

STATE OF NEW MEXICO  
**BLOOMFIELD**  
**MUNICIPAL SCHOOL DISTRICT NO. 6**

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COMPREHENSIVE FINANCIAL ANNUAL REPORT  
AND  
SUPPLEMENTAL INFORMATION  
YEAR ENDED JUNE 30, 2013  
WITH  
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



ACCOUNTING & FINANCIAL  
**SOLUTIONS**  
CERTIFIED PUBLIC ACCOUNTANTS

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# INTRODUCTORY SECTION

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STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

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STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

OFFICIAL ROSTER  
June 30, 2013

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BOARD OF EDUCATION

Jim Conyers	President
Eric Smith	Vice President
Veronica D. Tso	Secretary
Bruce Armenta	Member
Dale Maes	Member

SCHOOL OFFICIALS

Joe Rasor	Superintendent
Gary Giron	Finance & Operations Director
Anna Redding	Operations Manager

AUDIT COMMITTEE

Bruce Armenta	Board Member
Dale Maes	Board Member
Karen Ransom	Community Professional
Tasha Lucero	Parent

FINANCE COMMITTEE

Veronica D. Tso	Board Member
Eric Smith	Board Member
Joe Rasor	Superintendent
Chuck Culpepper	Director of Curriculum
Gary Giron	Finance & Operations Director
Anna Redding	Operations Manager

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FINANCIAL SECTION

FISCAL YEAR 2013

JULY 1, 2012 THROUGH JUNE 30, 2013

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## INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor  
The Board of Education and  
The Audit Committee of  
Bloomfield Municipal School District No. 6

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Bloomfield Municipal School District No. 6, as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise Bloomfield Municipal School District No. 6's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Bloomfield Municipal School District No. 6's nonmajor governmental and the budgetary comparisons for the major capital project funds, debt service 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, 2013, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Bloomfield Municipal School District No. 6's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bloomfield Municipal School District No. 6, as of June 30, 2013, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor fund governmental of Bloomfield Municipal School District No. 6 as of June 30, 2013, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project funds, debt service fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Hector H. Balderas, State Auditor  
The Board of Education and  
The Audit Committee of  
Bloomfield Municipal School District No. 6

## 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 8-14 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 inquiries 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 financial statements that collectively comprise the Bloomfield Municipal School District No. 6's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the other schedules required by 2.2.2.NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 22, 2013 on our consideration of the Bloomfield Municipal School District No. 6'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 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 Bloomfield Municipal School District No. 6's internal control over financial reporting and compliance.

*Accounting & Financial Solutions, LLC*  
Farmington, NM  
October 22, 2013

MANAGEMENT'S  
DISCUSSION AND ANALYSIS

BLOOMFIELD SCHOOLS  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For Fiscal Year Ending June 30, 2013

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2013.

#### FINANCIAL HIGHLIGHTS

State revenues accounted for \$21.6 million or 63.9% of total revenues, Local revenues accounted for \$7.6 million or 22.5% and Federal revenues accounted for \$4.6 million or 13.6%.

The general fund reported a positive fund balance of \$2,997,515.

On February 3, 2009 the voters approved a \$35 million bond issue. The District did not sell any additional bonds this fiscal year.

Outlays for capital assets were \$1,579,758 and included new construction and renovations at various sites throughout the district.

#### USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

This comprehensive annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

#### REPORTING THE SCHOOL DISTRICT AS A WHOLE

##### The Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenue and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes in it. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

#### REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

##### Fund Financial Statements

Our analysis of the District's major funds begins on page 18. The fund financial statements begin on page 18 and provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's governmental funds use different accounting approaches as further described in the notes to the financial statements.



BLOOMFIELD SCHOOLS  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For Fiscal Year Ending June 30, 2013

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-view of the District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by approximately \$30.4 million at the close of the most recent fiscal year.

A significant portion of the District's net position reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An analysis of fiscal year 2013 follows:

	Statement of Net Position	
	<u>2013</u>	<u>2012</u>
Current Assets	\$ 13,542,873	\$ 13,079,294
Capital Assets	<u>78,414,363</u>	<u>81,585,935</u>
Total Assets	91,957,236	94,665,229
Deferred Outflows of Resources	<u>0</u>	<u>756,936</u>
Total Assets and Deferred Outflows	<u>91,957,236</u>	<u>95,422,165</u>
Of Revenues		
Current Liabilities		
Current Liabilities	1,247,341	1,261,020
Long Term Liabilities	<u>62,891,634</u>	<u>65,566,286</u>
Total Liabilities	<u>64,138,975</u>	<u>66,827,306</u>
Net Position:		
Invested in Capital Assets, net of debt	14,957,616	15,247,724
Restricted	10,342,539	10,442,274
Unrestricted	<u>2,518,106</u>	<u>2,119,540</u>
Total Net Position	<u>\$ 27,818,261</u>	<u>\$ 27,809,538</u>

BLOOMFIELD SCHOOLS  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For Fiscal Year Ending June 30, 2013

An additional portion of the District's net position (34%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing activities.

Statement of Activities

	<u>2013</u>	<u>2012</u>
Revenues		
Program Revenues		
Charges for Services	\$ 440,177	\$ 464,988
Operating grants	5,850,278	5,423,278
Capital grants and contributions	<u>132,822</u>	<u>70,062</u>
Total Program Revenues	<u>6,423,277</u>	<u>5,958,328</u>
General Revenues		
Property Taxes	7,161,903	7,510,486
Grants and contributions not restricted	20,508,478	20,509,471
Investment Earnings	2,809	4,763
Miscellaneous income	-	-
Total General Revenues	<u>27,673,190</u>	<u>28,024,720</u>
Total Revenues	<u>\$ 34,096,467</u>	<u>\$ 33,983,048</u>
Expenses		
Instruction	\$ 16,140,927	\$ 16,017,396
Support Services - Students	2,718,238	2,820,935
Support Services - Instruction	522,758	519,309
Support Services - General Administration	944,670	867,196
Support Services - School Administration	2,405,839	2,346,481
Central Services	720,868	640,075
Operations & Maintenance of Plant	4,488,881	4,943,785
Student Transportation	1,295,006	1,362,967
Other Support Services	49,900	44,252
Food Services	1,808,828	1,763,212
Community Services	12,279	9,216
Bond interest paid	2,250,999	2,454,085
Depreciation - unallocated	-	-
Total governmental activities	<u>33,359,193</u>	<u>33,788,909</u>
Loss on asset disposal	-	-
Change in Net Position	<u>\$ 737,274</u>	<u>\$ 194,139</u>

BLOOMFIELD SCHOOLS  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For Fiscal Year Ending June 30, 2013

Governmental Activities

Net position of the District's governmental activities increased by \$737,274 due to the completion of the renovations at Bloomfield High School and the Rio Vista facility. Unrestricted net position reflects a positive balance of \$2,518,106.

The property tax laws in New Mexico create the need to periodically seek voter approval for additional capital outlay funds. The 2-mill levy was approved by the voters in February of this year. Tax revenue generated from the 2-mill levy provided approximately \$1.53 million for fiscal year 2013. School districts such as ours are dependent upon property taxes as a primary source of revenue to maintain facilities district-wide.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities. The increase in net cost is attributed to increases in salaries, benefits and construction in 2013. General revenues, including tax revenue, investment earnings, and unrestricted State entitlements must support the net cost of program services.

	Net cost of Services 2013	Net cost of Services 2012
Instruction	\$ (14,010,205)	\$ (14,228,646)
Support Services - Students	(2,215,342)	(2,350,928)
Support Services - Instruction	(454,933)	(462,439)
Support Services - General Administration	(822,104)	(772,229)
Support Services - School Administration	(2,093,694)	(2,089,516)
Central Services	(631,551)	(571,967)
Operations & Maintenance of Plant	(3,932,701)	(4,417,734)
Student Transportation	(117,394)	(244,144)
Other Support Services	(43,717)	(39,543)
Food Services	(352,518)	(191,115)
Community Services	(10,758)	(8,235)
Bond interest paid	<u>(\$2,250,999)</u>	<u>(2,454,085)</u>
 Total governmental activities	 <u>\$ (26,935,916)</u>	 <u>\$ (27,830,581)</u>

**BLOOMFIELD SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

For Fiscal Year Ending June 30, 2013

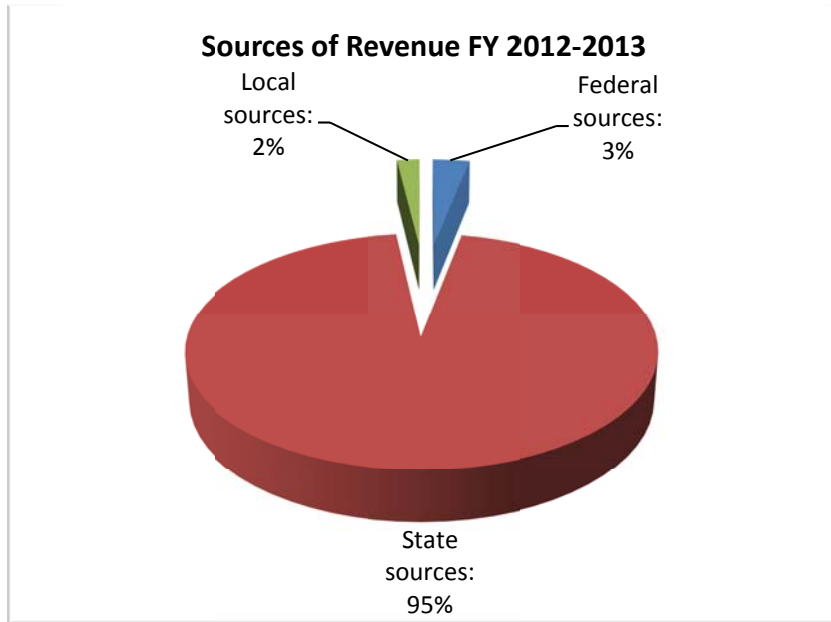
**THE DISTRICT'S FUNDS**

The District's governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$13,132,248. The schedule below indicates the fund balance by type as of June 30, 2013.

