,180,779	1,237,162	1,237,162	-
Intergovernmental Contract Revenue	-	-	18,512	18,512
Fees - Governmental Revenues	43,000	43,000	42,189	(811)
Total State Sources	<u>21,909,416</u>	<u>21,994,470</u>	<u>22,075,953</u>	<u>81,483</u>
Local Sources:				
Ad Valorem Taxes - School District	138,965	138,965	132,972	(5,993)
Oil and Gas Taxes	257,571	257,571	178,233	(79,338)
Investment Income	6,000	6,000	5,526	(474)
Fees - Educational	14,000	19,000	22,425	3,425
Fees - Users	5,000	-	-	-
Royalties	500	500	1,971	1,471
Rentals	450	450	2,175	1,725
Contributions from Private Sources	-	-	1,206	1,206
Insurance Recoveries	-	-	3,637	3,637
Refunds of Prior Year's Expenditures	-	-	863	863
Sale of District Assets	-	-	503	503
Total Local Sources	<u>422,486</u>	<u>422,486</u>	<u>349,511</u>	<u>(72,975)</u>
Total Revenues	<u>22,402,502</u>	<u>22,506,805</u>	<u>22,525,420</u>	<u>18,615</u>
<b>Expenditures:</b>				
Education, Current:				
Instruction	15,060,332	15,075,124	13,069,796	2,005,328
Support Services - Students	1,988,679	2,656,461	1,971,893	684,568
Support Services - Instruction	377,090	376,825	388,427	(11,602)
Support Services - General Administration	354,431	355,781	291,623	64,158
Support Services - School Administration	1,646,312	1,648,077	1,359,939	288,138
Support Services - Central Services	566,310	566,310	830,205	(263,895)
Operations and Maintenance of Plant	2,775,297	2,773,297	2,673,505	99,792
Student Transportation	1,491,279	1,547,662	1,387,202	160,460
Other Support Services	340,000	359,752	30,346	329,406
Food Services	-	-	-	-
Community Services	-	-	-	-
Education, Non-Current:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>24,599,730</u>	<u>25,359,289</u>	<u>22,002,936</u>	<u>3,356,353</u>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ (2,197,228)</b>	<b>\$ (2,852,484)</b>	<b>\$ 522,484</b>	<b>\$ 3,374,968</b>
Other Financing Sources (Uses)				
Cash budgeted from prior year	<u>2,197,228</u>	<u>2,852,484</u>		
Operating Transfers and Adjustments				
<b>Net change in fund balances (Budget Basis)</b>			<u>522,484</u>	
Fund Balances - beginning of year (adjusted)			<u>2,852,484</u>	
Fund Balances - end of year			<u>3,374,968</u>	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			522,484	
<i>Accrued Revenues</i>			(18,163)	
<i>Accrued Expenditures</i>			(5,279)	
<i>Net change in fund balances (GAAP Basis)</i>			<u>499,042</u>	



**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Fund 24106 - Entitlement IDEA-B - Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	-	-	-
Federal Sources	-	1,208,768	733,775	(474,993)
Total Revenues	-	1,208,768	733,775	(474,993)
<b>Expenditures:</b>				
Education, Current:				
Instruction	-	672,513	497,514	174,999
Support Services - Students	-	199,411	50,626	148,785
Support Services - General Administration	-	29,652	15,247	14,405
Support Services - School Administration	-	225,326	141,940	83,386
Central Services	-	57,462	76,203	(18,741)
Student Transportation	-	24,404	24,078	326
Community Services	-	-	-	-
Total Expenditures	-	1,208,768	805,608	403,160
Revenues Over (Under) Expenditures	\$ -	-	(71,833)	(71,833)
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-	-	
Operating Transfers and Adjustments	-	-	-	
<b>Net change in fund balances (Budget Basis)</b>			(71,833)	
Fund Balances - beginning of year (adjusted)			(221,253)	
Fund Balances - end of year			(293,086)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(71,833)	
<i>Accrued Revenues</i>			49,937	
<i>Accrued Expenditures</i>			21,833	
<b><i>Net change in fund balances (GAAP Basis)</i></b>			(63)	

STATE OF NEW MEXICO  
Aztec Municipal Schools  
Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds  
For the Year Ended June 30, 2014

Assets

Cash and Investments	\$ <u>379,430</u>
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Liabilities

Deposits Held for Others	\$ <u>379,430</u>
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## **NOTES TO FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2014

**NOTE 1. Summary of Significant Accounting Policies**

Aztec Municipal Schools (“District”) is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education of the City of Aztec, New Mexico. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The school board is authorized to establish policies and regulations for its own government consistent with the laws of the State of New Mexico and the regulations of the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years. The District operates six schools within the District with a total enrollment of approximately 3,200 pupils. In conjunction with the regular educational programs, some of these schools offer special education. In addition, the School District provides transportation and school food services for the students.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District’s financial statements. The financial statements and notes are the representation of the District’s management who is responsible for their integrity and objectivity. The financial statements and notes of the 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 GASB periodically updates its codification of the existing governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for the governmental units.

During the year ended June 30, 2014, the District adopted GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The effect of GASB 65 is reflected in the Statement of Activities as a restatement in the amount of \$348,578 due to the accounting treatment of the unamortized amount of bond issuance costs at July 1, 2013.

The more significant of the District’s accounting policies are described below.

**A. Financial Reporting Entity**

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39 and GASB Statement No. 61. Blended component units, although legally separate entities, are in substance, part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2014

**NOTE 1. Summary of Significant Accounting Policies** (continued)

A. *Financial Reporting Entity* (continued)

inclusion in the reporting entity. Based upon the application of these criteria, the District has one component unit and is not a component unit of another government agency.

Mosaic Academy was established in 2006 under the Charter School Act and serves to provide public education to the community of Aztec, New Mexico. The charter school is deemed to be fiscally dependent upon the District and has been deemed to be a separate legal entity based on state statute and is presented as a discrete component unit.

B. *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the Statement of net position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any *business-type activities*.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function like the sale of lunch tickets and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function like state and federal grants. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. *Measurement focus, basis of accounting, and financial statement presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property tax receivables are recognized in the period for which the taxes are levied, net of estimated refunds and uncollectible amounts. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. All other revenue items are considered to be measurable and available only when cash is received by the government.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2014

**NOTE 1. Summary of Significant Accounting Policies** (continued)

C. *Measurement focus, basis of accounting, and financial statement presentation* (continued)

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided by the District's school tax levy, state equalization and transportation funds, state instructional material allocations, and earnings from investments. Expenditures include all costs associated with the daily operations of the school except for those items included in other funds. The General Fund includes the *Transportation Fund*, which is used to account for the state equalization received from the New Mexico Public Education Department which is used to pay for the costs associated with transporting school age children. It also includes the *Instructional Materials Fund*, which is used to account for the monies received from the New Mexico Public Education Department for the purpose of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

*Entitlement IDEA-B Special Revenue Fund* is used 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 Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 94-142, 98-199, 99-457, 100, 639, and 101-476, 20 U.S.C. 1411-1420.

*Capital Improvements SB-9 Capital Projects Fund* is used to account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Additionally, the government reports the following agency fund:

The *Fiduciary Funds* account for assets held by the District in a trustee capacity or as an agent for student organizations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. *Assets, Liabilities and net position or Equity*

**Deposits and Investments:** 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.

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the Local Government Investment Pool. The Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. As of June 30, 2014, the District does not have any investments.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2014

**NOTE 1. Summary of Significant Accounting Policies** (continued)

*D. Assets, Liabilities and Net Position* (continued)

**Restricted Assets:** Certain proceeds of the District's revenue bonds and general obligation bonds are classified as restricted assets on the balance sheet because their use is limited by the applicable bond covenants.

**Receivables and Payables:** Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy in San Juan County. The funds are collected by the County Treasurer and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the County Treasurer in July and August 2014 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2014. Period of availability is deemed to be sixty days subsequent to year end.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

**Inventory:** The District's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer recognition of the expenditures until the period in which the inventories actually are consumed. Inventory in the Food Service Special Revenue Fund consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed.

**Capital Assets:** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). The District does not have any infrastructure assets to report.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Library books are deemed to have useful lives of one year and are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction. Construction projects paid for by the Public School Capital Outlay Council are included in the District's capital assets.

**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
 Notes to the Financial Statements  
 June 30, 2014

**NOTE 1. Summary of Significant Accounting Policies** (continued)

D. *Assets, Liabilities and Net Position* (continued)

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	20-40
Buildings and improvements	20-40
Furniture, fixtures, and equipment	3-20

**Deferred Inflows of Resources:** Governmental funds report deferred inflows of resources for revenue due and receivable but not considered to be available to liquidate liabilities of the current period. At the end of the fiscal year, there were property taxes receivable in the amount of \$ 207,062 and other grants in the amount of \$13,235 not received within the period of availability that are classified as deferred inflows.

**Compensated Absences:** Twelve month employees are entitled to accumulate annual leave up to 15 days per year, depending on length of service, and the employee's hire date and the employee's employment status (administrator or classified). Annual leave is supposed to be taken in the year earned or the succeeding fiscal year; however, a maximum of 24 days, depending on the employment status of the employee, may be carried over to the succeeding year or put into the employees annual leave bank. The employee's annual leave bank may accumulate up to a maximum of 20 working days and then any days over the 20 are paid out at a rate of \$10 per day. Once days are banked they may not be withdrawn. If an employee retires from the District, employees are paid out at their hourly rate for unused vacation and \$10 per day for unused sick leave. Qualified employees are entitled to accumulate sick leave. If an employee accumulates more than 90 days of sick leave they are paid out at a rate of \$10 per day.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide Statement of net position.

**Accrued Payroll:** In the fund financial statements, governmental fund types recognize the accrual of unpaid wages and benefits that employees have earned at the close of each fiscal year. The amount recognized in the fund financial statements represents checks that were held at year end in relation to employees' summer payroll.

**Long-term Obligations:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or straight line method if the difference is inconsequential.



**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2014

**NOTE 1. Summary of Significant Accounting Policies** (continued)

*D Assets, Liabilities and Net Position* (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Balance Classification Policies and Procedures:** The District has implemented GASB No. 54 and has defined the various categories reported in fund balance. For committed fund balance, the District's highest level of decision-making authority is the Board of Education. The formal action that is required to be taken to establish a fund balance commitment is the Board of Education.

For assigned fund balance, the Board of Education or an official or body to which the School Board of Education delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

For the classification of fund balances, the District considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the District considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Nonspendable Fund Balance:** At June 30, 2014, the non-spendable fund balance in the food service fund is made up of inventory in the amount of \$18,142 that is not in spendable form.

**Restricted and Committed Fund Balance:** At June 30, 2014, the restricted fund balance on the governmental funds balance sheet is made up of \$168,731 for providing education to the students of the District, \$4,973,083 for the purpose of erecting, remodeling, making additions to and furnishing school buildings and purchasing or improving school grounds and purchasing computer software and hardware for student use in public schools, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act [22-24-1 NMSA 1978], or any combination of these purposes, \$5,889,734 for the payment of principal and interest of the future debt service requirements, and \$394,023 for food service operations administered within the District. \$471,641 has been committed for Fiscal 2014-2015 budget requirements.

**Minimum Fund Balance Policy:** The District's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the District holds restricted cash reserves of \$1,300,000.

**Net Position:** Equity is classified as net position and displayed in three components:

- *Net investment in capital assets* - Net position invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position* - Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2014

**NOTE 1. Summary of Significant Accounting Policies** (continued)

D. *Assets, Liabilities and Net position or Equity* (continued)

- *Unrestricted net position* - All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the District are management’s estimate of depreciation on assets over their estimated useful lives and the current portion of accrued compensated absences.

E. *Revenues*

**State Equalization Guarantee:** School districts in the State of New Mexico receive a ‘state equalization guarantee distribution’ which is defined as “that amount of money distributed to each school district to ensure that the school district’s operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district’s program costs.”

A school district’s program costs are determined through the use of various formulas using ‘program units’ which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$20,534,409 in state equalization guarantee distributions during the year ended June 30, 2014.

**Tax Revenues:** The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered ‘measurable’ and ‘available’ in the governmental fund financial statements. The District recognized \$4,156,592 in property tax revenues in the governmental fund financial statements during the year ended June 30, 2014. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

**Transportation Distribution:** School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$1,237,162 in transportation distributions during the year ended June 30, 2014.

**Instructional Materials:** The Public Education Department receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education “State Adopted Instructional Material” list, while thirty percent of each allocation is available for purchases directly from vendors. The District received \$218,020 of instructional materials revenue from the State for the year ended June 30, 2014.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2014

**NOTE 1. Summary of Significant Accounting Policies** (continued)

E. *Revenues* (continued)

**SB-9 State Match:** The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the Public School Capital Improvements Fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1 of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978.

However, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District received \$67,831 in SB-9 matching revenue during the year ended June 30, 2014.

**Capital Outlay:** The public school capital outlay fund was created under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used for: capital expenditures deemed by the public school capital outlay council to be necessary for an adequate education program per Section 22-24-4(B); core administrative function of the public school facilities authority and for project management expense upon approval of the council per Section 22-24-4(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L).

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved.

During the year ended June 30, 2014, the District did not receive appropriations in the state Special Capital Outlay Fund.

**Federal Grants:** The District receives revenues from various federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operates under its own budget, which has been approved by the federal department or the flowthrough agency (usually the New Mexico Public Education Department). The various budgets are approved by the local school board and the New Mexico Public Education Department. For this purpose, the government considers reimbursement grant revenues to be available if they are collected within 120 days of the end of the current fiscal period.

The District also receives reimbursement under the National School Lunch and Breakfast Program for its food services operations, and the distribution of commodities through the New Mexico Human Services Department. These items are recorded as intergovernmental income.

**NOTE 2. Stewardship, Compliance and Accountability**

*Budgetary Information*

Budgets for the General, Special Revenue, Debt Service, and Capital Projects funds are prepared by management and approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2014

**NOTE 2. Stewardship, Compliance and Accountability** (continued)

*Budgetary Information* (continued)

Actual expenditures may not exceed the budget at the function (or series) level. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series,' this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

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

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Public Education Department.
2. In May or June, the budget is approved by the Board of Education.
3. The school board must certify the budget. The school board meeting is open for the general public unless a closed meeting has been called.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds.
6. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Budget expenditures exclude encumbrances.

The school board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico Administrative Code 6.20.2.9 prohibits a District from exceeding budgetary control at the function level.

The District is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The reconciliation between the non-GAAP budgetary basis amounts and the financial statements on the GAAP basis for each governmental fund are included in each individual fund budgetary comparison.

**NOTE 3. Deposits and Investments**

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States government obligations. All invested funds of the District properly followed state investment requirements as of June 30, 2014.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2014

**NOTE 3. Deposits and Investments** (continued)

Excess of funds may be temporarily invested in securities which are issued by the state or by the United States government, or by their departments or agencies, and which are either direct obligations of the state or the United States or are backed by the full faith and credit of those governments.

By operation of federal law, beginning January 1, 2013, funds deposited in a noninterest-bearing transaction account no longer will receive unlimited deposit insurance coverage by the Federal Deposit Insurance Corporation (FDIC). Beginning January 1, 2013, all of the District's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2014, \$14,487,386 of the District's bank balance of \$14,987,386 was subject to custodial credit risk. \$9,497,079 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the District's name. \$4,990,307 of the District's deposits was uninsured and uncollateralized at June 30, 2014.

The types of collateral allowed are limited to direct obligations of the United States government and all bonds issued by any agency, District or political subdivision of the State of New Mexico.

	<b>Wells Fargo</b>	<b>Citizens</b>	<b>Total</b>
Amount of deposits	\$ 3,016,669	\$ 11,970,717	\$ 14,987,386
FDIC Coverage	(250,000)	(250,000)	(500,000)
Total uninsured public funds	<u>2,766,669</u>	<u>11,720,717</u>	<u>14,487,386</u>
Collateralized by securities held by pledging institutions or by trust department or agent in other than the District's name.	1,465,204	8,031,875	9,497,079
Uninsured and uncollateralized	<u>1,301,465</u>	<u>3,688,842</u>	<u>4,990,307</u>
Collateralization Requirement (50% of uninsured funds)	1,383,335	5,860,359	7,243,693
Pledged Collateral	1,465,204	8,031,875	9,497,079
Over (Under) the Requirement	<u>\$ 81,869</u>	<u>\$ 2,171,516</u>	<u>\$ 2,253,386</u>

Reconciliation to the Statements of net position

The carrying amount of deposits shown above are included in the District's statements of net position as follows:

Cash	\$ 14,335,831
Cash - Fiduciary Fund	<u>379,430</u>
Total cash	14,715,261
Add: outstanding checks and other reconciling items	<u>272,125</u>
Cash Balance per Bank	<u>\$ 14,987,386</u>

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2014

**NOTE 3. Deposits and Investments** (continued)

The District utilizes pooled accounts for some of their program and funds. Negative cash balances in individual funds were reclassified as due to/from accounts in the combining balance sheets as of June 30, 2014. The following individual funds had negative cash balances as of June 30, 2014. A corresponding due to other funds is reflected in each of these funds with a corresponding due from reflected in the operational fund.

Fund	Description	Amount
24101	Title I IASA	\$ (141,550)
24106	Entitlement - IDEA-B	(293,087)
24109	Pre-School - IDEA-B	(4,324)
24154	Title II-A Teacher/Principal Training & Recruiting	(29,336)
24174	Carl Perkins	(7,291)
25131	Johnson O'Malley	(6,583)
25184	Indian Education Formula Grant	(13,604)
27103	Dual Credit Instructional Materials	(5,559)
27107	2012 G.O. Bond Library	(13,235)
27113	2012 NM Instructional Material Adoption Support	(103,238)
27114	NM Reads to Lead K-3	(32,867)
27150	Indian Education Act	(12,316)
28133	NM Youth Conservation	(62,990)
	Total	<u>\$ (725,980)</u>

**Component Unit Activities**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Charter School's deposits may not be returned to it. The Charter School does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2014, \$100,008 of the Charter School's bank balance of \$350,008 was subject to custodial credit risk. All these funds were fully collateralized by collateral held by the pledging bank's trust department, not in the Charter School's name.

The collateral pledged is listed on the schedule of deposits on this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, Charter School or political subdivision of the State of New Mexico

	<u>Citizens</u>
Amount of deposits	\$350,008
Deposit Accounts covered by the "Dodd-Frank Deposit Insurance Provision"	
FDIC Coverage	(250,000)
Total uninsured public funds	<u>100,008</u>
Collateralized by securities held by pledging institutions or by trust department or agent in other than the Charter School's name.	<u>100,008</u>
Uninsured and uncollateralized	<u>-</u>
50% Collateralization Required (50% of uninsured funds)	50,004
Pledged Collateral	<u>580,000</u>
Pledged Collateral (Under) the Requirement	<u>\$529,996</u>

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2014

**NOTE 3. Deposits and Investments (continued)**

Reconciliation to the Statements of net position

The carrying amount of deposits and investments shown above are included in the Charter School's statements of net position as follows:

Cash	\$ 330,567
Cash - Fiduciary Fund	<u>7,576</u>
Total cash	338,143
Add: outstanding checks and other reconciling items	<u>11,865</u>
Cash Balance per Bank	<u><u>\$ 350,008</u></u>

**NOTE 4. Accounts Receivable**

**Primary Government:**

Accounts receivable as of June 30, 2014, are as follows:

	General	IDEA- B Entitlement	Capital Improvements SB-9
Property Taxes	\$ 9,267	\$ -	\$ 48,338
Oil and Gas Taxes	32,125	-	128,500
Due from grantors			
Federal sources	-	293,087	-
State sources	-	-	-
Due from Others	11,128		150
Total	<u>\$ 52,520</u>	<u>\$ 293,087</u>	<u>\$ 176,988</u>

	Debt Service	Other Government	Total
Property Taxes	\$ 204,881	\$ -	\$ 262,486
Oil and Gas Taxes	541,967	-	702,592
Due from grantors			
Federal sources	-	238,984	532,071
State sources	-	278,398	278,398
Due from Others			11,278
Total	<u>\$ 746,848</u>	<u>\$ 517,382</u>	<u>\$ 1,786,825</u>

The above receivables are deemed 100% collectible.

In accordance with GASB No. 33, property tax revenues in the amount of \$207,062 that were not collected within the period of availability have been reclassified as unavailable revenue in the governmental fund financial statements.

**STATE OF NEW MEXICO**  
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Notes to the Financial Statements  
June 30, 2014

**NOTE 4. Accounts Receivable (continued)**

**Component Unit Activities:**

Accounts receivable as of June 30, 2014, are as follows:

The above receivables are deemed 100% collectible.

		Total Component Unit	
Property Taxes	\$	2,024	
Due from Grantors			
Federal Sources		3,177	
State Sources		74,837	
Due from Others		8	
	\$	80,046	

**NOTE 5. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2014, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land and construction in progress are not subject to depreciation.

Capital Assets Class	Adjusted Balance at July 1, 2013	Additions	Deletions	Adjustments	Balance at June 30, 2014
<b>Governmental Activities</b>					
Capital Assets not being depreciated					
Land	\$ 6,105,691	-	-	-	6,105,691
Construction-in-Progress	-	-	-	-	-
<b>Total capital assets not being depreciated</b>	<b>6,105,691</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,105,691</b>
Subject to Depreciation:					
Land Improvements	423,380	71,913	-	(143,633)	\$ 351,660
Buildings and Improvements	102,270,474	86,994	-	(472,082)	\$ 101,885,386
Furniture, fixtures and equipment	7,782,641	1,103,029	382,518	615,715	\$ 9,118,867
<b>Total capital assets being depreciated</b>	<b>110,476,495</b>	<b>1,261,936</b>	<b>382,518</b>	<b>-</b>	<b>111,355,913</b>
Less Accumulated Depreciation:					
Land Improvements	43,959	18,694	-	12,928	\$ 75,581
Buildings and Improvements	42,357,694	2,413,408	-	(610,612)	\$ 44,160,490
Furniture, fixtures and equipment	5,551,515	629,531	349,265	597,684	\$ 6,429,465
<b>Total Depreciation</b>	<b>47,953,168</b>	<b>3,061,633</b>	<b>349,265</b>	<b>-</b>	<b>50,665,536</b>
<b>Governmental Activities</b>					
Capital Assets, Net	<b>\$ 68,629,018</b>	<b>\$ (1,799,697)</b>	<b>\$ (33,253)</b>	<b>\$ -</b>	<b>\$ 66,796,068</b>

Depreciation expense charged for the year ended June 30, 2014 by function:

<b>Governmental Activities</b>	
Instruction	\$ 2,655,441
Support Services	\$ 170
School Administration	\$ 174,816
Operation and Maintenance of Plant	\$ 51,747
Student Transportation	\$ 166,100
Food Service	\$ 13,359
<b>Total Depreciation Expense</b>	<b>\$ 3,061,633</b>



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**Aztec Municipal Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 6. Capital Assets (continued)**

Capital Assets Class	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014
<b>Component Unit</b>				
Subject to Depreciation:				
Buildings and Improvements	\$ 297,466	\$ -	\$ -	\$ 297,466
Furniture, fixtures and equipment	58,509	5,926	-	64,435
Total capital assets being depreciated	<u>355,975</u>	<u>5,926</u>	-	<u>361,901</u>
Less Accumulated Depreciation:				
Buildings and Improvements	79,401	14,423	-	93,824
Equipment and Vehicles	51,391	2,321	-	53,712
Total Accumulated Depreciation	<u>130,792</u>	<u>16,744</u>	-	<u>147,536</u>
Total capital assets, net of depreciation	\$ <u>225,183</u>	\$ <u>(10,818)</u>	\$ <u>-</u>	\$ <u>214,365</u>

Depreciation expense charged for the year ended June 30, 2014 by function:

Instruction	\$ 1,380
Support Services - General Administration	-
Support Services - School Administration	-
Central Services	1,093
Operations and Maintenance of Plant	<u>14,271</u>
Total Depreciation Expense	<u>\$ 16,744</u>

**NOTE 7. Long-term Debt**

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The original amount of outstanding general obligation bonds from prior years is \$47,450,000. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2014 are for governmental activities.

Bonds outstanding at June 30, 2014, are comprised of the following:

	2008	2010A	2010B
Original Issue	\$ 13,225,000	\$ 12,200,000	\$ 22,025,000
Maturity Date	10/1/2020	8/1/2027	10/1/2020
Principal	\$ 11,300,000	\$ 12,000,000	\$ 15,125,000
Interest Rate	3.00% to 4.00%	5.69%	3.00% to 5.00%

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**NOTE 7. Long-term Debt** (continued)

The following is a summary of the long-term debt and the activity for the year ended June 30, 2014.

	Balance at July 1, 2013	Additions	Retirements	Balance at June 30, 2014	Due Within One Year
General Obligation Bonds Payable	\$ 41,925,000	\$ -	\$ 3,500,000	\$ 38,425,000	\$ 3,900,000
Compensated Absences	<u>188,839</u>	<u>1,016,240</u>	<u>1,008,626</u>	<u>196,453</u>	<u>39,291</u>
	<u>\$ 42,113,839</u>	<u>\$ 1,016,240</u>	<u>\$ 4,508,626</u>	<u>\$ 38,621,453</u>	<u>\$ 3,939,291</u>

Annual Amortization of General Obligation Bonds - The annual requirements to amortize the General Obligation Bonds as of June 30, 2014, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	3,900,000	1,113,740	5,013,740
2016	4,500,000	925,865	5,425,865
2017	4,025,000	772,490	4,797,490
2018	4,200,000	646,365	4,846,365
2019	4,600,000	498,365	5,098,365
2020-2024	12,800,000	849,826	13,649,826
2025-2028	4,400,000	379,278	4,779,278
	<u>\$ 38,425,000</u>	<u>\$ 5,185,929</u>	<u>\$ 43,610,929</u>

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2014, compensated absences increased \$7,614 from the prior year accrual. In prior years, the general fund was typically used to liquidate such long-term liabilities. See Note 1 for more details.

Component Unit – The Charter School has committed to capital leases for copiers. The principal balance at June 30, 2014 is \$3,536. The payments due in the subsequent year total \$1,904 and have been classified as a current liability. The leases end in July 2017.

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**NOTE 8. Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error omissions; and natural disasters, for which the District is a member of the New Mexico Public School Insurance Authority (NMPSIA). NMPSIA was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$15,000 deductible per occurrence with a maximum annual deductible of \$60,000. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$100,000 applies to Money and Securities, which include a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2014, there have been no claims that have exceeded insurance coverage.

**NOTE 9. Deficit Fund Balances and Budget Noncompliance Issues**

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

A. Deficit fund balance of individual funds. The following funds reflected a deficit fund balance as of June 30, 2014:

**Primary Government:**

<u>Fund</u>	<u>Description</u>	<u>Fund Balance</u>
13000	Transportation	\$ (5,825)
24106	Entitlement IDEA B	\$ (63)
24109	Entitlement IDEA B - Pre-School	\$ (8)
25131	Johnson O'Malley	\$ (3)
27107	2012 GO Bond Library	\$ (13,579)
27114	NM Reads to Lead K-3	\$ (622)

**Component Unit:**

<u>Fund</u>	<u>Description</u>	<u>Fund Balance</u>
24106	IDEA-B Entitlement	\$ (3,176)
27106	2010 G.O. Bond Student Library Fund	\$ (2,158)
27107	2012 G.O. Bond Student Library Fund	\$ (84)
27114	New Mexico Leads to Read K-3	\$ (459)
31200	Public School Capital Outlay	\$ (18,944)

B. Excess of expenditures over appropriations. No funds in in the Primary Government or the Component Unit exceeded approved budgetary authority for the year ended June 30, 2014.

C. Exceeded designated cash appropriations.

**Primary Government:** None

**Component Unit:** None

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 June 30, 2014

**NOTE 10 Funds Omitted From Financial Statement Presentation**

The funds below contained revenue or expense activity for the year on a cash and modified accrual basis therefore a Statement of Revenues and Expenditures – Budget and Actual (Non-GAAP Budgetary Basis) and a Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is presented however no ending balances for assets, liabilities or fund balances existed therefore they are not reflected in the Combining Balance Sheets.

**Primary Government:**

Fund	Description
24120	IDEA-B “Risk Pool”
27106	G.O. Bond Student Library
27117	Technology for Education
27178	2013 School Bus Purchase
27183	New Mexico Farm Grown Vegetables
27185	Next Generation Assessments

**Component Unit:**

Fund	Description
26170	Microsoft Settlement

**NOTE 11 Pension Plan – Educational Retirement Board**

*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 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](http://www.nmerb.org).

*Funding Policy.* Effective July 1, 2012 through June 30, 2014, plan members were required by statute to contribute in the amounts reflected in the table below.

Fiscal Year	Wage Category	Date Range	Member Rate	Employer Rate
2014	20K or less	07/01/2013 - 06/30/2014	7.90%	13.15%
2014	20K or more	07/01/2013 - 06/30/2014	10.10%	13.15%
2015	20K or less	07/01/2014 - 06/30/2015	7.90%	13.90%
2015	20K or more	07/01/2014 - 06/30/2015	10.70%	13.90%

The contribution requirements of 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 ended June 30, 2014, 2013, and 2012 were \$1,609,685, \$1,363,500, and \$1,672,737 respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan**

*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

**STATE OF NEW MEXICO**  
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 Notes to the Financial Statements  
 June 30, 2014

**NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan (continued)**

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 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](http://www.nmrhca.state.nm.us).

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. 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 1.007% of their salary. In fiscal year ending June 30, 2015 the contribution rates for employees and employers will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY15	2.000%	1.000%

Also, employers joining the program after 1/1/98 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature. The District's contributions to the RHCA for the years ended June 30, 2014, 2013, and 2012 were \$285,786, \$291,222, and \$264,148, respectively, which equal the required contribution for each year.

**NOTE 13. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
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June 30, 2014

**NOTE 14. Joint Powers Agreements**

**Northeast San Juan County Family Center Educational Phase**

Participants – Aztec Municipal School  
City of Aztec  
San Juan Junior College District

Responsible party – All participants

Description – The property deeded to the San Juan College and the District by the City of Aztec shall be operated by the parties in a manner designed to facilitate the most efficient, cost-effective use in order to maximize the benefits of the property to the residents of the City.

Begin date – July 25, 2005

Ending date – Until notified

Estimated amount of project – Unknown

Amount contributed – None

Audit responsibility – Each participant

Fiscal agent – Not applicable

**Tiger Sports Complex East**

Participants – Aztec Municipal School  
City of Aztec

Responsible party – All participants

Description – To provide maintenance, upkeep, and governance of Tiger Sports Complex East.