	Fund Balance <u>June 30, 2013</u>	Fund Balance <u>June 30, 2012</u>
General	\$ 2,997,515	\$ 2,382,018
Special Revenue	-	-
Debt Service	4,859,756	5,273,517
Capital Projects	3,572,915	3,153,778
Other Governmental	<u>1,702,062</u>	<u>2,043,363</u>
Total	<u>\$ 13,132,248</u>	<u>\$ 12,852,676</u>

**General Fund**

The District's general fund balance increase is primarily due to the effective management and oversight of District financial resources. The tables and graphs that follow assist in illustrating the financial activities and balance of the general fund (as presented on pages 22).



	<b>Sources of Revenue</b>		
	FY 2012-2013	FY 2011-2012	FY 2010-2011
Federal sources:	\$ 680,613	\$ 734,401	\$ 783,673
State sources:	21,175,270	20,988,570	21,346,947
Local sources:	<u>418,269</u>	<u>470,966</u>	<u>447,365</u>
Total revenues	<u>\$22,274,152</u>	<u>\$22,193,937</u>	<u>\$ 22,577,985</u>

**BLOOMFIELD SCHOOLS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For Fiscal Year Ending June 30, 2013

The chart below shows General Fund expenditures by functional categories and that the largest portion of general fund expenditures is spent for direct instruction. General Fund expenditures have remained virtually unchanged from last fiscal year.

	<u>2012-2013</u>	<u>Total Operational Expenditures</u>	<u>\$ 20,324,700</u>
	<u>2011-2012</u>	<u>Total Operational Expenditures</u>	<u>\$ 20,617,171</u>
	2012-2013	2011-2012	2010-2011
	% by		
	Function	% by Function	% by Function
Direct Instruction	61.3%	61.1%	63.1%
Support Services Students	7.9%	7.6%	7.6%
Support Services Instruction	2.0%	2.0%	2.2%
General Administration	3.4%	3.4%	3.0%
School Administration	9.3%	8.9%	8.5%
Central Services	3.0%	3.2%	2.5%
Operation and Maint of Plant	12.8%	13.4%	13.1%
Student Transportation	0.0%	0.0%	0.0%
Other Support Services	0.3%	0.3%	0.1%
Food Services	0.0%	0.0%	0.0%
Community Services	0.0%	0.0%	0.0%
Capital Outlay	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%

**Other Funds**

The District's debt service fund balance decreased by \$413,761 primarily due to the debt service requirements for payments due. The revenues of the fund are: 1) property taxes and 2) oil and gas equipment and production taxes as calculated by county and state officials. The expenses of the fund include debt principal and interest payments as well as treasurer fees.

The decrease in the bond building fund balance is primarily due to continued construction at the high school and for Information Technology purchases. As of June 30, 2013, all construction is completed. The remaining fund balance is expected to be spent on technology improvements for the District.

The capital improvement SB-9 funds increase in fund balance resulted from revenues exceeding expenditures for maintenance of the facilities primarily due to conservative actions taken by the District in its building maintenance plan.

Other governmental funds consist of special revenue funds. The decrease in the fund balance reflects the tightening of governmental funds due to sequestration.

**General Fund Budget Information**

The District's budget is prepared in accordance with New Mexico State of Education law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The District's actual General Fund revenues were \$29,689 greater than planned in the budget due to an increase in State funding from an adjustment of the per student unit value by the Public Education Department.

The District utilizes input from the Board, the Board Finance Committee, the Superintendent, Director of Finance and Operations, Principals, Directors, Supervisors, District staff, and community members to assist in the development of the annual budget.

BLOOMFIELD SCHOOLS  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For Fiscal Year Ending June 30, 2013

#### Capital Assets

The District has \$78.4 million invested in capital assets net of depreciation all in governmental activities. Detailed information regarding capital asset activity is included on page 38.

On February 12, 2013, the voters passed a Public School Capital Improvement Tax (2-mill) for property tax years 2013 through 2018. The funds are used for a wide range of projects including renovations, building and equipment maintenance, furniture, technology, etc. For the fiscal year ended June 30, 2013 the tax provided \$1.5 million in revenues.

#### Debt

At June 30, 2013, the District had \$60,275,000 in outstanding bonds payable. On February 3, 2009 the voters approved a \$35 million bond issue. In November 2009, \$12 million of bonds were issued followed by a second issuance for \$6 million in August 2010 – for a total of \$18 million. Due to the present economic outlook in the area, it has been decided not to issue additional bonds.

#### Restrictions and Other Limitations

With the support of the proceeds from bond issues and the passage of the 2-mill levy, the District is provided the necessary funds to maintain its facilities. The District's financial position is very sound as of June 30, 2013; however, future financial stability is not without its challenges.

The first challenge is for management to effectively and efficiently manage available resources to assure that all required educational services are provided. Maintaining student membership numbers is of vital importance in generating revenues necessary to continue educational programs. The continuing loss of students has resulted in less revenue, which has caused the District to decrease the number of employees, facilities currently utilized and educational services offered.

The second challenge facing the District is based on the state's economy. The District's funding is determined by a calculation that distributes the monies appropriated to public education by the State Legislature. Continued mandates, budget restrictions and budget reductions by the state and federal government increase pressure on budget decisions.

#### CONTACTING THE BLOOMFIELD SCHOOL DISTRICT

This financial report is designed to provide our community, taxpayers, investors and creditors with an overview of the Bloomfield School District financial condition and to provide accountability for the funds the District receives. If you have questions about our report, please contact:

Director of Finance and Operations  
Bloomfield School District  
325 N. Bergin Lane  
Bloomfield, NM 87413

## BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

STATEMENT OF NET POSITION  
 June 30, 2013

	Governmental <u>Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 11,815,332
Receivables:	
Delinquent property taxes receivable	404,295
Grant	798,299
Other receivables	236
Due from other governments	240,506
Instructional supply inventory	228,040
USDA commodities inventory	34,930
Food inventory	21,235
Non-current:	
Non-depreciable assets	4,164,172
Depreciable capital assets, net	<u>74,250,191</u>
Total assets	<u>91,957,236</u>
<b>LIABILITIES</b>	
Accounts payable	208,140
Accrued salaries	47,063
Accrued interest	720,535
Compensated absences	271,603
Noncurrent liabilities:	
Due within one year	3,115,000
Due in more than one year	<u>59,776,634</u>
Total liabilities	<u>64,138,975</u>
<b>NET POSITION</b>	
Net investment in capital assets	14,957,616
Restricted for:	
Inventories	284,205
Special revenue funds	1,016,843
Capital projects	4,101,797
Debt service	4,939,694
Unrestricted	<u>2,518,106</u>
Total net position	<u>\$ 27,818,261</u>

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



STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

STATEMENT OF ACTIVITIES  
 Year Ended June 30, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	
Primary government:					
Governmental activities:					
Instruction	\$ 16,140,927	\$ 36,523	\$ 1,999,890	\$ 94,309	\$ (14,010,205)
Support Services - Students	2,718,238	150,219	336,795	15,882	(2,215,342)
Support Services - Instruction	522,758	-	64,771	3,054	(454,933)
Support Services - General Administration	944,670	-	117,046	5,520	(822,104)
Support Services - School Administration	2,405,839	-	298,088	14,057	(2,093,694)
Central Services	720,868	-	89,317	-	(631,551)
Operations & Maintenance of Plant	4,488,881	-	556,180	-	(3,932,701)
Student Transportation	1,295,006	-	1,177,612	-	(117,394)
Other Support Services	49,900	-	6,183	-	(43,717)
Food Services	1,808,828	253,435	1,202,875	-	(352,518)
Community Services	12,279	-	1,521	-	(10,758)
Bond interest paid	<u>2,250,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,250,999)</u>
Total governmental activities	<u>\$ 33,359,193</u>	<u>\$ 440,177</u>	<u>\$ 5,850,278</u>	<u>\$ 132,822</u>	<u>(26,935,916)</u>
General revenues:					
Property Taxes:					
General purposes					360,261
Debt service					5,255,230
Capital projects					1,546,412
Grants and contributions not restricted					20,508,478
Unrestricted investment earnings					<u>2,809</u>
Total general revenues					<u>27,673,190</u>
Change in net position					<u>737,274</u>
Net position - beginning					27,837,923
Restatement					<u>(756,936)</u>
Net position - beginning as restated					<u>27,080,987</u>
Net position - ending					<u>\$ 27,818,261</u>

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

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

GOVERNMENTAL FUNDS

Balance Sheet  
 June 30, 2013

	General Fund	Title I Fund #24101	Entitlement IDEA-B Fund #24106	Capital Improvements SB-9 Fund #31700
<b>ASSETS</b>				
Pooled cash and investments	\$ 2,174,510	\$ -	\$ -	\$ 3,483,354
Receivables:				
Property taxes	19,324	-	-	87,604
Grant	-	448,331	238,877	-
Other receivables	-	-	-	-
Due from other governments	12,608	-	-	51,789
Due from other funds	763,632	-	-	-
Instructional supply inventory	207,806	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
Total assets	<u>\$ 3,177,880</u>	<u>\$ 448,331</u>	<u>\$ 238,877</u>	<u>\$ 3,622,747</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 157,042	\$ 7,930	\$ 2,777	\$ 16,045
Accrued salaries	17,186	85	14,910	-
Due to other funds	-	440,316	221,190	-
Total liabilities	<u>174,228</u>	<u>448,331</u>	<u>238,877</u>	<u>16,045</u>
Deferred inflows of resources:				
Delinquent property taxes	<u>6,137</u>	-	-	<u>33,787</u>
Total liabilities and deferred inflows of resources	<u>180,365</u>	<u>448,331</u>	<u>238,877</u>	<u>49,832</u>
Fund balance:				
Non-spendable:				
Inventories	207,806	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	3,572,915
Debt service	-	-	-	-
Unassigned	<u>2,789,709</u>	-	-	-
Total fund balance	<u>2,997,515</u>	-	-	<u>3,572,915</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 3,177,880</u>	<u>\$ 448,331</u>	<u>\$ 238,877</u>	<u>\$ 3,622,747</u>

( cont'd; 1 of 2 )