Begin date – June 23, 2009

Ending date – June 30, 2019

Estimated amount of project – Unknown

Amount contributed – None

Audit responsibility – Each participant

Fiscal agent – The District shall be designated as the fiscal agent for construction of propane, telephone, supplies, vandalism, and technology service and use. The City shall be designated as the fiscal agent for utility services.

**NOTE 15. Subsequent Events**

The date to which events occurring after June 30, 2014, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is September 24, 2014 which is the date on which the financial statements were available to be issued. No events took place subsequent to year end.

**NOTE 16. Concentrations**

The District depends on financial resources flowing from, or associated with, both the federal government and the state of New Mexico. Because of this dependency, the District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations.

**NOTE 17. Subsequent Pronouncements**

In June 2012, Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statements No. 27*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged. The standard will be implemented during fiscal year June 30, 2015 and is expected to have a material impact on the District's financial statements.

In January 2013, GASB Statement No. 69 *Government Combinations and Disposals of Government Operations*, Effective Date: The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. Earlier application is encouraged. The provisions of this Statement generally are required to be applied prospectively.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2014

**NOTE 17. Subsequent Pronouncements (continued)**

In November 2013, GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2014. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. The standard will be implemented during fiscal year June 30, 2015.

## **SUPPLEMENTARY INFORMATION**



**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Non-Major Fund Descriptions  
June 30, 2014

**SPECIAL REVENUE FUNDS**

**Food Services (21000)** – This fund is utilized to account for federal and local sources of income relating to the food service programs. The Cafeteria Fund is segregated into two categories, one being the federal funds and the other being Non-Federal funds. Federal funds consist of National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. Authority for the creation of this fund is NMSA 22-13-13.

**Athletics (22000)** – This fund is used to account for fees generated at athletic activities throughout the District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC.

**Title I IASA (24101)** – The major objectives of the Title I program are to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Public Education Department. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

**Pre-school IDEA-B (24109)** – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the Schools through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

**IDEA-B “Risk” Pool (24120)** – To account for federal funds provided to assist the District in providing free appropriate public education to all handicapped children. Program funding authorized by Individuals with Disabilities Education Act, Part B, Section 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.

**Title II-A Teacher/Principal Training & Recruiting (24154)** – To improve the skills of teachers and the quality of instruction in mathematics and science and also to increase the accessibility of such instruction to all students. Authority for creation of this fund is the Rehabilitation Act of 1973, as amended, Title III, Section 303(b)-(d). 20 U.S.C. 777a and 797a.

**Carl Perkins (24174)** - The objective of this grant is to provide secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education. This program is authorized by the Carl D. Perkins Career and Technical Education Act of 2006.

**Johnson O'Malley (25131)** - To account for grant funds (through the Navajo Nation) to be used to fulfill the needs of Indian students. The funding authority is The Navajo Nation Department of Education. PL93-638 and PL100-427.

**Indian Education Formula Grant (25184)** - To account for a program funded by a Federal grant to develop and carry out supplementary elementary and secondary school programs designed to meet the special educational and culturally related academic needs of Indian children, for example to: 1) Improve academic performance, 2) Reduce school dropout rates and improve attendance, and 3) Integrate the value of cultural education into the school curriculum for Indian children. Funding authorized by Indian Education Act of 1988, Title V, Part C, Subpart 1, as amended, Public Law 100-297 and 93-638, 25 U.S.C. 2601-2606.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Non-Major Fund Descriptions  
June 30, 2014

**BP Educational Grants (26150)** - To account for funds received from the British Petroleum supporting educational projects/activities. Authority for the creation of this fund is the New Mexico Public Education Department.

**Conoco Phillips Education Grants (26200)** – To account for funds received from Conoco Phillips supporting educational projects/activities. Authority for the creation of this fund is the New Mexico Public Education Department.

**Dual Credit Instructional Materials (27103)** - SB943 (2007) and SB31 (2008) create a dual credit program that allows public high school students in school districts, charter schools and state-supported schools in the state to earn both high school and college credit for qualifying dual credit courses. Authority for the creation of this fund is the New Mexico Public Education Department.

**2010 G.O. Bond Student Library (27106)** - Must be used to fund each library facility for improvement or acquisition and to acquire library books and library resources to support the library program. Authority for the creation of this fund is the New Mexico Public Education Department.

**2012 G.O. Bond Student Library (27107)** - Must be used to fund each library facility for improvement or acquisition and to acquire library books and library resources to support the library program. Authority for the creation of this fund is the New Mexico Public Education Department.

**Instructional Materials Adoption Support (27113)** – To account for financial activity associated with contract between the New Mexico Public Education Department supporting the annual review of instructional material submitted to the New Mexico Public Education Department for acceptance for use in the public schools in New Mexico.

**NM Reads to Lead K-3 (27114)** – To account for funds provided by the New Mexico Public Education Department to support legislative initiative to improve reading in grades K-3.

**Technology for Education (27117)** – The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10.

**Indian Education Act (27150)** – To account for funds provided by New Mexico Public Education Department to address the needs of American Indian students to ensure improved academic performance and closing of the achievement gap.

**2013 School Bus Replacement (27178)** - To account for funds provided by New Mexico Public Education Department to purchase school buses.

**New Mexico Farm Grown Vegetables (27183)** - To account for funds provided by New Mexico Public Education Department to purchase New Mexico locally grown fresh fruits and vegetables for school meal programs.

**Next Generation Assessments (27185)** - To account for funds provided by the New Mexico Public Education Department to remediate deficiencies in computer devices compliant with the Partnership for Assessment of Readiness for College and Career assessment requirements.

**NM Youth Conservation (28133)** - To account for a program funded by the New Mexico Youth Conservation Corps supporting the education, success and well-being of the youth of New Mexico through the conservation and enhancement of the state's natural resources and lasting community benefits. Authority for the creation of this fund is the New Mexico Public Education Department.

**Medicaid Support - HSD (28144)** – To assist schools in offering key health and health-related services that are designed to integrate and maintain active learning for Medicaid-eligible children with disabilities and special health care needs.

**NON-MAJOR GOVERNMENT FUNDS**

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Non-Major Governmental Funds  
Combining Balance Sheet  
As of June 30, 2014

**SPECIAL REVENUE**

	<b>Fund 21000</b>	<b>Fund 22000</b>	<b>Fund 24101</b>	<b>Fund 24109</b>	<b>Fund 24154</b>
	<b>Food Services</b>	<b>Athletics</b>	<b>Title I IASA</b>	<b>Preschool IDEA-B</b>	<b>Title II-A Teacher Training</b>
<b>ASSETS</b>					
Assets:					
Cash	\$ 357,975	\$ 47,347	\$ 13,366	\$ -	\$ 5,537
Due from grantor	36,093	-	141,755	4,324	29,337
Inventory	18,142	-	-	-	-
Total assets	<u>\$ 412,210</u>	<u>\$ 47,347</u>	<u>\$ 155,121</u>	<u>\$ 4,324</u>	<u>\$ 34,874</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 6	\$ 8	\$ -
Accrued salaries and benefits	45	-	13,366	-	5,537
Due to other funds	-	-	141,550	4,324	29,336
Total liabilities	<u>45</u>	<u>-</u>	<u>154,922</u>	<u>4,332</u>	<u>34,873</u>
Deferred inflows of resources					
Unavailable Revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances					
Nonspendable					
Inventory	18,142	-	-	-	-
Spendable					
Restricted for:					
Education	-	-	-	-	-
Food service operations	394,023	-	-	-	-
Capital acquisitions and improvements	-	-	-	-	-
Unassigned	-	47,347	-	(8)	-
Total fund balance	<u>412,165</u>	<u>47,347</u>	<u>199</u>	<u>(8)</u>	<u>1</u>
Total liabilities, deferred resources and fund balance	<u>\$ 412,210</u>	<u>\$ 47,347</u>	<u>\$ 155,121</u>	<u>\$ 4,324</u>	<u>\$ 34,874</u>

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Non-Major Governmental Funds  
Combining Balance Sheet  
As of June 30, 2014

**SPECIAL REVENUE**

	<b>Fund 24174</b>	<b>Fund 25131</b>	<b>Fund 25184</b>	<b>Fund 26150</b>	<b>Fund 26200</b>
	<b>Carl Perkins</b>	<b>Johnson O'Malley</b>	<b>Indian Education Formula</b>	<b>BP Educational</b>	<b>Conoco Phillips</b>
<b>ASSETS</b>					
Assets:					
Cash	\$ -	\$ 139	\$ 611	\$ 30,859	\$ 52,227
Due from grantor	7,291	6,580	13,604	-	-
Inventory	-	-	-	-	-
Total assets	<u>\$ 7,291</u>	<u>\$ 6,719</u>	<u>\$ 14,215</u>	<u>\$ 30,859</u>	<u>\$ 52,227</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	139	611	-	-
Due to other funds	7,291	6,583	13,604	-	-
Total liabilities	<u>7,291</u>	<u>6,722</u>	<u>14,215</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources					
Unavailable Revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances					
Nonspendable					
Inventory	-	-	-	-	-
Spendable					
Restricted for:					
Education	-	-	-	30,859	52,227
Food service operations	-	-	-	-	-
Capital acquisitions and improvements	-	-	-	-	-
Unassigned	-	(3)	-	-	-
Total fund balance	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>30,859</u>	<u>52,227</u>
Total liabilities, deferred resources and fund balance	<u>\$ 7,291</u>	<u>\$ 6,719</u>	<u>\$ 14,215</u>	<u>\$ 30,859</u>	<u>\$ 52,227</u>

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Non-Major Governmental Funds  
Combining Balance Sheet  
As of June 30, 2014

**SPECIAL REVENUE**

	<b>Fund 27103</b>	<b>Fund 27107</b>	<b>Fund 27113</b>	<b>Fund 27114</b>	<b>Fund 27150</b>
	<b>Dual Credit Instructional Materials</b>	<b>2012 GO Bond Library</b>	<b>Instructional Material Adoption Support</b>	<b>NM Reads To Lead K-3</b>	<b>Indian Education Act</b>
<b>ASSETS</b>					
Assets:					
Cash	\$ -	\$ -	\$ 411	\$ 4,334	\$ 43
Due from grantor	5,559	13,235	122,968	32,867	12,316
Inventory	-	-	-	-	-
Total assets	<u>\$ 5,559</u>	<u>\$ 13,235</u>	<u>\$ 123,379</u>	<u>\$ 37,201</u>	<u>\$ 12,359</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>					
Liabilities:					
Accounts payable	\$ -	\$ 344	\$ -	\$ 622	\$ -
Accrued salaries and benefits	-	-	411	4,334	43
Due to other funds	5,559	13,235	103,238	32,867	12,316
Total liabilities	<u>5,559</u>	<u>13,579</u>	<u>103,649</u>	<u>37,823</u>	<u>12,359</u>
Deferred inflows of resources					
Unavailable Revenue	-	13,235	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>13,235</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances					
Nonspendable					
Inventory	-	-	-	-	-
Spendable					
Restricted for:					
Education	-	-	-	-	-
Food service operations	-	-	-	-	-
Capital acquisitions and improvements	-	-	-	-	-
Unassigned	-	(13,579)	19,730	(622)	-
Total fund balance	<u>-</u>	<u>(13,579)</u>	<u>19,730</u>	<u>(622)</u>	<u>-</u>
Total liabilities, deferred resources and fund balance	<u>\$ 5,559</u>	<u>\$ 13,235</u>	<u>\$ 123,379</u>	<u>\$ 37,201</u>	<u>\$ 12,359</u>

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Non-Major Governmental Funds  
Combining Balance Sheet  
As of June 30, 2014

	<b>SPECIAL REVENUE</b>		<b>CAPITAL</b>	
	<b>Fund 28133</b>	<b>Fund 28144</b>	<b>Fund 31100</b>	
	<b>NM Youth Conservation</b>	<b>Medicaid Support HSD</b>	<b>Bond Building</b>	<b>Totals</b>
<b>ASSETS</b>				
Assets:				
Cash	\$ 1,052	\$ 218,583	\$ 34,914	\$ 767,398
Due from grantor	63,020	28,433	-	517,382
Inventory	-	-	-	18,142
Total assets	\$ 64,072	\$ 247,016	\$ 34,914	\$ 1,302,922
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ -	\$ 13	\$ -	\$ 993
Accrued salaries and benefits	1,052	8,527	-	34,065
Due to other funds	62,990	-	-	432,893
Total liabilities	64,042	8,540	-	467,951
Deferred inflows of resources				
Unavailable Revenue	-	-	-	13,235
Total deferred inflows of resources	-	-	-	13,235
Fund balances				
Nonspendable				
Inventory	-	-	-	18,142
Spendable				
Restricted for:				
Education	-	-	-	83,086
Food service operations	-	-	-	394,023
Capital acquisitions and improvements	-	-	34,914	34,914
Unassigned	30	238,476	-	291,371
Total fund balance	30	238,476	34,914	821,736
Total liabilities, deferred resources and fund balance	\$ 64,072	\$ 247,016	\$ 34,914	\$ 1,302,922

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2014**

<b>SPECIAL REVENUE</b>					
	<u>Fund 21000</u>	<u>Fund 22000</u>	<u>Fund 24101</u>	<u>Fund 24109</u>	<u>Fund 24120</u>
	<u>Food Services</u>	<u>Athletics</u>	<u>Title I IASA</u>	<u>Preschool IDEA-B</u>	<u>IDEA-B "Risk Pool"</u>
Revenues:					
Federal grants	\$ 1,070,150	\$ -	\$ 386,187	\$ 10,345	\$ 6,491
State grants	-	-	-	-	-
Local sources:					
Local grants	-	-	-	-	-
Charges for services	365,145	74,786	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>1,435,295</u>	<u>74,786</u>	<u>386,187</u>	<u>10,345</u>	<u>6,491</u>
Expenditures:					
Current:					
Instruction	-	129,728	300,316	5,052	3,000
Support services - students	-	-	-	5,037	3,491
Support services - instruction	-	-	-	-	-
Support services - general administration	-	-	8,384	117	-
Support services - school administration	-	-	77,288	147	-
Central services	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services	1,367,989	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,367,989</u>	<u>129,728</u>	<u>385,988</u>	<u>10,353</u>	<u>6,491</u>
Revenues over (under) expenditures	<u>67,306</u>	<u>(54,942)</u>	<u>199</u>	<u>(8)</u>	<u>-</u>
Fund balance - beginning of year	<u>344,859</u>	<u>102,289</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adjustments and residual equity transfers	-	-	-	-	-
Fund balance - beginning of year, as restated	<u>344,859</u>	<u>102,289</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ 412,165</u>	<u>\$ 47,347</u>	<u>\$ 199</u>	<u>\$ (8)</u>	<u>\$ -</u>



**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2014**

	<b>SPECIAL REVENUE</b>				
	<b>Fund 24154</b>	<b>Fund 24174</b>	<b>Fund 25131</b>	<b>Fund 25184</b>	<b>Fund 26150</b>
	<b>Title II-A Teacher Training</b>	<b>Carl Perkins</b>	<b>Johnson O'Malley</b>	<b>Indian Education Formula</b>	<b>BP Educational</b>
Revenues:					
Federal grants	\$ 145,192	\$ 17,834	\$ 22,336	\$ 87,505	-
State grants	-	-	-	-	-
Local sources:					
Local grants	-	-	-	-	50,000
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	145,192	17,834	22,336	87,505	50,000
Expenditures:					
Current:					
Instruction	143,011	17,448	-	51,993	34,933
Support services - students	-	-	21,939	20,283	-
Support services - instruction	-	-	-	-	-
Support services - general administration	2,180	-	400	3,684	18,416
Support services - school administration	-	-	-	11,545	-
Central services	-	386	-	-	-
Student transportation	-	-	-	-	-
Food services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	145,191	17,834	22,339	87,505	53,349
Revenues over (under) expenditures	1	-	(3)	-	(3,349)
Fund balance - beginning of year	-	-	-	-	34,208
Adjustments and residual equity transfers	-	-	-	-	-
Fund balance - beginning of year, as restated	-	-	-	-	34,208
Fund balance - end of year	\$ 1	\$ -	\$ (3)	\$ -	\$ 30,859

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2014**

	<b>SPECIAL REVENUE</b>				
	<b>Fund 26200</b>	<b>Fund 27103</b>	<b>Fund 27106</b>	<b>Fund 27107</b>	<b>Fund 27113</b>
	<b>Conoco Phillips</b>	<b>Dual Credit Instructional Materials</b>	<b>2010 GO Bond Library</b>	<b>2012 GO Bond Library</b>	<b>Instructional Material Adoption Support</b>
Revenues:					
Federal grants	\$ -	\$ -	\$ -	\$ -	-
State grants	-	10,209	4,497	-	143,234
Local sources:					
Local grants	37,586	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	37,586	10,209	4,497	-	143,234
Expenditures:					
Current:					
Instruction	42,346	10,209	-	-	-
Support services - students	-	-	-	-	-
Support services - instruction	-	-	4,497	13,579	-
Support services - general administration	-	-	-	-	-
Support services - school administration	-	-	-	-	-
Central services	-	-	-	-	123,504
Student transportation	-	-	-	-	-
Food services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	42,346	10,209	4,497	13,579	123,504
Revenues over (under) expenditures	(4,760)	-	-	(13,579)	19,730
Fund balance - beginning of year	56,987	-	-	-	-
Adjustments and residual equity transfers	-	-	-	-	-
Fund balance - beginning of year, as restated	56,987	-	-	-	-
Fund balance - end of year	\$ 52,227	\$ -	\$ -	\$ (13,579)	\$ 19,730

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2014**

	<b>SPECIAL REVENUE</b>				
	<b>Fund 27114</b>	<b>Fund 27117</b>	<b>Fund 27150</b>	<b>Fund 27178</b>	<b>Fund 27183</b>
	<b>NM Reads To Lead K-3</b>	<b>Technology For Education</b>	<b>Indian Education Act</b>	<b>2013 School Bus Purchase</b>	<b>New Mexico Farm Grown Vegetables</b>
Revenues:					
Federal grants	\$ -	\$ -	\$ -	\$ -	-
State grants	99,075	-	20,000	772,288	591
Local sources:					
Local grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>99,075</u>	<u>-</u>	<u>20,000</u>	<u>772,288</u>	<u>591</u>
Expenditures:					
Current:					
Instruction	52,194	-	10,302	-	-
Support services - students	-	-	5,860	-	-
Support services - instruction	47,503	2,877	3,838	-	-
Support services - general administration	-	-	-	-	-
Support services - school administration	-	-	-	-	-
Central services	-	-	-	-	-
Student transportation	-	-	-	772,288	-
Food services	-	-	-	-	591
Capital outlay	-	-	-	-	-
Total expenditures	<u>99,697</u>	<u>2,877</u>	<u>20,000</u>	<u>772,288</u>	<u>591</u>
Revenues over (under) expenditures	<u>(622)</u>	<u>(2,877)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - beginning of year	-	2,877	-	-	-
Adjustments and residual equity transfers	-	-	-	-	-
Fund balance - beginning of year, as restated	-	2,877	-	-	-
Fund balance - end of year	<u>\$ (622)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2014**

	<u>SPECIAL REVENUE</u>			<u>CAPITAL</u>	<u>TOTAL</u>
	<u>Fund 27185</u>	<u>Fund 28133</u>	<u>Fund 28144</u>	<u>Fund 31100</u>	
	<u>Next Generation Assessments</u>	<u>NM Youth Conservation</u>	<u>Medicaid Support HSD</u>	<u>Bond Building</u>	
Revenues:					-
Federal grants	\$ -	\$ -	\$ -	\$ -	1,746,040
State grants	47,674	85,202	181,926	-	1,364,696
Local sources:					
Local grants	-	-	-	-	87,586
Charges for services	-	-	-	-	439,931
Miscellaneous	-	-	-	-	-
Total revenues	<u>47,674</u>	<u>85,202</u>	<u>181,926</u>	<u>-</u>	<u>3,638,253</u>
Expenditures:					
Current:					
Instruction	-	85,172	-	-	885,704
Support services - students	-	-	112,420	-	169,030
Support services - instruction	47,674	-	-	-	119,968
Support services - general administration	-	-	-	-	33,181
Support services - school administration	-	-	45,783	-	134,763
Central services	-	-	-	-	123,890
Student transportation	-	-	-	-	772,288
Food services	-	-	-	-	1,368,580
Capital outlay	-	-	-	295,949	295,949
Total expenditures	<u>47,674</u>	<u>85,172</u>	<u>158,203</u>	<u>295,949</u>	<u>3,903,353</u>
Revenues over (under) expenditures	<u>-</u>	<u>30</u>	<u>23,723</u>	<u>(295,949)</u>	<u>(265,100)</u>
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>214,753</u>	<u>330,863</u>	<u>1,086,836</u>
Adjustments and residual equity transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - beginning of year, as restated	<u>-</u>	<u>-</u>	<u>214,753</u>	<u>330,863</u>	<u>1,086,836</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ 238,476</u>	<u>\$ 34,914</u>	<u>\$ 821,736</u>

**BUDGETARY BASIS STATEMENTS**

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Fund 21000 - Food Services - Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Federal Sources:				
Direct Federal Grants	\$ 800,000	800,000	976,255	176,255
Donated Commodities	-	-	93,895	93,895
Total Federal Sources	800,000	800,000	1,070,150	270,150
Local Sources:				
Prior Year Voided Checks	-	-	-	-
Investment Income	-	-	-	-
Fees - Adults	-	-	17,192	17,192
Fees - Students	400,000	400,000	294,352	(105,648)
Fees - Other Services	-	-	53,601	53,601
Total Local Sources	400,000	400,000	365,145	(34,855)
Total Revenues	1,200,000	1,200,000	1,435,295	235,295
Expenditures:				
Education, Current:				
Food Services	1,300,000	1,526,238	1,403,603	122,635
Revenues Over (Under) Expenditures	\$ (100,000)	(326,238)	31,692	357,930
Other Financing Sources (Uses)				
Cash budgeted from prior year	100,000	326,238		
Operating Transfers and Adjustments				
<b>Net change in fund balances (Budget Basis)</b>			31,692	
Fund Balances - beginning of year (adjusted)			326,238	
Fund Balances - end of year			357,930	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>			31,692	
Accrued Revenues			-	
Accrued Expenditures			35,614	
<b>Net change in fund balances (GAAP Basis)</b>			67,306	



**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 24101 - Title I IASA - Special Revenue Func  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Investment Income	\$ -	-	-	-
Federal Sources	409,846	528,360	340,384	(187,976)
Total Revenues	409,846	528,360	340,384	(187,976)
<b>Expenditures:</b>				
Education, Current:				
Instruction	323,831	439,360	302,097	137,263
Support Services - Students	-	-	-	-
Support Services - General Administration	6,924	11,000	8,384	2,616
Support Services - School Administration	79,091	78,000	77,282	718
Support Services - Central Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Community Services	-	-	-	-
Total Expenditures	409,846	528,360	387,763	140,597
Revenues Over (Under) Expenditures	\$ -	-	(47,379)	(47,379)
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments				
<b>Net change in fund balances (Budget Basis)</b>			(47,379)	
Fund Balances - beginning of year (adjusted)			(94,171)	
Fund Balances - end of year			(141,550)	
 <b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(47,379)	
<i>Accrued Revenues</i>			45,803	
<i>Accrued Expenditures</i>			1,775	
<b>Net change in fund balances (GAAP Basis)</b>			199	



**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 24109 - Pre-School IDEA-B - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	-	-	-
Federal Sources	-	45,529	6,523	(39,006)
Total Revenues	-	45,529	6,523	(39,006)
<b>Expenditures:</b>				
Education, Current:				
Instruction	-	38,433	5,044	33,389
Support Services - Students	-	4,556	5,037	(481)
Support Services - General Administration	-	540	117	423
Support Services - School Administration	-	2,000	147	1,853
Total Expenditures	-	45,529	10,345	35,184
Revenues Over (Under) Expenditures	\$ -	-	(3,822)	(3,822)
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			(3,822)	
Fund Balances - beginning of year (adjusted)			(502)	
Fund Balances - end of year			(4,324)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(3,822)	
<i>Accrued Revenues</i>			3,822	
<i>Accrued Expenditures</i>			(8)	
<b>Net change in fund balances (GAAP Basis)</b>			(8)	



**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Fund 24154 - Title II -A Teacher/Principal Training & Recruiting - Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	-	-	-
Federal Sources	109,209	153,025	150,638	(2,387)
Total Revenues	109,209	153,025	150,638	(2,387)
<b>Expenditures:</b>				
<b>Education, Current:</b>				
Instruction	107,029	150,845	143,011	7,834
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
Support Services - General Administration	2,180	2,180	2,180	-
Support Services - School Administration	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
<b>Education, Non-Current:</b>				
Capital Outlay	-	-	-	-
Total Expenditures	109,209	153,025	145,191	7,834
Revenues Over (Under) Expenditures	\$ -	-	5,447	5,447
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-	-	-
Operating Transfers and Adjustments	-	-	-	-
<b>Net change in fund balances (Budget Basis)</b>	-	-	5,447	5,447
Fund Balances - beginning of year (adjusted)	-	-	(34,783)	-
Fund Balances - end of year	-	-	(29,336)	-
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>				5,447
Accrued Revenues				(5,446)
Accrued Expenditures				-
<b>Net change in fund balances (GAAP Basis)</b>				1

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 24174 - Carl Perkins - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	-	-	-
Federal Sources	17,448	17,834	10,543	(7,291)
Total Revenues	17,448	17,834	10,543	(7,291)
<b>Expenditures:</b>				
Education, Current:				
Instruction	17,448	17,448	17,448	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	-	-	-
Central Services	-	386	386	-
Operations and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Education, Non-Current:				
Capital Outlay	-	-	-	-
Total Expenditures	17,448	17,834	17,834	-
Revenues Over (Under) Expenditures	\$ -	-	(7,291)	(7,291)
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			(7,291)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			(7,291)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(7,291)	
<i>Accrued Revenues</i>			7,291	
<i>Accrued Expenditures</i>			-	
<i>Net change in fund balances (GAAP Basis)</i>			-	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 25131 - Johnson O'Malley - Special Revenue Func  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	-	-	-
Federal Sources	20,148	22,339	27,369	5,030
Total Revenues	20,148	22,339	27,369	5,030
<b>Expenditures:</b>				
Education, Current:				
Instruction	7,298	-	-	-
Support Services - Students	12,850	21,939	21,939	-
Support Services - General Administration	-	400	400	-
Support Services - School Administration	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Total Expenditures	20,148	22,339	22,339	-
Revenues Over (Under) Expenditures	\$ -	-	5,030	5,030
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			5,030	
Fund Balances - beginning of year (adjusted)			(11,613)	
Fund Balances - end of year			(6,583)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			5,030	
<i>Accrued Revenues</i>			(5,033)	
<i>Accrued Expenditures</i>			-	
<b>Net change in fund balances (GAAP Basis)</b>			(3)	

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Fund 25184 - Indian Education Formula Grant - Special Revenue Func**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	-	-	-
Federal Sources	\$ 92,032	87,505	91,199	3,694
Total Revenues	92,032	87,505	91,199	3,694
<b>Expenditures:</b>				
<b>Education, Current:</b>				
Instruction	60,134	51,993	51,993	-
Support Services - Students	19,208	21,215	20,283	932
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	2,923	3,684	(761)
Support Services - School Administration	12,690	11,374	11,545	(171)
Total Expenditures	92,032	87,505	87,505	-
Revenues Over (Under) Expenditures	\$ -	-	3,694	3,694
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			3,694	
Fund Balances - beginning of year (adjusted)			(17,298)	
Fund Balances - end of year			(13,604)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>			3,694	
Accrued Revenues			(3,694)	
Accrued Expenditures			-	
<b>Net change in fund balances (GAAP Basis)</b>			-	

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Fund 26150 - BP Education Grant - Special Revenue Func**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Local Sources	\$ -	50,000	50,000	-
Expenditures:				
Education, Current:				
Instruction	-	60,000	34,933	25,067
Support Services - General Administration	-	24,208	18,416	5,792
Total Expenditures	-	84,208	53,349	30,859
Revenues Over (Under) Expenditures	\$ -	(34,208)	(3,349)	30,859
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	34,208		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			(3,349)	
Fund Balances - beginning of year (adjusted)			34,208	
Fund Balances - end of year			30,859	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(3,349)	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			-	
<b><i>Net change in fund balances (GAAP Basis)</i></b>			(3,349)	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 26200 - Conoco Phillips Grant - Special Revenue Func  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Local Sources	\$ -	-	37,586	37,586
Expenditures:				
Education, Current:				
Instruction	-	56,987	42,346	14,641
Support Services - Students	-	-	-	-
Total Expenditures	-	56,987	42,346	14,641
Revenues Over (Under) Expenditures	\$ -	(56,987)	(4,760)	52,227
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	56,987		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			(4,760)	
Fund Balances - beginning of year (adjusted)			56,987	
Fund Balances - end of year			52,227	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(4,760)	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			-	
<b><i>Net change in fund balances (GAAP Basis)</i></b>			(4,760)	