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

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2013

	<u>Debt Service</u> <u>Fund #41000</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>ASSETS</b>			
Pooled cash and investments	\$ 4,501,778	\$ 1,655,690	\$ 11,815,332
Receivables:			
Property taxes	297,367	-	404,295
Grant	-	111,091	798,299
Other receivables	-	236	236
Due from other governments	176,109	-	240,506
Due from other funds	-	-	763,632
Supply inventory	-	20,234	228,040
USDA commodities inventory	-	34,930	34,930
Food inventory	-	21,235	21,235
Total assets	<u>\$ 4,975,254</u>	<u>\$ 1,843,416</u>	<u>\$ 14,306,505</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	\$ -	\$ 24,346	\$ 208,140
Accrued salaries	-	14,882	47,063
Due to other funds	-	102,126	763,632
Total liabilities	-	141,354	1,018,835
Deferred inflows of resources:			
Delinquent property taxes	<u>115,498</u>	<u>-</u>	<u>155,422</u>
Total liabilities and deferred inflows of resources	<u>115,498</u>	<u>141,354</u>	<u>1,174,257</u>
Fund balance:			
Non-spendable:			
Inventories	-	76,399	284,205
Restricted for:			
Special revenue funds	-	1,016,843	1,016,843
Capital projects funds	-	528,882	4,101,797
Debt service	4,859,756	79,938	4,939,694
Unassigned	<u>-</u>	<u>-</u>	<u>2,789,709</u>
Total fund balance	<u>4,859,756</u>	<u>1,702,062</u>	<u>13,132,248</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 4,975,254</u>	<u>\$ 1,843,416</u>	<u>\$ 14,306,505</u>

( 2 of 2 )

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

RECONCILIATION OF THE BALANCE SHEET - ALL GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION

June 30, 2013

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - total governmental funds	\$ 13,132,248
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets	149,535,857
Accumulated depreciation	(71,121,494)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Property taxes receivable	155,422
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	
Bonds payable	(60,275,000)
Accrued interest payable	(720,535)
Accrued vacation payable	(271,603)
Bond premiums	<u>(2,616,634)</u>
Net position of governmental activities	<u>\$ 27,818,261</u>

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

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

GOVERNMENTAL FUNDS  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2013

	General	Title I	Entitlement	Capital	Debt Service	Other	Total
	Fund	Fund #24101	IDEA-B Fund #24106	Improvements SB-9 Fund #31700	Fund #41000	Governmental Funds	Governmental Funds
Revenues:							
Federal sources:							
Public Law 874	\$ 564,656	\$ -	\$ -	\$ -	\$ -	\$ 241,588	\$ 806,244
Department of Defense	57,794	-	-	-	-	-	57,794
Federal flowthrough grants	47,535	892,512	739,777	-	-	386,399	2,066,223
Federal direct grants	10,628	-	-	-	-	472,394	483,022
Food and milk reimbursements	-	-	-	-	-	1,114,783	1,114,783
USDA Commodities	-	-	-	-	-	88,092	88,092
State sources:							
State equalization guarantee	19,631,458	-	-	-	-	-	19,631,458
Transportation	1,177,612	-	-	-	-	-	1,177,612
State instructional material	196,684	-	-	-	-	-	196,684
State grant	169,516	-	-	130,628	-	294,728	594,872
Local sources:							
Grant	8,821	-	-	-	-	7,280	16,101
District school tax levy	360,199	-	-	1,539,005	5,223,311	-	7,122,515
Fees and activities	33,033	-	-	-	-	407,144	440,177
Earnings from investments	2,547	-	-	1,808	1,929	648	6,932
Miscellaneous	11,976	-	-	1,006	-	-	12,982
Total revenue	<u>22,272,459</u>	<u>892,512</u>	<u>739,777</u>	<u>1,672,447</u>	<u>5,225,240</u>	<u>3,013,056</u>	<u>33,815,491</u>
Expenditures:							
Current:							
Instruction	12,566,135	694,658	350,501	-	-	597,866	14,209,160
Support Services:							
Students	1,609,414	79,160	360,152	-	-	344,190	2,392,916
Instruction	408,210	37,051	-	-	-	5,808	451,069
General Administration	764,557	21,994	18,282	8,889	-	17,889	831,611
School Administration	1,900,182	59,564	33	-	-	158,126	2,117,905
Central Services	618,209	-	-	-	-	16,385	634,594
Operation & Maintenance of Plant	2,606,437	-	-	1,149,735	30,579	164,895	3,951,646
Student Transportation	1,139,933	85	-	-	-	-	1,140,018
Other Support Services	43,928	-	-	-	-	-	43,928
Food Services Operations	-	-	-	-	-	1,592,345	1,592,345
Community Services	-	-	10,809	-	-	-	10,809
Capital outlay	1	-	-	94,686	-	456,809	551,496
Debt service:							
Principal retirement	-	-	-	-	3,190,000	-	3,190,000
Bond interest paid	-	-	-	-	2,418,422	-	2,418,422
Total expenditures	<u>21,657,006</u>	<u>892,512</u>	<u>739,777</u>	<u>1,253,310</u>	<u>5,639,001</u>	<u>3,354,313</u>	<u>33,535,919</u>
Excess (deficiency) of revenues over expenditures	<u>615,453</u>	<u>-</u>	<u>-</u>	<u>419,137</u>	<u>(413,761)</u>	<u>(341,257)</u>	<u>279,572</u>
Other financing sources and financing uses:							
Transfers in	44	-	-	-	-	-	44
Transfers out	-	-	-	-	-	(44)	(44)
Total other financing sources and financing uses	<u>44</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44)</u>	<u>-</u>
Net change in fund balance	615,497	-	-	419,137	(413,761)	(341,301)	279,572
Fund balance at beginning of the year	<u>2,382,018</u>	<u>-</u>	<u>-</u>	<u>3,153,778</u>	<u>5,273,517</u>	<u>2,043,363</u>	<u>12,852,676</u>
Fund balance at end of the year	<u>\$ 2,997,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,572,915</u>	<u>\$ 4,859,756</u>	<u>\$ 1,702,062</u>	<u>\$ 13,132,248</u>

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

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2013

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

Net change in fund balance - total governmental funds	\$	279,572
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year</p>		
Capital outlay		551,496
Depreciation		(3,723,068)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
<p>Deferred property taxes at:</p>		
June 30, 2012		(116,034)
June 30, 2013		155,422
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, and similar, items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Current year principal payments		3,190,000
Bond premium amortization		241,588
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
<p>Compensated absences at:</p>		
June 30, 2012		262,478
June 30, 2013		(271,603)
<p>Accrued interest at:</p>		
June 30, 2012		887,958
June 30, 2013		<u>(720,535)</u>
Change in net position of governmental activities	\$	<u><u>737,274</u></u>

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

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

GENERAL FUND

Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Federal sources:				
Public Law 874	\$ 456,351	\$ 456,351	\$ 564,656	\$ 108,305
Department of Defense	37,000	37,000	57,794	20,794
Federal grant	35,000	35,000	47,535	12,535
Federal direct grant	10,000	10,000	10,628	628
State sources:				
State equalization guarantee	19,685,070	20,129,120	19,631,458	(497,662)
Transportation	1,094,803	1,177,971	1,177,612	(359)
State instructional material	196,684	196,684	196,684	-
State grant	22,250	22,250	169,516	147,266
Local sources:				
Grant	-	-	8,865	8,865
District school tax levy	388,012	388,012	361,796	(26,216)
Fees and activities	23,602	23,602	33,033	9,431
Earnings from investments	4,270	4,270	2,599	(1,671)
Miscellaneous	<u>5,000</u>	<u>6,266</u>	<u>11,976</u>	<u>5,710</u>
Total revenues	<u>21,958,042</u>	<u>22,486,526</u>	<u>22,274,152</u>	<u>(212,374)</u>
Expenditures:				
Current:				
Instruction	13,560,204	13,535,248	12,740,250	794,998
Support Services:				
Students	1,555,580	1,631,338	1,608,025	23,313
Instruction	456,785	428,185	405,424	22,761
General Administration	764,483	779,482	704,780	74,702
School Administration	1,826,150	1,901,078	1,897,717	3,361
Central Services	722,841	652,781	618,700	34,081
Operation & Maintenance of Plant	3,204,212	3,216,186	2,614,888	601,298
Student Transportation	1,094,803	1,197,652	1,107,992	89,660
Other Support Services	67,503	113,503	65,669	47,834
Capital outlay:				
Equipment	<u>445,913</u>	<u>789,964</u>	<u>1</u>	<u>789,963</u>
Total expenditures	<u>23,698,474</u>	<u>24,245,417</u>	<u>21,763,446</u>	<u>2,481,971</u>
Excess (deficiency) of revenues over expenditures	(1,740,432)	(1,758,891)	510,706	2,269,597
Beginning cash balance budgeted	1,750,432	1,758,891	-	(1,758,891)
Fund balance at beginning of the year	-	-	<u>2,382,018</u>	<u>2,382,018</u>
Fund balance at end of the year	<u>\$ 10,000</u>	<u>\$ -</u>	2,892,724	<u>\$ 2,892,724</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			207,806	
Change in receivables			(51)	
Change in property tax receivable			1,226	
Change in due from other governments			(2,762)	
Change in payables			(89,793)	
Change in accrued liabilities			(11,573)	
Change in deferred property taxes			<u>(62)</u>	
			<u>\$ 2,997,515</u>	

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

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

TITLE I FUND - NO. 24101  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 555,972	\$ 1,270,668	\$ 696,215	\$ (574,453)
 Expenditures:				
Current:				
Instruction	381,759	839,921	686,984	152,937
Support Services:				
Students	69,013	291,396	79,160	212,236
Instruction	36,725	37,047	36,794	253
General Administration	13,513	32,403	21,994	10,409
School Administration	54,962	63,512	59,565	3,947
Student Transportation	-	6,389	-	6,389
Total expenditures	555,972	1,270,668	884,497	386,171
 Excess (deficiency) of revenues over expenditures	-	-	(188,282)	(188,282)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(188,282)	\$ (188,282)
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			196,297	
Change in payables			(7,930)	
Change in accrued liabilities			(85)	
			\$ -	

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



STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

ENTITLEMENT IDEA-B FUND - NO. 24106  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 749,042	\$ 1,072,972	\$ 727,541	\$ (345,431)
 Expenditures:				
Current:				
Instruction	315,903	521,018	350,291	170,727
Support Services:				
Students	394,291	470,322	358,447	111,875
General Administration	31,348	40,648	18,282	22,366
School Administration	-	34	33	1
Community Services Operations	7,500	40,950	8,171	32,779
Total expenditures	749,042	1,072,972	735,224	337,748
Excess (deficiency) of revenues over expenditures	-	-	(7,683)	(7,683)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(7,683)	\$ (7,683)
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			12,237	
Change in payables			(2,777)	
Change in accrued liabilities			(1,777)	
			\$ -	

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

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

AGENCY FUNDS  
Statement of Fiduciary Assets and Liabilities  
June 30, 2013

ASSETS

Pooled cash and investments	\$ 255,945
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LIABILITIES

Deposits held for others	\$ 255,945
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The notes to the financial statements are an integral part of this statement.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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## I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

Bloomfield Municipal School District (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 in the City of Bloomfield, New Mexico and the surrounding areas. 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 District's financial statements include all entities over which the Board of Education exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. Based upon the application of these criteria, no component units or fiduciary units were included in the financial statements.