**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27103 - Dual Credit Instructional Materials - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	10,209	11,670	1,461
Total Revenues	-	10,209	11,670	1,461
Expenditures:				
Education, Current:				
Instruction	-	10,209	10,209	-
Revenues Over (Under) Expenditures	\$ -	-	1,461	1,461
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	
Operating Transfers and Adjustments	-	-	-	
<b>Net change in fund balances (Budget Basis)</b>			1,461	
Fund Balances - beginning of year (adjusted)			(7,020)	
Fund Balances - end of year			(5,559)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			1,461	
<i>Accrued Revenues</i>			(1,461)	
<i>Accrued Expenditures</i>			-	
<b><i>Net change in fund balances (GAAP Basis)</i></b>			-	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27106 - 2010 G.O. Bond Student Library - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	4,498	5,460	962
Total Revenues	-	4,498	5,460	962
Expenditures:				
Education, Current:				
Support Services - Instruction	-	4,498	4,497	1
Revenues Over (Under) Expenditures	\$ -	-	963	963
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments	-	-	-	
<b>Net change in fund balances (Budget Basis)</b>			963	
Fund Balances - beginning of year (adjusted)			(963)	
Fund Balances - end of year			-	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>			963	
Accrued Revenues			(963)	
Accrued Expenditures			-	
<b>Net change in fund balances (GAAP Basis)</b>			-	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27107 - 2012 G.O. Bond Student Library - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	21,888	21,888	-	(21,888)
Total Revenues	21,888	21,888	-	(21,888)
Expenditures:				
Education, Current:				
Support Services - Instruction	21,888	21,888	13,235	8,653
Revenues Over (Under) Expenditures	\$ -	-	(13,235)	(13,235)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			(13,235)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			(13,235)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(13,235)	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			(344)	
<b>Net change in fund balances (GAAP Basis)</b>			(13,579)	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27113 - Instructional Material Adoption Support - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	181,808	113,389	(68,419)
Total Revenues	-	181,808	113,389	(68,419)
Expenditures:				
Education, Current:				
Support Services - General Administration	-	16,528	-	16,528
Support Services - Central Services	-	165,280	123,504	41,776
	-	181,808	123,504	58,304
Revenues Over (Under) Expenditures	\$ -	-	(10,115)	(126,723)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	
Operating Transfers and Adjustments	-	-	-	
<b>Net change in fund balances (Budget Basis)</b>			(10,115)	
Fund Balances - beginning of year (adjusted)			(93,123)	
Fund Balances - end of year			(103,238)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(10,115)	
<i>Accrued Revenues</i>			29,845	
<i>Accrued Expenditures</i>			-	
<b><i>Net change in fund balances (GAAP Basis)</i></b>			19,730	

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Fund 27114 - NM Reads To Lead K-3 - Special Revenue Func**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	99,178	132,442	33,264
Total Revenues	-	99,178	132,442	33,264
<b>Expenditures:</b>				
Education, Current:				
Instruction	-	51,675	51,675	-
Support Services - Instruction	-	47,503	47,503	-
	-	99,178	99,178	-
Revenues Over (Under) Expenditures	\$ -	-	33,264	33,264
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-	-	
Operating Transfers and Adjustments	-	-	-	
<b>Net change in fund balances (Budget Basis)</b>			33,264	
Fund Balances - beginning of year (adjusted)			(66,131)	
Fund Balances - end of year			(32,867)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			33,264	
<i>Accrued Revenues</i>			(33,367)	
<i>Accrued Expenditures</i>			(519)	
<b><i>Net change in fund balances (GAAP Basis)</i></b>			(622)	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27117 - Technology for Education - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Instruction	-	2,878	2,877	1
Support Services - Central Services	-	-	-	-
	-	2,878	2,877	1
Revenues Over (Under) Expenditures	\$ -	(2,878)	(2,877)	1
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	2,878		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			(2,877)	
Fund Balances - beginning of year (adjusted)			2,877	
Fund Balances - end of year			-	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>			(2,877)	
Accrued Revenues			-	
Accrued Expenditures			-	
<b>Net change in fund balances (GAAP Basis)</b>			(2,877)	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27150 - Indian Education - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	20,000	7,684	(12,316)
Total Revenues	-	20,000	7,684	(12,316)
<b>Expenditures:</b>				
Education, Current:				
Instruction	-	10,302	10,302	-
Support Services - Student	-	5,898	5,860	38
Support Services - Instruction	-	3,800	3,838	(38)
Support Services - Central Services	-	-	-	-
	-	20,000	20,000	-
Revenues Over (Under) Expenditures	\$ -	-	(12,316)	(12,316)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			(12,316)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			(12,316)	
 <b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b> 				
<i>Net change in fund balance (Budget Basis)</i>			(12,316)	
<i>Accrued Revenues</i>			12,316	
<i>Accrued Expenditures</i>			-	
<b>Net change in fund balances (GAAP Basis)</b>			-	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27178 - 2013 School Bus Purchase - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	772,290	772,288	(2)
Total Revenues	-	772,290	772,288	(2)
Expenditures:				
Education, Current:				
Student Transportation	-	772,290	772,288	2
Revenues Over (Under) Expenditures	\$ -	-	-	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	-
Operating Transfers and Adjustments	-	-	-	-
<b>Net change in fund balances (Budget Basis)</b>	-	-	-	-
Fund Balances - beginning of year (adjusted)	-	-	-	-
Fund Balances - end of year	-	-	-	-
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			-	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			-	
<b>Net change in fund balances (GAAP Basis)</b>			-	



**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27183 - New Mexico Grown Vegetables - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	591	591	-
Total Revenues	-	591	591	-
Expenditures:				
Education, Current:				
Food Services	-	591	591	-
Revenues Over (Under) Expenditures	\$ -	-	-	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			-	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			-	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>			-	
Accrued Revenues			-	
Accrued Expenditures			-	
<b>Net change in fund balances (GAAP Basis)</b>			-	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27185 - Next Generation Assessments - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	47,674	47,674	-
Total Revenues	-	47,674	47,674	-
<b>Expenditures:</b>				
Education, Current:				
Instruction	-	-	-	-
Support Services - Instruction	-	47,674	47,674	-
Support Services - Central Services	-	-	-	-
	-	47,674	47,674	-
Revenues Over (Under) Expenditures	\$ -	-	-	-
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-	-	-
Operating Transfers and Adjustments			-	-
<b>Net change in fund balances (Budget Basis)</b>			-	-
Fund Balances - beginning of year (adjusted)			-	-
Fund Balances - end of year			-	-
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			-	-
<i>Accrued Revenues</i>			-	-
<i>Accrued Expenditures</i>			-	-
<i>Net change in fund balances (GAAP Basis)</i>			-	-

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Fund 28133 - NM Youth Conservation - Special Revenue Func**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	85,735	71,855	(13,880)
Total Revenues	-	85,735	71,855	(13,880)
Expenditures:				
Education, Current:				
Instruction	-	85,735	85,172	563
Total Expenditures	-	85,735	85,172	563
Revenues Over (Under) Expenditures	\$ -	-	(13,317)	(13,317)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	
Operating Transfers and Adjustments	-	-	-	
<b>Net change in fund balances (Budget Basis)</b>			(13,317)	
Fund Balances - beginning of year (adjusted)			(49,673)	
Fund Balances - end of year			(62,990)	

**Reconciliation from Budgetary to GAAP Budgetary Basis**

<i>Net change in fund balance (Budget Basis)</i>	(13,317)
<i>Accrued Revenues</i>	13,347
<i>Accrued Expenditures</i>	-
<b><i>Net change in fund balances (GAAP Basis)</i></b>	30

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 28144 - Medicaid Support - HSD - Special Revenue Func  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	170,000	170,000	190,984	20,984
Total Revenues	170,000	170,000	190,984	20,984
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Students	266,977	266,684	112,407	154,277
Support Services - School Administration	31,570	31,570	46,448	(14,878)
Total Expenditures	298,547	298,254	158,855	139,399
Revenues Over (Under) Expenditures	\$ (128,547)	(128,254)	32,129	160,383
Other Financing Sources (Uses)				
Cash budgeted from prior year	128,547	128,254		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			32,129	
Fund Balances - beginning of year (adjusted)			177,927	
Fund Balances - end of year			210,056	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>			32,129	
Accrued Revenues			(9,058)	
Accrued Expenditures			652	
<b>Net change in fund balances (GAAP Basis)</b>			23,723	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 31100 - Bond Building - Capital Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Local Sources:				
Investment Income	\$ -	-	-	-
Bond Sale	\$ -	-	-	-
	-	-	-	-
Expenditures:				
Education, Non-Current:				
Capital Outlay	-	330,864	295,949	34,915
Revenues Over (Under) Expenditures	\$ -	(330,864)	(295,949)	34,915
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	330,864		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			(295,949)	
Fund Balances - beginning of year (adjusted)			330,863	
Fund Balances - end of year			34,914	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>			(295,949)	
Accrued Revenues			-	
Accrued Expenditures			-	
<b>Net change in fund balances (GAAP Basis)</b>			(295,949)	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 31700 - Capital Improvements SB-9 - Capital Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
State Sources				
State Flow-Through Grant	\$ -	-	67,831	67,831
Local Sources				
Ad Valorem Taxes - School District	746,805	746,805	694,713	(52,092)
Oil and Gas Taxes	1,030,283	1,030,283	712,932	(317,351)
Intergovernmental Contract Revenue	-	-	23,175	23,175
	1,777,088	1,777,088	1,430,820	(346,268)
<b>Total Revenues</b>	1,777,088	1,777,088	1,498,651	(278,437)
<b>Expenditures:</b>				
Education, Current:				
Support Services - General Administration	5,000	10,000	7,308	2,692
Education, Non-Current:				
Capital Outlay	6,401,755	6,787,137	1,590,006	5,197,131
<b>Total Expenditures</b>	6,406,755	6,797,137	1,597,314	5,199,823
Revenues Over (Under) Expenditures	\$ (4,629,667)	(5,020,049)	(98,663)	4,921,386
Other Financing Sources (Uses)				
Cash budgeted from prior year	4,629,667	5,020,049		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			(98,663)	
Fund Balances - beginning of year (adjusted)			5,020,049	
Fund Balances - end of year			4,921,386	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>			(98,663)	
Accrued Revenues			14,432	
Accrued Expenditures			(47,493)	
<b>Net change in fund balances (GAAP Basis)</b>			(131,724)	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 41000 - Debt Service Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable) Final to Actual</u>
<b>Revenues:</b>				
Local Sources				
Ad Valorem Taxes - School District	\$ 1,888,981	1,888,981	3,135,086	1,246,105
Oil and Gas Taxes	2,833,471	2,833,471	2,738,422	(95,049)
Investment Income	-	-	-	-
Special Revenue Bond Proceeds	-	-	-	-
Premium/Discount on Issuance of Bonds	-	-	-	-
Total Revenues	<u>4,722,452</u>	<u>4,722,452</u>	<u>5,873,508</u>	<u>1,151,056</u>
<b>Expenditures:</b>				
Education - Current				
Support Services - General Administration	23,000	33,000	31,319	1,681
Debt Service				
Debt Service - Other Services	900	-	1,552	(1,552)
Debt Service Reserve	3,331,707	3,751,936	-	3,751,936
Spec. Rev. Debt Service Reserve	-	-	-	-
Bond Principal Payments	3,900,000	3,900,000	3,500,000	400,000
Spec. Rev. Bonds Principal Payments	-	-	-	-
Bond Interest Payments	1,222,452	1,277,326	1,272,596	4,730
Spec. Rev. Bonds Interest Payments	-	-	-	-
Total Expenditures	<u>8,478,059</u>	<u>8,962,262</u>	<u>4,805,467</u>	<u>4,156,795</u>
Revenues Over (Under) Expenditures	\$ <u>(3,755,607)</u>	<u>(4,239,810)</u>	<u>1,068,041</u>	<u>(3,005,739)</u>
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	<u>3,755,607</u>	<u>4,239,810</u>		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			1,068,041	
Fund Balances - beginning of year (adjusted)			4,239,810	
Fund Balances - end of year			<u>5,307,851</u>	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			1,068,041	
<i>Accrued Revenues</i>			174,852	
<i>Accrued Expenditures</i>			-	
<b><i>Net change in fund balances (GAAP Basis)</i></b>			<u>1,242,893</u>	

**GENERAL FUND**



**STATE OF NEW MEXICO**

Aztec Municipal Schools

General Fund

Combining Balance Sheet

As of June 30, 2014

	<u>Fund 11000</u>		<u>Fund 13000</u>		<u>Fund 14000</u>		<u>Total General Fund</u>
	<u>Operational</u>		<u>Transportation</u>		<u>Instructional Materials</u>		
<b>ASSETS</b>							
Cash	\$ 3,161,140	\$	63,037	\$	86,278	\$	3,310,455
Investments	-		-		-		-
Property taxes receivable	9,267		-		-		9,267
Other taxes receivable	32,125		-		-		32,125
Due from grantor	-		-		-		-
Due from other funds	725,980		-		-		725,980
Other receivable	10,558		-		570		11,128
Total assets	<u>\$ 3,939,070</u>	\$	<u>63,037</u>	\$	<u>86,848</u>	\$	<u>4,088,955</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>							
Liabilities:							
Accounts payable	\$ 106,714	\$	5,825	\$	1,203	\$	113,742
Accrued salaries and benefits	598,053		63,037		-		661,090
Total liabilities	<u>704,767</u>		<u>68,862</u>		<u>1,203</u>		<u>774,832</u>
Deferred inflows of resources							
Unavailable Revenue	6,402		-		-		6,402
Total deferred inflows of resources	<u>6,402</u>		<u>-</u>		<u>-</u>		<u>6,402</u>
Fund balances							
Nonspendable							
Spendable							
Restricted for:							
Education	-		-		85,645		85,645
Committed for:							
Emergency Reserves	1,300,000		-		-		1,300,000
Subsequent years expenditures	471,441		-		-		471,441
Unassigned	1,456,460		(5,825)		-		1,450,635
Total fund balance	<u>3,227,901</u>		<u>(5,825)</u>		<u>85,645</u>		<u>3,307,721</u>
Total liabilities, deferred resources and fund balance	<u>\$ 3,939,070</u>	\$	<u>63,037</u>	\$	<u>86,848</u>	\$	<u>4,088,955</u>

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools General Fund**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2014**

	<u>Fund 11000</u>	<u>Fund 13000</u>	<u>Fund 14000</u>	<u>Total</u>
	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>General Fund</u>
Revenues:				
Federal grants	\$ 99,956	\$ -	\$ -	99,956
State grants	20,595,110	1,232,866	189,350	22,017,326
Local sources:				
Property Taxes	137,509	-	-	137,509
Oil and Gas Taxes	178,233	-	-	178,233
Local grants	-	-	-	-
Charges for services	54,052	-	-	54,052
Investment income	5,526	-	-	5,526
Miscellaneous	13,343	-	1,312	14,655
Total revenues	<u>21,083,729</u>	<u>1,232,866</u>	<u>190,662</u>	<u>22,507,257</u>
Expenditures:				
Current:				
Instruction	12,898,418	-	158,655	13,057,073
Support services - students	1,975,549	-	-	1,975,549
Support services - instruction	391,908	-	-	391,908
Support services - general administration	291,319	-	-	291,319
Support services - school administration	1,359,939	-	-	1,359,939
Central services	830,838	-	-	830,838
Operations and maintenance of plant	2,674,093	-	-	2,674,093
Student transportation	153,990	1,238,691	-	1,392,681
Other support services	34,815	-	-	34,815
Food services	-	-	-	-
Community services	-	-	-	-
Total expenditures	<u>20,610,869</u>	<u>1,238,691</u>	<u>158,655</u>	<u>22,008,215</u>
Revenues over (under) expenditures	<u>472,860</u>	<u>(5,825)</u>	<u>32,007</u>	<u>499,042</u>
Other financing sources (Uses):				
Bond proceeds	-	-	-	-
Reauthorization of elapsed awards	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balance	472,860	(5,825)	32,007	499,042
Fund balance - beginning of year	<u>2,755,041</u>	<u>-</u>	<u>53,638</u>	<u>2,808,679</u>
Fund balance - end of year	<u>\$ 3,227,901</u>	<u>\$ (5,825)</u>	<u>\$ 85,645</u>	<u>\$ 3,307,721</u>

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 11000 - Operational  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Federal Sources:				
Indirect Costs - Federal Direct Grants	600	-	1,853	1,853
Indirect Costs - Federal Flowthrough Grants	10,000	20,900	52,652	31,752
Access Board (E-rate)	60,000	68,949	45,451	(23,498)
	70,600	89,849	99,956	10,107
State Sources:				
State Equalization Guarantee	20,497,209	20,497,209	20,534,409	37,200
Charter School Administration Revenue	20,000	20,000	25,661	5,661
Ingovernmental Contract Revenue	-	-	18,512	18,512
Fees - Governmental Revenues	43,000	43,000	42,189	(811)
	20,560,209	20,560,209	20,620,771	60,562
Local Sources:				
Ad Valorem Taxes - School District	138,965	138,965	132,972	(5,993)
Oil and Gas Taxes	257,571	257,571	178,233	(79,338)
Investment Income	6,000	6,000	5,526	(474)
Fees - Educational	14,000	19,000	22,425	3,425
Fees - Users	5,000	-	-	-
Royalties	500	500	1,971	1,471
Rentals	450	450	2,175	1,725
Contributions from Private Sources	-	-	1,206	1,206
Insurance Recoveries	-	-	2,325	2,325
Refunds of Prior Year's Expenditures	-	-	863	863
Sale of District Assets	-	-	503	503
	422,486	422,486	348,199	(74,287)
Total Revenues	21,053,295	21,072,544	21,068,926	(3,618)
<b>Expenditures:</b>				
Education, Current:				
Instruction	14,869,508	14,839,471	12,898,188	1,941,283
Support Services - Students	1,988,679	2,656,461	1,971,893	684,568
Support Services - Instruction	377,090	376,825	388,427	(11,602)
Support Services - General Administration	354,431	355,781	291,623	64,158
Support Services - School Administration	1,646,312	1,648,077	1,359,939	288,138
Support Services - Central Services	566,310	566,310	830,205	(263,895)
Operations and Maintenance of Plant	2,775,297	2,773,297	2,673,505	99,792
Student Transportation	310,500	310,500	150,040	160,460
Other Support Services	340,000	359,752	30,346	329,406
Capital Outlay	-	-	-	-
Total Expenditures	23,228,127	23,886,474	20,594,166	3,292,308
<b>Revenues Over (Under) Expenditures</b>	\$ (2,174,832)	(2,813,930)	474,760	3,288,690
Other Financing Sources (Uses)				
Cash budgeted from prior year	2,174,832	2,813,930	-	-
Operating Transfers and Adjustments			-	-
<b>Net change in fund balances (Budget Basis)</b>			474,760	474,760
Fund Balances - beginning of year (adjusted)			2,813,930	2,813,930
Fund Balances - end of year			3,288,690	3,288,690
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>			474,760	474,760
Accrued Revenues			14,803	14,803
Accrued Expenditures			(16,703)	(16,703)
<b>Net change in fund balances (GAAP Basis)</b>			472,860	472,860

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 13000 - Transportation  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
State Sources:				
Transportation Distribution	\$ 1,180,779	1,237,162	1,237,162	-
Transportation Distribution - Supplemental	-	-	-	-
Transportation Distribution	-	-	-	-
	1,180,779	1,237,162	1,237,162	-
Local Sources:				
Sale of District Assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Prior Year Voided Checks	-	-	-	-
Total Revenues	1,180,779	1,237,162	1,237,162	-
<b>Expenditures:</b>				
Education, Current:				
Student Transportation	1,180,779	1,237,162	1,237,162	-
Revenues Over (Under) Expenditures	\$ -	-	-	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	-
Operating Transfers and Adjustments	-	-	-	-
<b>Net change in fund balances (Budget Basis)</b>			-	-
Fund Balances - beginning of year (adjusted)			-	-
Fund Balances - end of year			-	-
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			-	
<i>Accrued Revenues</i>			(4,296)	
<i>Accrued Expenditures</i>			(1,529)	
<b><i>Net change in fund balances (GAAP Basis)</i></b>			<b>(5,825)</b>	

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Fund 14000 - Instructional Materials**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
State Sources:				
Instructional Materials - Adopted 50%	\$ 84,214	98,549	109,010	10,461
Instructional Materials - Other 50%	84,214	98,550	109,010	10,460
State Flow-through	-	-	-	-
	<u>168,428</u>	<u>197,099</u>	<u>218,020</u>	<u>20,921</u>
Local Sources:				
Insurance/Individual Recoveries	-	-	1,312	1,312
Total Revenues	<u>168,428</u>	<u>197,099</u>	<u>219,332</u>	<u>22,233</u>
<b>Expenditures:</b>				
Education, Current:				
Instruction	190,824	235,653	171,608	64,045
Support Services - Instruction	-	-	-	-
Total Expenditures	<u>190,824</u>	<u>235,653</u>	<u>171,608</u>	<u>64,045</u>
Revenues Over (Under) Expenditures	\$ <u>(22,396)</u>	<u>(38,554)</u>	<u>47,724</u>	<u>86,278</u>
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	<u>22,396</u>	<u>38,554</u>		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			47,724	
Fund Balances - beginning of year (adjusted)			38,554	
Fund Balances - end of year			<u>86,278</u>	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			47,724	
<i>Accrued Revenues</i>			(28,670)	
<i>Accrued Expenditures</i>			12,953	
<b><i>Net change in fund balances (GAAP Basis)</i></b>			<u>32,007</u>	

**MOSAIC ACADEMY CHARTER SCHOOL**

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Balance Sheet  
As of June 30, 2014

	GENERAL		SPECIAL REVENUE				
	Fund 11000	Fund 14000	Fund 24106	Fund 26170	Fund 27106 2,010	Fund 27107 2,012	Fund 27114
	Operational Fund	Instructional Materials Fund	Entitlement IDEA-B	Microsoft Settlement	G.O. Bond Student Library Fund	G.O. Bond Student Library Fund	New Mexico Leads to Read K-3
<b>Assets:</b>							
Cash	\$ 292,714	\$ 18,206	\$ -	\$ -	\$ -	\$ -	\$ -
Property Taxes Receivable	-	-	-	-	-	-	-
Other Taxes receivable	-	-	-	-	-	-	-
Due from grantor	-	-	3,177	-	-	-	26,012
Due from other funds	80,000	-	-	-	-	-	-
Other receivable	8	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 372,722</b>	<b>\$ 18,206</b>	<b>\$ 3,177</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,012</b>
<b>Liabilities:</b>							
Accounts Payable	\$ 2,029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 458
Accrued Salaries and Benefits	40,424	-	249	-	-	-	7
Due to Other Funds	-	-	2,927	-	2,158	84	26,006
<b>Total Liabilities</b>	<b>42,453</b>	<b>-</b>	<b>3,176</b>	<b>-</b>	<b>2,158</b>	<b>84</b>	<b>26,471</b>
<b>Deferred inflows of resources</b>							
Unavailable revenue	-	-	3,177	-	-	-	-
<b>Total deferred inflow of resources</b>	<b>-</b>	<b>-</b>	<b>3,177</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>							
<b>Nonspendable</b>							
Inventory	-	-	-	-	-	-	-
<b>Spendable</b>							
<b>Restricted for:</b>							
Education	-	18,206	-	-	-	-	-
Food service operations	-	-	-	-	-	-	-
Capital Acquisitions and Improvements	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
<b>Committed for:</b>							
Emergency Reserves	200,000	-	-	-	-	-	-
Subsequent years expenditures	-	-	-	-	-	-	-
Unassigned	130,269	-	(3,176)	-	(2,158)	(84)	(459)
<b>Total Fund Balance</b>	<b>330,269</b>	<b>18,206</b>	<b>(3,176)</b>	<b>-</b>	<b>(2,158)</b>	<b>(84)</b>	<b>(459)</b>
<b>Total Liabilities, Deferred inflow of resources and Fund Balance</b>	<b>\$ 372,722</b>	<b>\$ 18,206</b>	<b>\$ 3,177</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,012</b>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Balance Sheet  
As of June 30, 2014

CAPITAL PROJECTS			
	<b>Fund 31200</b>	<b>Fund 31700</b>	
	<b>Public School Capital Outlay</b>	<b>Capital Improvements SB-9</b>	<b>Total</b>
<b>Assets:</b>			
Cash	\$ -	19,647	\$ 330,567
Property Taxes Receivable	-	2,024	2,024
Other Taxes receivable	-	-	-
Due from grantor	48,825	-	78,014
Due from other funds	-	-	80,000
Other receivable	-	-	8
Inventory	-	-	-
Total Assets	<u>\$ 48,825</u>	<u>21,671</u>	<u>\$ 490,613</u>
<b>Liabilities:</b>			
Accounts Payable	\$ -	7	\$ 2,494
Accrued Salaries and Benefits	-	-	40,680
Due to Other Funds	48,825	-	80,000
Total Liabilities	<u>48,825</u>	<u>7</u>	<u>123,174</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue	18,944	1,314	23,435
Total deferred inflow of resources	<u>18,944</u>	<u>1,314</u>	<u>23,435</u>
<b>Fund Balances</b>			
<b>Nonspendable</b>			
Inventory	-	-	-
<b>Spendable</b>			
<b>Restricted for:</b>			
Education	-	-	18,206
Food service operations	-	-	-
Capital Acquisitions and Improvements	-	20,350	20,350
Debt Service	-	-	-
<b>Committed for:</b>			
Emergency Reserves	-	-	200,000
Subsequent years expenditures	-	-	-
Unassigned	(18,944)	-	105,448
Total Fund Balance	<u>(18,944)</u>	<u>20,350</u>	<u>344,004</u>
Total Liabilities, Deferred inflow of resources and Fund Balance	<u>\$ 48,825</u>	<u>21,671</u>	<u>\$ 490,613</u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Reconciliation of the Balance Sheet to the  
Statement of Net Position  
As of June 30, 2014

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

Total fund balances - governmental funds	\$	344,004
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
The cost of capital assets is		361,901
Accumulated depreciation is		(147,536)
		214,365
Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in governmental funds. Long-term and other liabilities at year-end consist of:		
Capital lease payable		(3,536)
Revenues not collected within sixty days after year-end are considered "available" revenues and are shown as unavailable revenues on the balance sheet.		
Delinquent property taxes		1,314
Capital grant amount due		18,944
Federal grant amount due		3,177
Total net position - governmental activities	\$	578,268

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Mosaic Academy Charter School**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2014**

	GENERAL		SPECIAL REVENUE		
	Fund 11000	Fund 14000	Fund 24106	Fund 26170	Fund 27106
	Operational Fund	Instructional Materials Fund	Entitlement IDEA-B	Microsoft Settlement	2,010 G.O. Bond Student Library Fund
Revenues:					
Federal Grants	\$ -	\$ -	\$ 53,685	\$ -	\$ -
State Grants	1,257,399	10,615	-	-	-
Local Sources:					
Local Grants	-	-	-	-	-
Miscellaneous	3,076	-	-	-	-
Total Revenues	<u>1,261,717</u>	<u>10,615</u>	<u>53,685</u>	<u>-</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	770,226	13,091	54,886	12,037	-
Support Services - Students	70,131	-	733	-	-
Support Services - Instruction	10,977	-	-	-	2,158
Support Services - General Administration	17,553	-	1,242	-	-
Support Services - School Administration	216,615	-	-	-	-
Central Services	77,123	-	-	-	-
Operations and Maintenance of Plant	86,581	-	-	-	-
Food Services	3,748	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>1,252,954</u>	<u>13,091</u>	<u>56,861</u>	<u>12,037</u>	<u>2,158</u>
Revenues Over (Under) Expenditures	<u>8,763</u>	<u>(2,476)</u>	<u>(3,176)</u>	<u>(12,037)</u>	<u>(2,158)</u>
Net Change in Fund Balance	8,763	(2,476)	(3,176)	(12,037)	(2,158)
Fund Balance - Beginning of Year	<u>321,506</u>	<u>20,682</u>	<u>-</u>	<u>12,037</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 330,269</u>	<u>\$ 18,206</u>	<u>\$ (3,176)</u>	<u>\$ -</u>	<u>\$ (2,158)</u>

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2014

	SPECIAL REVENUE		CAPITAL FUNDS		
	Fund 27107	Fund 27114	Fund 31200	Fund 31700	
	2,012 G.O. Bond Student Library Fund	New Mexico Leads to Read K-3	Public School Capital Outlay	Capital Improvements SB-9	TOTAL
Revenues:					
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ 53,685
State Grants	-	47,185	90,537	-	1,405,736
Local Sources:					
Local Grants	-	-	-	36,455	36,455
Miscellaneous	-	-	-	-	3,076
Total Revenues	<u>-</u>	<u>47,185</u>	<u>90,537</u>	<u>36,455</u>	<u>1,500,194</u>
Expenditures:					
Current:					
Instruction	-	47,644	-	-	897,884
Support Services - Students	-	-	-	-	70,864
Support Services - Instruction	84	-	-	-	13,219
Support Services - General Administration	-	-	-	233	19,028
Support Services - School Administration	-	-	-	-	216,615
Central Services	-	-	-	-	77,123
Operations and Maintenance of Plant	-	-	-	-	86,581
Food Services	-	-	-	-	3,748
Capital Outlay	-	-	109,481	15,872	125,353
Total Expenditures	<u>84</u>	<u>47,644</u>	<u>109,481</u>	<u>16,105</u>	<u>1,510,415</u>
Revenues Over (Under) Expenditures	<u>(84)</u>	<u>(459)</u>	<u>(18,944)</u>	<u>20,350</u>	<u>(10,221)</u>
Net Change in Fund Balance	(84)	(459)	(18,944)	20,350	(10,221)
Fund Balance - Beginning of Year	-	-	-	-	354,225
Fund Balance - End of Year	<u>\$ (84)</u>	<u>\$ (459)</u>	<u>\$ (18,944)</u>	<u>\$ 20,350</u>	<u>\$ 344,004</u>

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balance to the Statement of Activities  
For the Year Ended June 30, 2014

Total net change in fund balances - governmental funds	\$	(10,221)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those assets 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	(16,744)	
Capital outlays	5,926	
Excess of capital outlays over depreciation expense		(10,818)

Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Postion and does not affect the Statement of Activities.