Generally Accepted Accounting Principles (GAAP) requires that financial statements present the District (primary government) and its component units. The District has no component units that are required to be presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*.

#### 1. Blended Component Units

The District does not have any component units reported as blended component units.

#### 2. Discretely Presented Component Units

The District does not have any component units reported as discretely presented component units.

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 Bloomfield Municipal School District's management who is responsible for their integrity and objectivity. The financial statements of the District conform to GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

### 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 school district. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

During fiscal year 2013, Bloomfield Municipal School District No. 6 adopted the following GASB Statements:

- GASB 60, Accounting and Financial Reporting for Service Concession Arrangements, improves financial reporting by addressing uses related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This Statement establishes recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators.
- GASB 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34, is effective for the District beginning with its year ending June 30, 2013. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity
- GASB 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, is effective for the District beginning with its year ending June 30, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position.
- GASB 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions — an Amendment to GASB Statement No. 53, which had no impact on the current year financial statements. The objective of this statement is to enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced.
- GASB 65, Items Previously Reported as Assets and Liabilities, 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. This Statement resulted in a restatement of the financial statements which is detailed in Note IV.E on page 43.

Other accounting standards that Bloomfield Municipal School District No. 6 is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 66, Technical Corrections: an amendment to GASB Statements No. 10 and No. 62, resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. This Statement will be effective for the year ended June 30, 2014.
- GASB 67, Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25, establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. This Statement will be effective for the year ended June 30, 2014.
- GASB 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27, this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. This Statement will be effective for the year ended June 30, 2015.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont'd)

- GASB 69, Government Combinations and Disposals of Government Operations, which had distinguishes between a government merger and a government acquisition and establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement will be effective for the year ended June 30, 2015.
- GASB 70, Accounting and Financial Reporting for Nonexchange Financial, June 30, 2014 the requirements of this Statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. This Statement will be effective for the year ended June 30, 2014.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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, net of estimated refunds and estimated uncollectable amounts, 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 60 days of the end of the current fiscal period. Revenues received during the year but are applicable to subsequent years are reported as deferred inflows of resources. 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. Expenditures incurred during the year that are for the benefit of subsequent years are reported as deferred outflows of resources.

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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund – 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.

Title I Special Revenue Fund – To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

Entitlement IDEA-B Special Revenue Fund – The Entitlement IDEA-B program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

Capital Improvements SB – 9 Capital Projects Fund – This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

Debt Service Fund - 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.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont'd)

Additionally, the government reports the following fund types:

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

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Funds – Fiduciary Funds are the agency funds used to account for financial resources used by the student activity groups for which the District has stewardship

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

### D. Assets, Liabilities, and Net Position or Equity

#### 1. *Deposits and investments*

The government'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 investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds for the District must follow the above investment policies.

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 school district. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

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.

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.

#### 2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due from/to other funds."

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### D. Assets, Liabilities, and Net Position or Equity (cont'd)

The District's property taxes are levied each year on the assessed valuation of property located in the school district as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB – 9 Capital Improvements Fund, and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the School District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10th following the levy and become delinquent after 30 days. Therefore, the School District has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year-end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the district has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not been collected, as prescribed in GASB 34. An allowance for refunds and uncollectible amounts has not been recorded.

#### 3. *Inventories*

USDA Commodities are recorded at estimated costs and other inventories are recorded at cost, which approximates market. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

#### 4. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2005, the threshold for defining Capital assets by the government was raised from \$1,000 to assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. 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.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Software costs have been included with the cost of computer equipment and are capitalized with that equipment. The District does not develop software for internal use or any other use.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.

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>
Buildings	40-50
Building improvements	20
Land Improvements	10-20
Vehicles	5-7
Office equipment	5
Computer equipment	3-5



# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### D. Assets, Liabilities, and Net Position or Equity (cont'd)

#### 5. *Compensated absences*

It is the School District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Twelve-month employees that are full time are entitled to two weeks paid vacation per year. Vacation days may not accrue from one year to the next without the prior approval of the superintendent, and is accrued when incurred in the government-wide financial statements. Sick leave days are allotted to employees at the beginning of the year. An employee that terminates his, or her, employment is entitled to reimbursement for unused leave up to the date of termination and after the following restrictions. Any unused sick days accumulated over 55 days, and less than 201 days, will be reimbursed at the amount of 20% of the current daily pay rate of the eligible employee. An employee that gives notice 180 days prior to employment termination is entitled to receive 50% of his, or her, current pay rate for any unused sick leave earned in the last year of employment, and the remaining unused sick days will be reimbursed according to the 20% stipulation.

#### 6. *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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 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 capital projects expenditures.

#### 7. *Fund balance*

##### a. Non-Spendable

The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

##### b. Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

##### c. Committed

Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the District's Board of Education should be reported as committed fund balance. The committed amounts cannot be used for any other purpose unless the District's Board of Education removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District did not have committed fund balances for the year ended June 30, 2013.

##### d. Assigned

Assigned fund balance includes (a) all remaining amounts, except for negative balances, that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed and amounts in the general fund that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent, and removal of, is expressed by the Board of Education or the Finance Committee. The District did not have assigned fund balances for the year ended June 30, 2013.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### D. Assets, Liabilities, and Net Position or Equity (cont'd)

#### e. Unassigned

The remaining fund balance, after all other classifications, within the general fund is reported as unassigned fund balance. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, a negative fund balance will be reported as unassigned fund balance.

When committed, assigned, and unassigned resources are available for use, it is the District's policy to use committed first followed by assigned and unassigned resources as they are needed.

#### 8. *Net Position*

Net Position are presented on the statement of Net Position and may be presented in any of three components.

##### a. Net investment in capital assets

This component of Net Position consists of capital assets, including restricted 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. The portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. That portion of the debt is included in restricted for capital projects.

##### b. Restricted Net Position

Net Position are reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

##### c. Unrestricted Net Position

Unrestricted Net Position consists of Net Position that does not meet the definition of "net investment in capital assets" or "restricted."

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

In the governmental environment, Net Position often is designated to indicate that management does not consider them to be available for general operations. In contrast to restricted Net Position, these types of constraints on resources are internal and management can remove or modify them. However, enabling legislation established by the reporting government should not be construed as an internal constraint.

#### 9. *Indirect Costs*

The District's General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### D. Assets, Liabilities, and Net Position or Equity (cont'd)

#### 10. *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.

#### 11. *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 insure 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 cost".

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 \$19,631,458 in state equalization guarantee distributions during the year ended June 30, 2013.

**Transportation Distribution:** School districts in the State of New Mexico received 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 \$1,177,612 in transportation distributions during the year ended June 30, 2013.

## II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### A. Budgetary Information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the Public School Budget and Planning Unit of the Department of Education. 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. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not exceed the budget on a line item basis, i.e., each budgeted expenditure must be within budgeted amounts. 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 budgetary information presented in these financial statements has been amended in accordance with the above procedures.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

## II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont'd)

### A. Budgetary Information (cont'd)

The school 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 Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
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 Department of Education.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.
6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2013 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 23,698,474	\$ 24,245,417
Special Revenue Fund	4,876,793	6,833,957
Capital Projects Fund	4,520,555	5,620,950
Debt Service Fund	<u>10,091,251</u>	<u>10,616,042</u>
Totals	<u>\$ 43,187,073</u>	<u>\$ 47,316,366</u>

### B. Budgetary Violations

The District did not have any budgetary violations during the year ended June 30, 2013.

### C. Deficit Fund Equity

There were not any deficit fund balances as of June 30, 2013.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

## III. DETAILED NOTES ON ALL FUNDS

### A. Cash and Temporary Investments

At June 30, 2013, the carrying amount of the District's deposits was \$12,070,607 and the bank balance was \$13,159,649 with the difference consisting of outstanding checks. Of this balance \$250,000 was covered by federal depository insurance and \$6,823,817 was covered by collateral held in joint safekeeping by a third party.

#### Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2013, \$6,085,835 of the District's bank balance of \$13,159,649 was exposed to custodial risk as follows:

Uninsured and uncollateralized	\$	6,085,832
Uninsured and collateral held by pledging bank's trust dept not in the District's name		6,823,817
Total uninsured		12,909,649
Insured (FDIC)		250,000
Total deposits	\$	13,159,649
State of New Mexico collateral requirement:		
50% of uninsured public fund bank deposits	\$	6,454,825
Pledged security		6,823,817
Over collateralized	\$	368,992

The collateral pledged is listed on Page 111 of this report. 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.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing "Now" accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

### B. Receivables

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the following:

	Receivables		Due from Other	
	Delinquent		Governments	Funds
	Property Taxes	Grant		
Major Funds:				
General	\$ 19,324	\$ -	\$ 12,608	\$ 763,632
Title I	-	448,331	-	-
Entitlement IDEA-B	-	238,877	-	-
Capital Improvements SB - 9	87,604	-	51,789	-
Debt Service Fund	297,367	-	176,109	-
Other Governmental Funds	-	111,091	-	-
Total	\$ 404,295	\$ 798,299	\$ 240,506	\$ 763,632

An allowance for doubtful accounts has not been established. All receivables are expected to be collectible.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

### III. DETAILED NOTES ON ALL FUNDS (cont'd)

#### B. Receivables (cont'd)

Governmental funds reported deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements		
Other Governmental Funds	\$ -	\$ -
Delinquent property taxes		
General Fund	6,137	-
Capital Improvements SB - 9	33,787	-
Debt Service Fund	<u>115,498</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 155,422</u>	<u>\$ -</u>

#### C. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 4,164,172	\$ -	\$ -	\$ -	\$ 4,164,172
Construction in progress	<u>47,690</u>	<u>-</u>	<u>-</u>	<u>(47,690)</u>	<u>-</u>
Total capital assets not being depreciated	<u>4,211,862</u>	<u>-</u>	<u>-</u>	<u>(47,690)</u>	<u>4,164,172</u>
Capital assets being depreciated:					
Land improvements	4,738,147	176,461	-	47,690	4,962,298
Buildings and improvements	132,202,558	23,898	-	-	132,226,456
Furniture, fixtures, and equipment	<u>7,861,185</u>	<u>351,137</u>	<u>(29,391)</u>	<u>-</u>	<u>8,182,931</u>
Total capital assets being depreciated	<u>144,801,890</u>	<u>551,496</u>	<u>(29,391)</u>	<u>47,690</u>	<u>145,371,685</u>
Less accumulated depreciation for:					
Land improvements	(1,957,219)	(243,357)	-	-	(2,200,576)
Buildings and improvements	(58,818,846)	(3,208,274)	-	-	(62,027,120)
Furniture, fixtures, and equipment	<u>(6,651,752)</u>	<u>(271,437)</u>	<u>29,391</u>	<u>-</u>	<u>(6,893,798)</u>
Total accumulated depreciation	<u>(67,427,817)</u>	<u>(3,723,068)</u>	<u>29,391</u>	<u>-</u>	<u>(71,121,494)</u>
Total capital assets being depreciated, net	<u>77,374,073</u>	<u>(3,171,572)</u>	<u>-</u>	<u>47,690</u>	<u>74,250,191</u>
Total capital assets, net	<u>\$ 81,585,935</u>	<u>\$ (3,171,572)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,414,363</u>

**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS (cont'd)

C. Capital Assets (cont'd)

Depreciation has been allocated to the functions by the following amounts:

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 1,928,196
Support Services - Students	324,721
Support Services - Instruction	63,183
Support Services - General Administration	112,850
Support Services - School Administration	287,402
Central Services	86,115
Operations & Maintenance of Plant	540,190
Student Transportation	156,900
Other Support Services	5,961
Food Services	216,083
Community Services	<u>1,467</u>
Total Depreciation Expense	<u>\$ 3,723,068</u>

The Schedule of Capital Assets Used by Source, and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

Construction commitments

The District is involved in long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$4,101,797 in the capital projects fund designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

D. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2013 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 763,632	\$ -
Title I	-	440,316
Entitlement IDEA-B	-	221,190
Other Governmental Funds	<u>-</u>	<u>102,126</u>
Total	<u>\$ 763,632</u>	<u>\$ 763,632</u>

The inter-fund loans were made for the purposes of cash shortfalls within the individual funds. All loans are expected to be repaid within the next fiscal year.

E. Inter-Fund Transfers

The inter-fund transfers made during the year ended June 30, 2013 were for funds that are not used any longer and are as follows:

	<u>To</u>	<u>From</u>
General Fund	\$ 44	\$ -
Other Governmental Funds	<u>-</u>	<u>44</u>
Total transfers	<u>\$ 44</u>	<u>\$ 44</u>

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

## III. DETAILED NOTES ON ALL FUNDS (cont'd)

### F. Long-Term Debt

#### General Obligation Bonds

General Obligation Bonds – The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the School District boundaries. The details of the bonds and notes as of June 30, 2013 are as follows:

<u>General Obligations Bonds</u>		<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance</u>	<u>Amount Due Within One Year</u>
Series	2005A	6,785,000	2.50% to 4.00%	\$ 3,085,000	\$ 660,000
Series	2005B	5,000,000	3.25% to 4.125%	3,275,000	200,000
Series	2006	15,000,000	4.00% to 5.50%	12,150,000	600,000
Series	2009	19,055,000	4.00% to 5.00%	15,905,000	950,000
Series	2010	6,000,000	5.851%	6,000,000	-
Series	2011	<u>20,875,000</u>	3.00% to 5.00%	<u>19,860,000</u>	<u>705,000</u>
Total		<u>\$ 72,715,000</u>		<u>\$ 60,275,000</u>	<u>\$ 3,115,000</u>

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing.

The District issued a “Qualified School Construction Bond” (GO Bond Series 2010) in the amount of \$6,000,000. The proceeds were used for new construction projects and the repairs of existing facilities. The bond issue was authorized under section 54 of the Internal Revenue Code as amended by the American Recovery and Reinvestment Act. The Act amended section 54A(d)(1) to provide that the term “qualified tax credit bond” means, in part, a qualified school construction bond that is part of an issue that meets the requirements of section 54A(d)(2), (3), (4), (5), and (6). The District pays interest on the bond issue at 0.461%, \$27,660 annually, and receives a “subsidy” for the remaining interest due on this bond issue. The holders of the bonds will receive a tax credit in lieu of interest payments. The “subsidy” effectively reduces the District’s interest payments by \$147,870 annually. Additionally, the District will be required to fund a sinking fund beginning August 1, 2013. The fund will have a yield of 4.35% and must be funded as follows:

<u>Funding of Sinking Fund</u>	
<u>August 1,</u>	<u>Amount</u>
2013	\$ 100,000
2014	100,000
2015	200,000
2016	250,000
2017	250,000
2018	300,000
2019	300,000
2020	300,000
2021	500,000
2022	600,000
2023	600,000
2024	600,000
2025	600,000
2026	600,000
2027	<u>700,000</u>
Total	<u>\$ 6,000,000</u>



**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS (cont'd)

F. Long-Term Debt (cont'd)

Annual debt service requirements to maturity for general obligation bonds are as follows:

General Obligation Bonds			
Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2014	\$ 3,115,000	\$ 2,299,710	\$ 5,414,710
2015	3,640,000	2,157,585	5,797,585
2016	4,070,000	1,983,135	6,053,135
2017	4,455,000	1,793,760	6,248,760
2018	4,650,000	1,605,635	6,255,635
2019 - 2023	27,945,000	4,643,062	32,588,062
2024 - 2028	<u>12,400,000</u>	<u>372,470</u>	<u>12,772,470</u>
Total	<u>\$ 60,275,000</u>	<u>\$ 14,855,357</u>	<u>\$ 75,130,357</u>

	<u>Balance</u>
Bonds payable	\$ 60,275,000
Less: current maturities	(3,115,000)
Unamortized:	
Bond premiums	<u>2,616,634</u>
Total non-current liabilities	<u>\$ 59,776,634</u>

Changes in long term debt – During the year ended June 30, 2013 the following changes occurred in liabilities reported in the general obligation bonds account group:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Compensated absences:					
Compensated vacation	\$ 262,478	\$ 159,018	\$ 149,893	\$ 271,603	\$ 271,603
Bonds payable	<u>63,465,000</u>	<u>-</u>	<u>3,190,000</u>	<u>60,275,000</u>	<u>3,115,000</u>
	<u>\$ 63,727,478</u>	<u>\$ 159,018</u>	<u>\$ 3,339,893</u>	<u>\$ 60,546,603</u>	<u>\$ 3,386,603</u>

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds. The liquidation of bonds payable is done with resources from the debt service fund.

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2013.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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## IV. OTHER INFORMATION (cont'd)

### B. Employee Retirement Plan

Plan Description - Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes the financial statements and required supplementary information for the plan. That report may be obtained by writing to:

ERB  
P.O. Box 26129  
Santa Fe, New Mexico 87502-6129  
[www.nmerb.org](http://www.nmerb.org)

#### *Funding Policy*

##### Member Contributions

Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 9.40% of their gross salary in fiscal year 2013; 10.1% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

##### Employer Contributions

In fiscal year 2013, Bloomfield Municipal School District No. 6 was required to contribute 12.4% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 10.9% of the gross covered salary for employees whose annual salary is more than \$20,000. In the future, the District will contribute the following percentages of the gross covered salary of employees: 13.15% of gross covered salary in fiscal year 2014; and 13.9% of gross covered salary in fiscal year 2015. 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 ending June 30, 2013, 2012, and 2011, were \$1,712,477, \$1,486,262, and \$1,903,882, respectively, which equal the amount of the required contributions for each fiscal year.

### C. Post-Retirement Health Care Benefits

#### *Plan Description*

Bloomfield Municipal School District No. 6 contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are:

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

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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### IV. OTHER INFORMATION (cont'd)

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:

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$309,679, \$286,465, and \$282,116, respectively, which equal the required contributions for each year.

#### D. Contingent Liabilities

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

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

#### E. Restatement

There was a restatement of the financials for \$756,936, unamortized bond issuance costs, is for the implementation of GASB65 which requires issuance costs associated with general obligation bond issues to be recognized in the year in which they are incurred.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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### IV. OTHER INFORMATION (cont'd)

#### F. Joint Venture

Participants:	Bloomfield Municipal School District No. 6 City of Bloomfield
Operation Responsibility:	Both parties
Description:	For the purposes of constructing, maintaining, and operating a swimming pool facility for the students and the public. Bloomfield Municipal School District No. 6 is responsible for constructing and insuring the facility. The City of Bloomfield will be the fiscal agent of the facility and will maintain and operate the facility.
Period:	January 10, 2005 to January 10, 2030. Renewable for 2 additional 5 year terms
Project Cost:	Bloomfield Municipal Schools agrees to provide location and pay for construction costs in addition to carrying property damage insurance.
Association Contributions:	Initial: Construction costs in the amount of \$3,212,000 Annually: Undetermined.
Audit Responsibility:	City of Bloomfield
Reporting Responsibility:	Revenues are collected and recorded by the City and are shared and recorded by both parties. Expenses are incurred and recorded by both parties.

#### G. Cash Flows

The District's federal and state grants operate on a reimbursement basis. The District must support the expenditures of these grants with monies from the unrestricted operating monies. Operating on a reimbursement basis for these grants in its self does not adversely affect the District's ability to operate effectively. However, the time it takes to receive reimbursement, if extensive, does significantly affect the District's cash flows and the ability to deliver educational services to the community in an effective manner. This could affect the District's financial operations in subsequent years.

#### H. Subsequent Events

Subsequent events were evaluated through October 22, 2013, which is the date the financial statements were available to be issued.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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### OPERATING FUND

The government's primary fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

### TRANSPORTATION FUND

Accounts for all the Transportation funds received through the state that are used in the maintaining and operating vehicles used to transport students.

### INSTRUCTIONAL MATERIALS FUND

Accounts for all the Instructional Materials funds received through the state for the purpose of acquiring study materials for the students.

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

GENERAL FUND  
 Combining Balance Sheet  
 June 30, 2013

	<b>General Funds</b>			<b>Total General Funds</b>
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
<b>ASSETS</b>				
Pooled cash and investments	\$ 2,017,188	\$ 96,464	\$ 60,858	\$ 2,174,510
Receivables:				
Property taxes	19,324	-	-	19,324
Due from other governments	12,608	-	-	12,608
Due from other funds	763,632	-	-	763,632
Fuel inventory	207,806	-	-	207,806
 Total assets	 \$ 3,020,558	 \$ 96,464	 \$ 60,858	 \$ 3,177,880
 <b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 102,585	\$ 54,457	\$ -	\$ 157,042
Accrued salaries	15,386	1,800	-	17,186
 Total liabilities	 117,971	 56,257	 -	 174,228
Deferred inflows of resources:				
Delinquent property taxes	6,137	-	-	6,137
 Total liabilities and deferred inflows of resources	 124,108	 56,257	 -	 180,365
Fund balance:				
Non-spendable:				
Inventories	207,806	-	-	207,806
Unassigned	2,688,644	40,207	60,858	2,789,709
 Total fund balance	 2,896,450	 40,207	 60,858	 2,997,515
 Total liabilities, deferred inflows of resources, and fund balance	 \$ 3,020,558	 \$ 96,464	 \$ 60,858	 \$ 3,177,880

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

GENERAL FUND  
 Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2013

	<b>General Funds</b>			<b>Total General Fund</b>
	Operational	Transportation	Instructional	
	<u>Fund #11000</u>	<u>Fund #13000</u>	<u>Fund #14000</u>	
<b>Revenues:</b>				
Federal sources:				
Public Law 874	\$ 564,656	\$ -	\$ -	\$ 564,656
Department of Defense	57,794	-	-	57,794
Federal flowthrough grants	47,535	-	-	47,535
Federal direct grants	10,628	-	-	10,628
State sources:				
State equalization guarantee	19,631,458	-	-	19,631,458
Transportation	-	1,177,612	-	1,177,612
State instructional material	-	-	196,684	196,684
State grant	169,516	-	-	169,516
Local sources:				
Grant	8,821	-	-	8,821
District school tax levy	360,199	-	-	360,199
Fees and activities	33,033	-	-	33,033
Earnings from investments	2,547	-	-	2,547
Miscellaneous	9,375	1,596	1,005	11,976
Total revenue	20,895,562	1,179,208	197,689	22,272,459
<b>Expenditures:</b>				
Current:				
Instruction	12,373,762	-	192,373	12,566,135
Support Services:				
Students	1,609,414	-	-	1,609,414
Instruction	408,210	-	-	408,210
General Administration	764,557	-	-	764,557
School Administration	1,900,182	-	-	1,900,182
Central Services	618,209	-	-	618,209
Operation & Maintenance of Plant	2,606,437	-	-	2,606,437
Student Transportation	-	1,139,933	-	1,139,933
Other Support Services	43,928	-	-	43,928
Capital outlay	1	-	-	1
Total expenditures	20,324,700	1,139,933	192,373	21,657,006
Excess of revenues over expenditures	570,862	39,275	5,316	615,453
Other financing sources:				
Transfers in	44	-	-	44
Net change in fund balance	570,906	39,275	5,316	615,497
Fund balance at beginning of the year	2,325,544	932	55,542	2,382,018
Fund balance at end of the year	\$ 2,896,450	\$ 40,207	\$ 60,858	\$ 2,997,515

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

OPERATIONAL FUND - NO. 11000  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Public Law 874	\$ 456,351	\$ 456,351	\$ 564,656	\$ 108,305
Department of Defense	37,000	37,000	57,794	20,794
Federal grant	35,000	35,000	47,535	12,535
Federal direct grant	10,000	10,000	10,628	628
State sources:				
State equalization guarantee	19,685,070	20,129,120	19,631,458	(497,662)
State grant	22,250	22,250	169,516	147,266
Local sources:				
Grant	-	-	8,865	8,865
District school tax levy	388,012	388,012	361,796	(26,216)
Fees and activities	23,602	23,602	33,033	9,431
Earnings from investments	4,270	4,270	2,599	(1,671)
Miscellaneous	5,000	5,000	9,375	4,375
Total revenues	20,666,555	21,110,605	20,897,255	(213,350)
Expenditures:				
Current:				
Instruction	13,308,022	13,283,022	12,547,877	735,145
Support Services:				
Students	1,555,580	1,631,338	1,608,025	23,313
Instruction	456,785	428,185	405,424	22,761
General Administration	764,483	779,482	704,780	74,702
School Administration	1,826,150	1,901,078	1,897,717	3,361
Central Services	722,841	652,781	618,700	34,081
Operation & Maintenance of Plant	3,204,212	3,216,186	2,614,888	601,298
Other Support Services	67,503	113,503	65,669	47,834
Capital outlay:				
Equipment	445,913	789,964	1	789,963
Total expenditures	22,351,489	22,795,539	20,463,081	2,332,458
Excess (deficiency) of revenues over expenditures	(1,684,934)	(1,684,934)	434,174	2,119,108
Beginning cash balance budgeted	1,694,934	1,684,934	-	(1,684,934)
Fund balance at beginning of the year	-	-	2,325,544	2,325,544
Fund balance at end of the year	\$ 10,000	\$ -	2,759,718	\$ 2,759,718
RECONCILIATION TO GAAP BASIS:				
Change in inventory			207,806	
Change in receivables			(51)	
Change in property tax receivable			1,226	
Change in due from other governments			(2,762)	
Change in payables			(69,835)	
Change in accrued liabilities			410	
Change in deferred property taxes			(62)	
			\$ 2,896,450	



STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

TRANSPORTATION FUND - NO. 13000  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
Transportation	\$ 1,094,803	\$ 1,177,971	\$ 1,177,612	\$ (359)
Local sources:				
Miscellaneous	-	1,266	1,596	330
Total revenues	1,094,803	1,179,237	1,179,208	(29)
Expenditures:				
Current:				
Support Services:				
Student Transportation	1,094,803	1,197,652	1,107,992	89,660
Excess (deficiency) of revenues over expenditures	-	(18,415)	71,216	89,631
Beginning cash balance budgeted	-	18,415	-	(18,415)
Fund balance at beginning of the year	-	-	932	932
Fund balance at end of the year	\$ -	\$ -	72,148	\$ 72,148
RECONCILIATION TO GAAP BASIS:				
Change in payables			(19,958)	
Change in accrued liabilities			(11,983)	
			\$ 40,207	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

INSTRUCTIONAL MATERIALS FUND - NO. 14000  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State instructional material	\$ 196,684	\$ 196,684	\$ 196,684	\$ -
Local sources:				
Miscellaneous	-	-	1,005	1,005
Total revenues	196,684	196,684	197,689	1,005
Expenditures:				
Current:				
Instruction	252,182	252,226	192,373	59,853
Excess (deficiency) of revenues over expenditures	(55,498)	(55,542)	5,316	60,858
Beginning cash balance budgeted	55,498	55,542	-	(55,542)
Fund balance at beginning of the year	-	-	55,542	55,542
Fund balance at end of the year	\$ -	\$ -	60,858	\$ 60,858
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ 60,858	

## NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

GOVERNMENTAL FUNDS  
 Combining Balance Sheet  
 June 30, 2013

	<b>Special Revenue Funds</b>			
	Food Service <u>Fund #21000</u>	Athletics <u>Fund #22000</u>	Activities <u>Fund #23000</u>	Discretionary IDEA-B <u>Fund #24107</u>
<b>ASSETS</b>				
Pooled cash and investments	\$ 427,145	\$ 92,212	\$ 27,257	\$ -
Receivables:				
Grant	-	-	-	3,333
Other receivables	25	-	211	-
Instructional supply inventory	-	20,234	-	-
USDA commodities inventory	34,930	-	-	-
Food inventory	<u>21,235</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 483,335</u>	<u>\$ 112,446</u>	<u>\$ 27,468</u>	<u>\$ 3,333</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 2,365	\$ 2,952	\$ 3,632	\$ -
Accrued salaries	11,754	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,333</u>
Total liabilities	<u>14,119</u>	<u>2,952</u>	<u>3,632</u>	<u>3,333</u>
Fund balance:				
Non-spendable:				
Inventories	56,165	20,234	-	-
Restricted for:				
Special revenue funds	413,051	89,260	23,836	-
Capital projects funds	-	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>469,216</u>	<u>109,494</u>	<u>23,836</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 483,335</u>	<u>\$ 112,446</u>	<u>\$ 27,468</u>	<u>\$ 3,333</u>

(cont'd; 1 of 8)

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

GOVERNMENTAL FUNDS  
 Combining Balance Sheet  
 June 30, 2013

	<b>Special Revenue Funds</b>				
	Preschool IDEA-B <u>Fund #24109</u>	IDEA-B CEIS <u>Fund #24112</u>	Fresh Fruits and Vegetables <u>Fund #24118</u>	IDEA-B "Risk Pool" <u>Fund #24120</u>	Title III English Language <u>Fund #24153</u>
<b>ASSETS</b>					
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:					
Grant	95	-	-	-	12,373
Other receivables	-	-	-	-	-
Supply inventory	-	-	-	-	-
USDA commodities inventory	-	-	-	-	-
Food inventory	-	-	-	-	-
Total assets	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,373</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 922
Accrued salaries	-	-	-	-	-
Due to other funds	<u>95</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,451</u>
Total liabilities	<u>95</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,373</u>
Fund balance:					
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,373</u>