Lease purchase principal payments	-	1,762
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Because some revenues will not be collected for several months after the fiscal year-end, they are not considered available revenues in the governmental funds. They are considered revenues in the Statement of Activities. The increase (decrease) in revenues receivable for the year were:

Property taxes		1,314
Capital grant amount due		18,944
Federal grant amount due		3,177
Change in net position of governmental activities	\$	4,158

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
As of June 30, 2014

<u>Assets</u>	Balance <u>June 30, 2014</u>
Cash	\$ <u>7,576</u>
<u>Liabilities</u>	
Due to Student Organizations	\$ <u>7,576</u>

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Fund 11000 - Operational Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
<b>Revenues:</b>				
<b>Federal Sources:</b>				
Indirect Costs - Federal Flowthrough Grants	-	-	1,242	1,242
	-	-	1,242	1,242
<b>State Sources:</b>				
State Equalization Guarantee	1,239,860	1,257,395	1,265,985	8,590
Total State Sources	1,239,860	1,257,395	1,265,985	8,590
<b>Local Sources:</b>				
Refunds of Prior Year's Expenditures	-	-	3,076	3,076
Sale of District Assets	-	-	-	-
Total Local Sources	-	-	3,076	3,076
Total Revenues	1,239,860	1,257,395	1,270,303	12,908
<b>Expenditures:</b>				
<b>Education, Current:</b>				
Instruction	872,011	907,011	770,226	136,785
Support Services - Students	57,755	78,379	70,131	8,248
Support Services - Instruction	13,087	15,129	11,277	3,852
Support Services - General Administration	12,735	25,147	17,593	7,554
Support Services - School Administration	212,386	214,878	213,501	1,377
Support Services - Central Services	81,066	98,772	77,123	21,649
Operations and Maintenance of Plant	225,232	215,060	86,435	128,625
Student Transportation	7,000	7,000	-	7,000
Other Support Services	15,000	15,000	-	15,000
Food Services	5,000	5,000	3,748	1,252
Community Services	-	-	-	-
<b>Education, Non-Current:</b>				
Capital Outlay	-	-	-	-
Total Expenditures	1,501,272	1,581,376	1,250,034	331,342
Revenues Over (Under) Expenditures	(261,412)	(323,981)	20,269	344,250
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	261,412	323,981		
<b>Operating Transfers and Adjustments</b>				
<b>Net change in fund balances (Budget Basis)</b>			20,269	
Fund Balances - beginning of year (adjusted)			315,386	
Fund Balances - end of year			335,655	
<b><u>Reconciliation from Budgetary to GAAP Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>			20,269	
Accrued Revenues			(8,586)	
Accrued Expenditures			(2,920)	
<b>Net change in fund balances (GAAP basis)</b>			8,763	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Fund 14000 - Instructional Materials Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
<b>Revenues:</b>				
State Sources:				
Instructional Materials - Credit 50%	\$ 4,812	4,812	-	(4,812)
Instructional Materials - Cash 50%	4,812	4,812	-	(4,812)
Library Materials	-	-	12,588	12,588
	9,624	9,624	12,588	2,964
Local Sources:				
Insurance/Individual Recoveries	-	-	-	-
Total Revenues	9,624	9,624	12,588	2,964
<b>Expenditures:</b>				
Education, Current:				
Instruction	9,624	28,333	13,091	15,242
Support Services - Instruction	-	-	-	-
Total Expenditures	9,624	28,333	13,091	15,242
Revenues Over (Under) Expenditures	\$ -	(18,709)	(503)	18,206
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	18,709		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			(503)	
Fund Balances - beginning of year (adjusted)			18,709	
Fund Balances - end of year			18,206	
<b><u>Reconciliation from Budgetary to GAAP Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>			(503)	
Accrued Revenues			(1,973)	
Accrued Expenditures			-	
<b>Net change in fund balances (GAAP basis)</b>			(2,476)	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Budget and Actual (Non-GAAP Basis)  
Fund 24106 - Entitlement IDEA-B - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	-	-	-
Flow-Through Grants - District to Charter	-	57,462	74,490	17,028
Total Revenues	-	57,462	74,490	17,028
 <b>Expenditures:</b>				
Education, Current:				
Instruction	-	55,476	54,886	590
Support Services - Students	-	744	733	11
Support Services - General Administration	-	1,242	1,242	-
Support Services - School Administration	-	-	-	-
Central Services	-	-	-	-
Student Transportation	-	-	-	-
Community Services	-	-	-	-
Total Expenditures	-	57,462	56,861	601
Revenues Over (Under) Expenditures	-	-	17,629	17,629
 <b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			17,629	
Fund Balances - beginning of year (adjusted)			(20,805)	
Fund Balances - end of year			(3,176)	
 <b><u>Reconciliation from Budgetary to GAAP Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			17,629	
<i>Accrued Revenues</i>			(20,805)	
<i>Accrued Expenditures</i>			-	
<i>Net change in fund balances (GAAP basis)</i>			(3,176)	



**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
 Mosaic Academy Charter School  
 Fund 26170 - Microsoft Settlement - Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
Revenues:				
Local Sources	\$ -	-	-	-
Expenditures:				
Education, Current:				
Support Services - General Administration	12,038	12,038	12,037	1
Total Expenditures	12,038	12,038	12,037	1
Revenues Over (Under) Expenditures	\$ (12,038)	(12,038)	(12,037)	1
Other Financing Sources (Uses)				
Cash budgeted from prior year	12,038	12,038		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			(12,037)	
Fund Balances - beginning of year (adjusted)			12,037	
Fund Balances - end of year			-	
<b><u>Reconciliation from Budgetary to GAAP Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(12,037)	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			-	
<i>Net change in fund balances (GAAP basis)</i>			(12,037)	

**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
 Mosaic Academy Charter School  
 Fund 27106 - 2010 G.O. Bond Student Library Fund - Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	2,158	2,158	-	(2,158)
Total Revenues	2,158	2,158	-	(2,158)
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Instruction	2,158	2,158	2,158	-
Total Expenditures	2,158	2,158	2,158	-
Revenues Over (Under) Expenditures	\$ -	-	(2,158)	(2,158)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			(2,158)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			(2,158)	
	<b><u>Reconciliation from Budgetary to GAAP Basis</u></b>			
<i>Net change in fund balance (Budget Basis)</i>			(2,158)	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			-	
<i>Net change in fund balances (GAAP basis)</i>			(2,158)	

**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
 Mosaic Academy Charter School  
 Fund 27107 - 2012 G.O. Bond Student Library Fund - Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	3,220	3,220	-	(3,220)
Total Revenues	3,220	3,220	-	(3,220)
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Instruction	3,220	3,220	84	3,136
Total Expenditures	3,220	3,220	84	3,136
Revenues Over (Under) Expenditures	\$ -	-	(84)	(84)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			(84)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			(84)	
				<b><u>Reconciliation from Budgetary to GAAP Basis</u></b>
<b>Net change in fund balance (Budget Basis)</b>			(84)	
Accrued Revenues			-	
Accrued Expenditures			-	
<b>Net change in fund balances (GAAP basis)</b>			(84)	

**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
 Mosaic Academy Charter School  
 Fund 27114 - New Mexico Leads to Read K-3 - Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	49,873	21,173	(28,700)
Total Revenues	-	49,873	21,173	(28,700)
<b>Expenditures:</b>				
Education, Current:				
Instruction	-	49,873	47,186	2,687
Support Services - Instruction	-	-	-	-
Total Expenditures	-	49,873	47,186	2,687
Revenues Over (Under) Expenditures	\$ -	-	(26,013)	(26,013)
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			(26,013)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			(26,013)	
<b><u>Reconciliation from Budgetary to GAAP Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(26,013)	
<i>Accrued Revenues</i>			26,012	
<i>Accrued Expenditures</i>			(458)	
<b>Net change in fund balances (GAAP basis)</b>			(459)	

**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
 Mosaic Academy Charter School  
 Fund 31200 - Public School Capital Outlay - Capital Projects Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Budgetary Basis)	Final to Actual
Revenues:				
Local Sources:				
State Flow-Through Grant	\$ -	109,481	87,458	(22,023)
	\$ -	-	-	-
	-	109,481	87,458	(22,023)
Expenditures:				
Education, Non-Current:				
Capital Outlay	-	109,481	109,481	-
Revenues Over (Under) Expenditures	-	-	(22,023)	(22,023)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			(22,023)	
Fund Balances - beginning of year (adjusted)			(26,802)	
Fund Balances - end of year			(48,825)	
<b><u>Reconciliation from Budgetary to GAAP Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>			(22,023)	
Accrued Revenues			3,079	
Accrued Expenditures			-	
<b>Net change in fund balances (GAAP basis)</b>			(18,944)	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Fund 31700 - Capital Improvements SB-9 - Capital Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
<b>Revenues:</b>				
State Sources				
State Flow-Through Grant	\$ -	3,837	-	(3,837)
State Flow-Through Grant	\$ 2,874	2,874	940	(1,934)
	2,874	6,711	940	(5,771)
Local Sources				
Ad Valorem Taxes - School District	-	22,540	35,745	13,205
Oil and Gas Taxes	-	-	-	-
Investment Income	-	-	-	-
	-	22,540	35,745	13,205
<b>Total Revenues</b>	2,874	29,251	36,685	7,434
<b>Expenditures:</b>				
Education, Current:				
Support Services - General Administration	-	226	226	-
Education, Non-Current:				
Capital Outlay	2,874	29,025	15,872	13,153
<b>Total Expenditures</b>	2,874	29,251	16,098	13,153
Revenues Over (Under) Expenditures	-	-	20,587	20,587
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			20,587	
Fund Balances - beginning of year (adjusted)			(940)	
Fund Balances - end of year			19,647	
<b><u>Reconciliation from Budgetary to GAAP Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>			20,587	
Accrued Revenues			(230)	
Accrued Expenditures			(7)	
<b>Net change in fund balances (GAAP basis)</b>			20,350	

## **SUPPORTING SCHEDULES**

## STATE OF NEW MEXICO

Aztec Municipal Schools

Schedule of Deposits

As of June 30, 2014

Primary Government

<u>Account Title</u>	<u>Citizens</u>	<u>Wells Fargo</u>	<u>Total</u>
Payroll Clearing	\$ 806,032	\$ -	\$ 806,032
General Fund	10,787,522	-	10,787,522
Activity Account	372,399	-	372,399
Athletic Account - Imprest	4,764	-	4,764
AP Clearing	-	191,355	191,355
General	-	2,825,314	2,825,314
Total Deposits	11,970,717	3,016,669	14,987,386
Reconciling items	(72,999)	(199,126)	(272,125)
Reconciled balance June 30, 2014	\$ <u>11,897,718</u>	\$ <u>2,817,543</u>	\$ <u>14,715,261</u>

Reconciliation to the financial statements

Cash and cash equivalents:

Government-Wide statement of net position

\$ 14,335,831

Fiduciary statement of fiduciary assets and liabilities

379,430

\$ 14,715,261Component Unit

<u>Account Title</u>	<u>Citizens</u>	<u>Total</u>
Payroll Clearing	\$ 43,873	\$ 43,873
General Fund	305,684	305,684
AP Clearing	451	451
Total Deposits	350,008	350,008
Reconciling items	(11,865)	(11,865)
Reconciled balance June 30, 2014	\$ <u>338,143</u>	\$ <u>338,143</u>

Reconciliation to the financial statements

Cash and cash equivalents:

Government-Wide statement of net position

\$ 330,567

Fiduciary statement of fiduciary assets and liabilities

7,576

\$ 338,143



**STATE OF NEW MEXICO**

Aztec Municipal Schools

Cash Reconciliation

For the Year Ended June 30, 2014

	Operational	Transportation	Instructional Materials	Food Services	Athletics	Federal Flowthrough	Federal Direct	Local Grants
Audited Cash and Investments, June 30, 2013	\$ 3,426,807	67,777	38,554	326,238	103,169	(296,425)	(74,693)	91,195
Adjustment to Beginning Cash Balance	(612,877)	(67,777)				(54,282)	(226)	
Adjusted, Audited Cash Balance June 30, 2013	<u>2,813,930</u>	<u>-</u>	<u>38,554</u>	<u>326,238</u>	<u>103,169</u>	<u>(350,707)</u>	<u>(74,919)</u>	<u>91,195</u>
Add:								
2013-2014 Revenues	21,068,926	1,237,162	219,332	1,341,400	74,786	1,248,354	118,568	87,586
Cash Reclassification of Outstanding Liabilities	598,428	63,037		45	-	47,644	750	-
Net Loans from Other Funds	-	-	-	-	-	475,588	20,187	-
Operating Transfer In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash and Investments Available	<u>24,481,284</u>	<u>1,300,199</u>	<u>257,886</u>	<u>1,667,683</u>	<u>177,955</u>	<u>1,420,879</u>	<u>64,586</u>	<u>178,781</u>
Less:								
2013-2014 Expenditures	20,594,166	1,237,162	171,608	1,309,708	130,609	1,373,232	109,844	95,695
Net Loans to Other Funds	725,980	-	-	-	-	-	-	-
Refund to Grantor	-	-	-	-	-	-	-	-
Operating Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Investments, June 30, 2014	<u>\$ 3,161,138</u>	<u>63,037</u>	<u>86,278</u>	<u>357,975</u>	<u>47,346</u>	<u>47,647</u>	<u>(45,258)</u>	<u>83,086</u>

	State Flowthrough	State Direct	Bond Building	Public School Capital Outlay	Capital Improvements	Debt Services	Total
Audited Cash and Investments, June 30, 2013	\$ (159,774)	184,115	480,848		5,020,049	4,089,825	13,297,685
Adjustment to Beginning Cash Balance	(4,585)	(9,853)					(749,600)
Adjusted, Audited Cash Balance June 30, 2013	<u>(164,359)</u>	<u>174,262</u>	<u>480,848</u>	<u>-</u>	<u>5,020,049</u>	<u>4,089,825</u>	<u>12,548,085</u>
Add:							
2013-2014 Revenues	1,091,198	262,839	-	-	1,498,651	5,873,508	34,122,310
Cash Reclassification of Outstanding Liabilities	4,788	9,579	-	-	-	-	724,271
Net Loans from Other Funds	230,205	-	-	-	-	-	725,980
Operating Transfer In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash and Investments Available	<u>1,161,832</u>	<u>446,680</u>	<u>480,848</u>	<u>-</u>	<u>6,518,700</u>	<u>9,963,333</u>	<u>48,120,646</u>
Less:							
2013-2014 Expenditures	1,094,054	244,027	295,949	-	1,597,314	4,805,467	33,058,835
Net Loans to Other Funds	-	-	-	-	-	-	725,980
Refund to Grantor	-	-	-	-	-	-	-
Operating Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Investments, June 30, 2014	<u>\$ 67,778</u>	<u>202,653</u>	<u>184,899</u>	<u>-</u>	<u>4,921,386</u>	<u>5,157,866</u>	<u>14,335,831</u>

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Cash Reconciliation  
For the Year Ended June 30, 2014

	Operational	Instructional Materials	Federal Flowthrough	Federal Direct	Local Grants
<b>Audited Cash, June 30, 2013</b>	\$ 315,386	18,709	(20,805)	-	12,038
<b>Add:</b>					
2013-2014 Revenues	1,270,303	12,588	74,490	-	-
Reclassification of Held Checks	37,059		249		
Net Loans from Other Funds			2,927		
Operating Transfer In					
<b>Total Cash Available</b>	<u>1,622,748</u>	<u>31,297</u>	<u>56,861</u>	<u>-</u>	<u>12,038</u>
<b>Less:</b>					
2013-2014 Expenditures	1,250,032	13,091	56,862	-	12,038
Net Loans to Other Funds	80,000	-	-	-	-
Operating Transfer Out		-	-		-
<b>Total Cash, June 30, 2014</b>	<u>\$ 292,716</u>	<u>18,206</u>	<u>(1)</u>	<u>-</u>	<u>(0)</u>

	State Flowthrough	Public School Capital Outlay	Capital Improvements	Total
<b>Audited Cash and Investments, June 30, 2013</b>	\$ -	(26,802)	(940)	297,585
<b>Add:</b>				
2013-2014 Revenues	21,173	87,458	36,685	1,502,697
Reclassification of Held Checks	7			37,315
Net Loans from Other Funds	28,248	48,825		80,000
Operating Transfer In				-
<b>Total Cash and Investments Available</b>	<u>49,428</u>	<u>109,481</u>	<u>35,745</u>	<u>1,917,597</u>
<b>Less:</b>				
2013-2014 Expenditures	49,428	109,481	16,098	1,507,030
Net Loans to Other Funds	-	-	-	80,000
Refund to Grantor				-
Operating Transfer Out				-
<b>Total Cash, June 30, 2014</b>	<u>\$ -</u>	<u>(0)</u>	<u>19,647</u>	<u>330,567</u>