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STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

GOVERNMENTAL FUNDS  
 Combining Balance Sheet  
 June 30, 2013

	<b>Special Revenue Funds</b>			
	Title II Teacher Quality <u>Fund #24154</u>	Carl D Perkins <u>Fund #24174</u>	Carl D Perkins Secondary Redistribution <u>Fund #24176</u>	Johnson O'Malley <u>Fund #25131</u>
<b>ASSETS</b>				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Grant	29,390	7,157	4,010	18,288
Other receivables	-	-	-	-
Supply inventory	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
Total assets	<u>\$ 29,390</u>	<u>\$ 7,157</u>	<u>\$ 4,010</u>	<u>\$ 18,288</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ -	\$ 371	\$ -	\$ 5,935
Accrued salaries	-	-	-	-
Due to other funds	<u>29,390</u>	<u>6,786</u>	<u>4,010</u>	<u>12,353</u>
Total liabilities	<u>29,390</u>	<u>7,157</u>	<u>4,010</u>	<u>18,288</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 29,390</u>	<u>\$ 7,157</u>	<u>\$ 4,010</u>	<u>\$ 18,288</u>

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STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

GOVERNMENTAL FUNDS  
 Combining Balance Sheet  
 June 30, 2013

	<b>Special Revenue Funds</b>			
	Impact Aid Special Education <u>Fund #25145</u>	Impact Aid Indian Education <u>Fund #25147</u>	Title XIX Medicaid <u>Fund #25153</u>	Indian Ed Formula Grant <u>Fund #25184</u>
<b>ASSETS</b>				
Pooled cash and investments	\$ 160,227	\$ 221,862	\$ 74,022	\$ -
Receivables:				
Grant	-	-	-	1,737
Other receivables	-	-	-	-
Supply inventory	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
Total assets	\$ 160,227	\$ 221,862	\$ 74,022	\$ 1,737
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ -	\$ 909	\$ 123	\$ 1,737
Accrued salaries	2,050	-	1,078	-
Due to other funds	-	-	-	-
Total liabilities	2,050	909	1,201	1,737
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	158,177	220,953	72,821	-
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Total fund balance	158,177	220,953	72,821	-
Total liabilities and fund balance	\$ 160,227	\$ 221,862	\$ 74,022	\$ 1,737

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STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

GOVERNMENTAL FUNDS  
 Combining Balance Sheet  
 June 30, 2013

	<b>Special Revenue Funds</b>			
	Golden Apple Foundation <u>Fund #26163</u>	Conoco Phillips Grant <u>Fund #26200</u>	Dual Credit Instructional Mataterials <u>Fund #27103</u>	Bus Replacement <u>Fund #27104</u>
<b>ASSETS</b>				
Pooled cash and investments	\$ -	\$ 19,918	\$ -	\$ -
Receivables:				
Grant	-	-	-	-
Other receivables	-	-	-	-
Supply inventory	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
Total assets	\$ -	\$ 19,918	\$ -	\$ -
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	19,918	-	-
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Total fund balance	-	19,918	-	-
Total liabilities and fund balance	\$ -	\$ 19,918	\$ -	\$ -

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STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

GOVERNMENTAL FUNDS  
 Combining Balance Sheet  
 June 30, 2013

	<b>Special Revenue Funds</b>			
	Libraries GO Bond 2010 <u>Fund #27106</u>	Technology for Education <u>Fund #27117</u>	Incentives for School Improvement <u>Fund #27138</u>	Beginning Teacher Mentoring <u>Fund #27154</u>
<b>ASSETS</b>				
Pooled cash and investments	\$ -	\$ 11,375	\$ -	\$ -
Receivables:				
Grant	1,846	-	-	-
Other receivables	-	-	-	-
Supply inventory	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
Total assets	\$ 1,846	\$ 11,375	\$ -	\$ -
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	-
Due to other funds	1,846	-	-	-
Total liabilities	1,846	-	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	11,375	-	-
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Total fund balance	-	11,375	-	-
Total liabilities and fund balance	\$ 1,846	\$ 11,375	\$ -	\$ -

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STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

GOVERNMENTAL FUNDS  
 Combining Balance Sheet  
 June 30, 2013

	<b>Special Revenue Funds</b>			Total Non-Major Special Funds
	Science Instructional Materials <u>Fund #27176</u>	Gear Up <u>Fund #28178</u>	BP America Production <u>Fund #29102</u>	
<b>ASSETS</b>				
Pooled cash and investments	\$ -	\$ -	\$ 7,452	\$ 1,041,470
Receivables:				
Grant	32,862	-	-	111,091
Other receivables	-	-	-	236
Supply inventory	-	-	-	20,234
USDA commodities inventory	-	-	-	34,930
Food inventory	-	-	-	21,235
Total assets	<u>\$ 32,862</u>	<u>\$ -</u>	<u>\$ 7,452</u>	<u>\$ 1,229,196</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 18,946
Accrued salaries	-	-	-	14,882
Due to other funds	<u>32,862</u>	<u>-</u>	<u>-</u>	<u>102,126</u>
Total liabilities	<u>32,862</u>	<u>-</u>	<u>-</u>	<u>135,954</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	76,399
Restricted for:				
Special revenue funds	-	-	7,452	1,016,843
Capital projects funds	-	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>7,452</u>	<u>1,093,242</u>
Total liabilities and fund balance	<u>\$ 32,862</u>	<u>\$ -</u>	<u>\$ 7,452</u>	<u>\$ 1,229,196</u>

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STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

GOVERNMENTAL FUNDS  
 Combining Balance Sheet  
 June 30, 2013

	Bond Building <u>Fund #31100</u>	Deferred Sick Leave <u>Fund #42000</u>	Total Nonmajor Governmental <u>Funds</u>
<b>ASSETS</b>			
Pooled cash and investments	\$ 534,282	\$ 79,938	\$ 1,655,690
Receivables:			
Grant	-	-	111,091
Other receivables	-	-	236
Supply inventory	-	-	20,234
USDA commodities inventory	-	-	34,930
Food inventory	-	-	21,235
Total assets	<u>\$ 534,282</u>	<u>\$ 79,938</u>	<u>\$ 1,843,416</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	\$ 5,400	\$ -	\$ 24,346
Accrued salaries	-	-	14,882
Due to other funds	-	-	102,126
Total liabilities	<u>5,400</u>	<u>-</u>	<u>141,354</u>
Fund balance:			
Non-spendable:			
Inventories	-	-	76,399
Restricted for:			
Special revenue funds	-	-	1,016,843
Capital projects funds	528,882	-	528,882
Debt service	-	79,938	79,938
Total fund balance	<u>528,882</u>	<u>79,938</u>	<u>1,702,062</u>
Total liabilities and fund balance	<u>\$ 534,282</u>	<u>\$ 79,938</u>	<u>\$ 1,843,416</u>

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STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

NON-MAJOR GOVERNMENTAL FUNDS  
 Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2013

	<b>Special Revenue Funds</b>					
	Food Service Fund #21000	Athletics Fund #22000	Activities Fund #23000	Entitlement IDEA-B Fund #24106	Discretionary IDEA-B Fund #24107	Preschool IDEA-B Fund #24109
<b>Revenues:</b>						
Federal sources:						
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	-	739,777	3,333	40,924
Federal direct grants	-	-	-	-	-	-
Food and milk reimbursements	1,114,783	-	-	-	-	-
USDA Commodities	88,092	-	-	-	-	-
State sources:						
State grant	-	-	-	-	-	-
Local sources:						
Grant	-	200	-	-	-	-
Fees and activities	253,435	150,219	3,490	-	-	-
Earnings from investments	<u>262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,456,572</u>	<u>150,419</u>	<u>3,490</u>	<u>739,777</u>	<u>3,333</u>	<u>40,924</u>
<b>Expenditures:</b>						
Current:						
Instruction	-	109,553	6,043	350,501	2,250	817
Support Services:						
Students	-	-	-	360,152	1,000	3,045
Instruction	-	-	-	-	-	-
General Administration	-	-	-	18,282	83	1,018
School Administration	-	-	-	33	-	36,044
Central Services	-	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-	-
Food Services Operations	1,504,581	-	-	-	-	-
Community Services	-	-	-	10,809	-	-
Capital outlay	<u>17,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,522,180</u>	<u>109,553</u>	<u>6,043</u>	<u>739,777</u>	<u>3,333</u>	<u>40,924</u>
Excess (deficiency) of revenues over expenditures	(65,608)	40,866	(2,553)	-	-	-
Other financing uses:						
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(65,608)	40,866	(2,553)	-	-	-
Fund balance at beginning of the year	<u>534,824</u>	<u>68,628</u>	<u>26,389</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 469,216</u>	<u>\$ 109,494</u>	<u>\$ 23,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

NON-MAJOR GOVERNMENTAL FUNDS  
 Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2013

	<b>Special Revenue Funds</b>				
	IDEA-B CEIS <u>Fund #24112</u>	Fresh Fruits and Vegetables <u>Fund #24118</u>	IDEA-B "Risk Pool" <u>Fund #24120</u>	Title III English Language <u>Fund #24153</u>	Title II Teacher Quality <u>Fund #24154</u>
Revenues:					
Federal sources:					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Department of Defense	-	87,764	-	26,494	184,271
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Total revenue	<u>-</u>	<u>87,764</u>	<u>-</u>	<u>26,494</u>	<u>184,271</u>
Expenditures:					
Current:					
Instruction	-	-	-	11,632	179,326
Support Services:					
Students	-	-	-	14,361	-
Instruction	-	-	-	-	-
General Administration	-	-	-	501	4,582
School Administration	-	-	-	-	363
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	-	87,764	-	-	-
Community Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>87,764</u>	<u>-</u>	<u>26,494</u>	<u>184,271</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing uses:					
Transfers out	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

NON-MAJOR GOVERNMENTAL FUNDS  
 Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2013