**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
 Schedule of Collateral Pledged by Depository for Public Funds  
 As of June 30, 2014

Primary Governmental Unit - Aztec Schools

<u>Name of Depository</u>	<u>Security Description</u>	<u>CUSIP Number</u>	<u>Market Value</u>	<u>Maturity Date</u>
Citizens Bank				
	FHLB Note	433866DC1	\$ 1,500,000	04/15/2020
	FHLB Note	388240DK6	501,310	05/01/2015
	FHLB Note	3136A3KN0	4,983,660	10/25/2040
	FHLB Note	3137AEKW4	1,046,905	03/15/2041
	Total Collateral at Citizens Bank		<u>8,031,875</u>	
Wells Fargo				
	FNAS0316	3138W9K66	1,460,660	08/01/2043
	FNAB7507	31417EKV2	4,544	01/01/2043
	Total Collateral at Wells Fargo Bank		<u>1,465,205</u>	
	Total Pledged Collateral		<u>\$ 9,497,079</u>	

Component Unit - Mosiac Charter School

<u>Name of Depository</u>	<u>Security Description</u>	<u>CUSIP Number</u>	<u>Market Value</u>	<u>Maturity Date</u>
Citizens Bank	Municipal Bond AAA	098104KA9	\$ 580,000	8/1/2038

The pledged securities associated Citizens State Bank deposits are held at Federal Home Loan Bank, Dallas

The pledged securities associated Wells Fargo are held at Bank of New York Mellon

**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
 Schedule of Changes in Net Position - Agency Funds  
 For the Year Ended June 30, 2014

**Primary Government**

	Balance 7/1/2013	Additions	Deletions	Balance 6/30/2014
District Administration	\$ 64,669	11,443	13,964	\$ 62,148
Vista Nueva High School	1,137	1,460	1,069	1,528
Koogler Middle School	65,369	49,099	36,984	77,484
Aztec High School	138,279	179,524	177,618	140,185
McCoy Elementary	16,538	32,211	27,824	20,925
Park Elementary	38,850	48,700	47,247	40,303
Lydia Rippey Elementary	45,330	10,461	18,934	36,857
	<u>\$ 370,172</u>	<u>332,898</u>	<u>323,640</u>	<u>\$ 379,430</u>

District Agency Funds consolidated by budget authority site

**Component Unit**

	Balance 7/1/2013	Additions	Deletions	Balance 6/30/2014
School Wide	\$ 7,653	18,166	18,243	\$ 7,576
	<u>\$ 7,653</u>	<u>18,166</u>	<u>18,243</u>	<u>\$ 7,576</u>

## **COMPLIANCE SECTION**



**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 AUDITORS' REPORT**

Hector H. Balderas  
New Mexico State Auditor  
The Office of Management and Budget  
The Board of Education  
Aztec Municipal Schools  
Aztec, New Mexico

We have audited, 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, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, the aggregate remaining fund information, the budgetary comparisons of the General Fund and Major Special Revenue Fund of Aztec Municipal Schools (the "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 supplementary information, and have issued our report thereon dated September 24, 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 weakness 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 is 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. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item FS 2013-001 (FS 13-01), that we consider to be significant deficiency.

## **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 its 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 instances 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 items FS 2012-001 (FS 12-01), FS 2014-001, MA FS 2012-01 (MA FS 12-01), and MA FS 2014-001.

## **District's Responses to the Findings**

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's 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.

*Accounting & Consulting Group, LLP*

Accounting & Consulting Group, LLP  
Albuquerque, NM  
September 24, 2014

**FEDERAL FINANCIAL ASSISTANCE**





**Accounting & Consulting Group, LLP**  
Certified Public Accountants

## **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

### **INDEPENDENT AUDITORS' REPORT**

Hector H. Balderas  
New Mexico State Auditor  
The Board of Education  
Office of Management and Budget  
Aztec Municipal Schools  
Aztec, New Mexico

#### **Report on Compliance for Each Major Federal Program**

We have audited the Aztec Municipal Schools' (the "District") compliance with the types of compliance requirements described in the *OMB Circular 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 program is identified in the summary of auditors' 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 the 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.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP  
Albuquerque, NM  
September 24, 2014

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014

Federal Grantor/Pass Through Grantor/Program Title	Pass Thru Number	Federal C.F.D.A. Number	Expenditures
<b><u>Department of Education</u></b>			
Passed through from New Mexico			
Public Education Department			
Improving America's Schools Title I	24101	84.010	\$ 385,988 *
Individuals With Disabilities Act - Entitlement	24106	84.027 (1)	783,775 *
Individuals With Disabilities Act - Preschool	24109	84.173 (1)	10,353 *
Individuals with Disabilities Act - At Risk Pool	24120	84.027 (1)	6,491
Improving Teacher Quality	24154	84.367A	145,191 *
Carl Perkins	24174	84.048	17,834
Direct Assistance			
Indian Education Formula Grant	25184	84.060A	<u>87,505</u>
Total Department of Education			<u>1,437,137</u>
<b><u>Bureau of Indian Affairs</u></b>			
Direct programs			
Johnson O'Malley	25131	15.130	<u>22,339</u>
Total Bureau of Indian Affairs			<u>22,339</u>
<b><u>Department of Agriculture</u></b>			
National School Lunch Program			
Direct programs			
National School Lunch Act	21000	10.555	<u>1,070,150</u>
Total Department of Agriculture			<u>1,070,150</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,529,626</u></u>

\* Major program  
() Cluster Program

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014

Notes to Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Aztec Municipal Schools, New Mexico (District) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the modified accrual basis financial statements.

Sub-Recipients

The District did not provide any federal awards to sub-recipients during the year.

Non-Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2014 was \$93,895 and is reported in the Schedule under the Department of Agriculture, CFDA # 10.555.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 2,529,626
Total expenditures funded from other sources	<u>\$30,615,991</u>
Total expenditures	<u>\$33,145,617</u>

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014

**A. SUMMARY OF AUDIT RESULTS**

*Financial Statements:*

Type of auditors' report issued:	Unmodified
Internal control over financial reporting: Material weakness identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

*Federal Awards*

Internal control over major programs: Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Federal Program</u>
10.553 and 10.555	School Breakfast program and National School Lunch Program

Dollar threshold used to distinguish Between type A and type B programs:	\$300,000
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Auditee qualified as low risk auditee?	Yes
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**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**Primary Government**

**FS 2012-001 (FS 12-01) — Procurement Code – Bids (Repeated/Modified) – Other Matter**

*Condition:* During our test work regarding compliance with the New Mexico Procurement Code, we noted that the District made purchases over \$5,000, but failed to maintain sufficient records to support the assertion that management complied with the required level of documentation for procurement. During our testwork over bids, no supporting documentation was maintained supporting the existence of one (1) out of the three (3) bids tested.

*Criteria:* Per NMSA 1978, Section 13-1-103 *Invitation for bids* states “An invitation for bids shall be issued and shall include the specifications for the services, construction or items of tangible personal property to be procured, all contractual terms and conditions applicable to the procurement, the location where bids are to be received, the date, time and place of the bid opening and the requirements for complying with any applicable in-state preference provisions as provided by law.”

*Effect:* Failure to maintain proper competitive invitation of bid/ request for proposal files can result in the contract becoming voidable if the District does not have the proper support to ensure the New Mexico Procurement Code was adhered to.

*Cause:* The District does not have a process in place to review the files to ensure that all necessary information and documentation is maintained to demonstrate adherence to state procurement.

*Auditors' Recommendations:* We recommend the District implement a process to ensure all files are complete and contain up to date documentation required by the New Mexico Procurement Code.

*Agency's Response:*

The District will implement a process to ensure all bid files are complete and contain up to date documentation required by the New Mexico Procurement Code.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014

**B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)**

**FS 2013-001 (FS 13-01) — Entity-Wide Control Deficiency – Significant Deficiency**

*Condition:* During our process of understanding the entity and its environment, we noted an instance where elements of the framework of Committee of Sponsoring Organizations COSO were nonexistent or deficient. We noted that the risk assessment element and monitoring element were not documented or sufficiently designed. We also noted the following deficiency:

- During our receipts test work, we noted that the District does not have adequate segregation of duties in place when preparing the bank reconciliations.

*Criteria:* The Committee of Sponsoring Organizations (COSO) internal control integrated framework consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication and monitoring.

*Effect:* Without all of the five elements of the COSO framework present, the District is exposing itself to the risk of misappropriation of assets and does not have set processes in place to maximize the resources of the District.

*Cause:* Management is in the process of implementing the COSO internal control framework however has not been able to complete the policies in current year.

*Auditors' Recommendations:* We recommend that the District finish incorporating the five elements of the COSO internal control integrated framework in their organization as planned. Specifically, we recommend the District involve another member of management or the governing body into the bank reconciliation process that performs an independent review each month.

*Agency's Response:* The District will establish a monthly bank reconciliation review process.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014

**B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)**

**FS 2014-001 — Travel and Per Diem – Other Matter**

*Condition:* During testwork we noted the following conditions:

- 1 out of 5 transactions tested for travel and per diem, the District incorrectly reimbursed per diem rates to employees for meals and travel by using the rate for travel "beyond the normal work day" rates for meals when no overnight stays.

*Criteria:* Per 2.42.2.8 NMAC, Per Diem rates shall be paid without regard to whether expenses are actually incurred. Where lodging and/or meals are provided or paid for by the agency, the governing body, or another entity, the public officer or employee is entitled to reimbursement only for actual expenses under 2.42.2.9 NMAC.

**B. Per diem rate computation:** Except as provided in Subsections C through I of the Section, per diem rates for travel by public officers and employees shall be computed as follows:

(1) **Partial day per diem rate:** Public officers or employees who occasionally and irregularly travel shall be reimbursed for travel which does not require overnight lodging, but extends beyond a normal work day as follows:

- (a) for less than 2 hours of travel beyond normal work day, none;
- (b) for 2 hours, but less than 6 hours beyond the normal work day, \$12.00;
- (c) for 6 six hours, but less than 12 hours beyond the normal work day, \$20.00;
- (d) for 12 hours or more beyond the normal work day, \$30.00;
- (e) "Occasionally and irregularly" means not on a regular basis and infrequently as determined by the agency. For example, an employee is not entitled to per diem rates under this subparagraph if the employee either travels once a week or travels every fourth Thursday of the month. However, the employee is entitled to per diem rates under this subparagraph if the employee either travels once a month with irregular destinations and at irregular times or travels four times in one month and then does not travel again in the next two months, so long as this is not a regular pattern.
- (f) "Normal work day" means 8 hours within a nine-hour period for all public officers and employees both salaried and non-salaried, regardless of the officers' or employees' regular work schedule.

Also, per 2.42.2.9 (3) NMAC, the public officer or employee must submit receipts for the actual meal and lodging expenses incurred. Under circumstances where the loss of receipts would create a hardship, an affidavit from the officer or employee attesting to the expenses may be substituted for actual receipts. The affidavit must accompany the travel voucher and include the signature of the agency head or governing board

*Effect:* The risk that the District can overpay monies for reimbursements using public funds is heightened.

*Cause:* The District's management had an oversight and missed the requirements of the obtaining documentation during the normal internal control process over travel expenditures.

*Auditors' Recommendation:* We recommend the District follow the Per Diem and Mileage Act when paying per diem and travel expenditures.

*Agency's Response:* The district will review travel policies and ensure it is properly applying NMAC 2.42.2.9.



**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014

**B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)**

**Component Unit**

**MA FS 2012-001 (MA FS 12-01) — Internal Control over Cash Disbursements (Repeated/Modified) – Other Matter**

*Condition:* During our testwork of disbursements, we noted the following:

- One (1) out of five (5) transactions tested, the Charter School purchased an item in the amount of \$694.80, however, put a deposit down in the amount of \$347.40. This is considered an anti donation.
- Two (2) out of five (5) transaction tested, the Charter School purchased items totaling \$2936.18 and \$458.58 respectively, however the P.O.'s was for \$2600 and \$229.29 respectively, with no additional authorization noted in the file.

*Criteria:* NMAC 6.20.2.17 states that each school shall establish and implement written policies and procedures for purchasing, which shall be in compliance with the procurement code Section 13-1-21, NMSA 1978.

*Effect:* The lack of controls over disbursements can lead to errors or fraud not being detected or corrected in a timely manner.

*Cause:* The Charter School authorized the expenditures and overlooked the amounts that were authorized. The Charter School was unaware that they could not place deposits down on goods prior to receipt.

*Auditors' Recommendation:* We recommend that the Charter School fully implement and follow its currently designed internal control systems over the cash disbursements cycle.

*Agency's Response:* Security in the Financial Software has been set to disallow any payment that would exceed the approved total of the purchase order. The Charter will not allow for deposits to vendors outside what is allowed per the Procurement Code. Additionally, all vendors who wish to do business with the Charter must be willing to accept that payment can only be made after services have been rendered and/or product has been received.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014

**B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)**

**Component Unit**

**MA FS 2014-001 — Travel and Per Diem – Other Matter**

*Condition:* During our testwork we noted the following condition:

- 1 out of 5 transactions tested for travel and per diem, the Charter School did not properly authorize a travel request before the travel took place.

*Criteria:* In accordance with Section 10-8-1 to 10-8-8 NMSA 1978 (1995 Repl. Pamp.), 2.42.2 NMAC governs the payment of per diem rates and mileage and the reimbursement of expenses for all salaried and non-salaried public officers and employees of all state agencies and local public bodies.

*Effect:* The risk that the Charter School can overpay monies for reimbursements using public funds is heightened when no authorization is given before the travel takes place.

*Cause:* The Charter School's management had an oversight and missed this travel request during the normal internal control process over travel expenditures.

*Auditors' Recommendation:* We recommend the Charter School follow the Per Diem and Mileage Act when paying per diem and travel expenditures.

*Agency's Response:* The established procedure is that no travel may occur until prior authorization has been provided. The Principal will identify an individual and delegate authority to that individual to authorize travel in the Principal's absence.

**C. FINDINGS – FEDERAL AWARDS**

**Primary Government: None noted**

**Component Unit: None noted**

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Other Disclosures  
For the Year Ended June 30, 2014

**OTHER DISCLOSURES**

**Prior Year Audit Findings**

**Primary Government**

FS 12-01 Procurement Code – Bids – Other Matter (Repeated/Modified)

FS 12-02 Cash Appropriations in Excess of Available Cash Balances – Other Matter (Resolved)

FS 13-01 Entity-Wide Control Deficiency – Significant Deficiency (Repeated/Modified)

FS 13-02 Activity Funds – Internal Control – Significant Deficiency (Resolved)

**Component Unit**

MA FS 12-01 Internal Control over Cash Disbursements – Significant Deficiency (Repeated/Modified)

**Exit Conference**

The contents of this report were discussed on September 24, 2014 for the District and September 26, 2014 for the Component Unit. The following individuals were in attendance.

Primary Government

Kirk Carpenter - Superintendent  
Jimmy Dusenberry – Board Member  
Gary Martinez – Director of Finance  
Malinda Fowler – Comptroller

Accounting & Consulting Group, LLP

Robert Gonzales – Onsite Supervisor  
Ben Martinez – Senior

Component Unit

Diane Mittler – Principal  
Nancy Ross – Contract Business Manager  
Pam Sutherlin – Board Member

Accounting & Consulting Group, LLP

Robert Gonzales – Onsite Supervisor