	<b>Special Revenue Funds</b>					
	Carl D Perkins Fund #24174	Carl D Perkins Secondary Redistribution Fund #24176	Johnson O'Malley Fund #25131	Impact Aid Special Education Fund #25145	Impact Aid Indian Education Fund #25147	Title XIX Medicaid Fund #25153
<b>Revenues:</b>						
Federal sources:						
Public Law 874	\$ -	\$ -	\$ -	\$ 100,517	\$ 141,071	\$ -
Department of Defense	39,603	4,010	-	-	-	-
Federal direct grants	-	-	60,724	-	-	220,033
Food and milk reimbursements	-	-	-	-	-	-
USDA Commodities	-	-	-	-	-	-
State sources:						
State grant	-	-	-	-	-	-
Local sources:						
Grant	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-
<b>Total revenue</b>	<b><u>39,603</u></b>	<b><u>4,010</u></b>	<b><u>60,724</u></b>	<b><u>100,517</u></b>	<b><u>141,071</u></b>	<b><u>220,033</u></b>
<b>Expenditures:</b>						
Current:						
Instruction	37,820	3,910	13,397	111	39,544	2,481
Support Services:						
Students	-	-	32,085	13,348	60,406	208,425
Instruction	807	-	-	-	-	-
General Administration	976	100	1,370	1,294	3,243	-
School Administration	-	-	13,872	39,326	27,530	-
Central Services	-	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-	-
Food Services Operations	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b><u>39,603</u></b>	<b><u>4,010</u></b>	<b><u>60,724</u></b>	<b><u>54,079</u></b>	<b><u>130,723</u></b>	<b><u>210,906</u></b>
Excess (deficiency) of revenues over expenditures	-	-	-	46,438	10,348	9,127
Other financing uses:						
Transfers out	-	-	-	-	-	-
Net change in fund balance	-	-	-	46,438	10,348	9,127
Fund balance at beginning of the year	-	-	-	<u>111,739</u>	<u>210,605</u>	<u>63,694</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,177</u>	<u>\$ 220,953</u>	<u>\$ 72,821</u>

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STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

NON-MAJOR GOVERNMENTAL FUNDS  
 Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2013

	<b>Special Revenue Funds</b>				
	Indian Ed Formula Grant <u>Fund #25184</u>	Golden Apple Foundation <u>Fund #26163</u>	Conoco Phillips Grant <u>Fund #26200</u>	Dual Credit Instructional Materials <u>Fund #27103</u>	Bus Replacement <u>Fund #27104</u>
Revenues:					
Federal sources:					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Department of Defense	-	-	-	-	-
Federal direct grants	191,637	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	7,121	249,744
Local sources:					
Grant	-	-	6,480	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Total revenue	<u>191,637</u>	<u>-</u>	<u>6,480</u>	<u>7,121</u>	<u>249,744</u>
Expenditures:					
Current:					
Instruction	134,404	-	14,621	7,121	-
Support Services:					
Students	11,520	-	-	-	-
Instruction	-	-	-	-	-
General Administration	4,722	-	-	-	-
School Administration	40,991	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Services	-	-	-	-	-
Capital outlay	-	-	-	-	249,744
Total expenditures	<u>191,637</u>	<u>-</u>	<u>14,621</u>	<u>7,121</u>	<u>249,744</u>
Excess (deficiency) of revenues over expenditures	-	-	(8,141)	-	-
Other financing uses:					
Transfers out	-	(19)	-	-	-
Net change in fund balance	-	(19)	(8,141)	-	-
Fund balance at beginning of the year	-	19	28,059	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,918</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

NON-MAJOR GOVERNMENTAL FUNDS  
 Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2013

	<b>Special Revenue Funds</b>					
	Libraries GO Bond 2010 <u>Fund #27106</u>	Technology for Education <u>Fund #27117</u>	Incentives for School Improvement <u>Fund #27138</u>	Beginning Teacher Mentoring <u>Fund #27154</u>	Science Instructional Materials <u>Fund #27176</u>	Gear Up <u>Fund #28178</u>
Revenues:						
Federal sources:						
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Department of Defense	-	-	-	-	-	-
Federal direct grants	-	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-	-
USDA Commodities	-	-	-	-	-	-
State sources:						
State grant	5,001	-	-	-	32,862	-
Local sources:						
Grant	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-
Total revenue	<u>5,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,862</u>	<u>-</u>
Expenditures:						
Current:						
Instruction	-	-	-	-	32,862	-
Support Services:						
Students	-	-	-	-	-	-
Instruction	5,001	-	-	-	-	-
General Administration	-	-	-	-	-	-
School Administration	-	-	-	-	-	-
Central Services	-	16,385	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-	-
Food Services Operations	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>5,001</u>	<u>16,385</u>	<u>-</u>	<u>-</u>	<u>32,862</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	(16,385)	-	-	-	-
Other financing uses:						
Transfers out	-	-	(23)	(2)	-	-
Net change in fund balance	-	(16,385)	(23)	(2)	-	-
Fund balance at beginning of the year	<u>-</u>	<u>27,760</u>	<u>23</u>	<u>2</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ 11,375</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 5 of 6)



STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

NON-MAJOR GOVERNMENTAL FUNDS  
 Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2013

	<b>Special Revenue Funds</b>				
	BP America Production Fund #29102	Total Nonmajor Special Revenue Funds	Bond Building Fund #31100	Deferred Sick Leave Fund #42000	Total Nonmajor Governmental Funds
Revenues:					
Federal sources:					
Public Law 874	\$ -	\$ 241,588	\$ -	\$ -	\$ 241,588
Department of Defense	-	1,126,176	-	-	1,126,176
Federal direct grants	-	472,394	-	-	472,394
Food and milk reimbursements	-	1,114,783	-	-	1,114,783
USDA Commodities	-	88,092	-	-	88,092
State sources:					
State grant	-	294,728	-	-	294,728
Local sources:					
Grant	600	7,280	-	-	7,280
Fees and activities	-	407,144	-	-	407,144
Earnings from investments	-	262	386	-	648
Total revenue	600	3,752,447	386	-	3,752,833
Expenditures:					
Current:					
Instruction	1,974	948,367	-	-	948,367
Support Services:					
Students	-	704,342	-	-	704,342
Instruction	-	5,808	-	-	5,808
General Administration	-	36,171	-	-	36,171
School Administration	-	158,159	-	-	158,159
Central Services	-	16,385	-	-	16,385
Operation & Maintenance of Plant	-	-	164,895	-	164,895
Food Services Operations	-	1,592,345	-	-	1,592,345
Community Services	-	10,809	-	-	10,809
Capital outlay	27,914	295,257	161,552	-	456,809
Total expenditures	29,888	3,767,643	326,447	-	4,094,090
Excess (deficiency) of revenues over expenditures	(29,288)	(15,196)	(326,061)	-	(341,257)
Other financing uses:					
Transfers out	-	(44)	-	-	(44)
Net change in fund balance	(29,288)	(15,240)	(326,061)	-	(341,301)
Fund balance at beginning of the year	36,740	1,108,482	854,943	79,938	2,043,363
Fund balance at end of the year	\$ 7,452	\$ 1,093,242	\$ 528,882	\$ 79,938	\$ 1,702,062

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## BUDGETARY PRESENTATION

**NONMAJOR SPECIAL REVENUE FUNDS**  
YEAR ENDED JUNE 30, 2013

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**FOOD SERVICE**

This program provides financing for the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-4, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.

**ATHLETICS**

This fund provides financing for school athletic activities. Funding is provided by fees from patrons.

**ACTIVITIES**

To account for revenue and expenditures associated with the District's non-instructional support activities (primarily after-school activities).

**ENTITLEMENT/DISCRETIONARY IDEA-B**

The Entitlement/Discretionary IDEA-B program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

**IDEA-B PRESCHOOL**

The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals With Disabilities Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.

**IDEA-B CEIS**

Up to 15% of combined entitlement and preschool funding may be budgeted as per 34 CFR § 300.226. Must be used consistent with the applicable provisions of IDEA-B, as follows: (1) Must be used only to pay the excess costs of providing special education and related services to children with disabilities; (2) Must be used to supplement State, local, and other Federal funds and not to supplant such funds; and (3) Must not be used to reduce an LEA's maintenance of effort (MOE) for the education of children with disabilities below the preceding year's level except as allowed by 34 CFR §§ 300.204 and 205.

**FRESH FRUITS AND VEGETABLES**

To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2006. Authorization granted under National School Lunch Act, as amended, 42 U.S.C. 1769.

**IDEA-B "RISK POOL"**

The following rule is promulgated to assist New Mexico public agencies in appropriately identifying and providing educational services for children with disabilities and gifted children. The purposes of this rule is (a) to ensure that all children with disabilities and gifted children have available a free appropriate public education which includes special education and related services to meet their unique needs; (b) to ensure that the rights of children with disabilities and gifted children and their parents are protected; (c) to assist public agencies to provide for the education of all children with disabilities and gifted children; and (d) to evaluate and ensure the effectiveness of efforts to educate those children. Public Law 108-446, now the Individuals with Disabilities Education Improvement Act of 2004 (IDEA) at 20 USC Sec. 1412(a)(11)

**TITLE III ENGLISH LANGUAGE**

To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.

**NONMAJOR SPECIAL REVENUE FUNDS**  
YEAR ENDED JUNE 30, 2013

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**TITLE II TEACHER QUALITY**

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

**CARL D PERKINS**

Basic grants assist states and outlying areas to expand and improve their programs of vocational education and provide equal access in vocational education to special need populations. Authorized by Carl D. Perkins Vocational and Applied Technology Education Amendments of 1998, Title I, Public Law 105-332, 20 U.S.C. 2301, et seq.

**JOHNSON O'MALLEY**

The Johnson O'Malley project provides supplemental programs in special education and other special needs for New Mexico public schools where eligible Indian children are enrolled. Funding is provided by the Department of the Interior, Bureau of Indian Affairs, through the Navajo Tribe, under the Johnson O'Malley Act of April 16, 1934; as amended 25 U.S.C. 452, Public Law 93-638; 25 U.S.C. 455-457.

**IMPACT AID SPECIAL/INDIAN EDUCATION**

To provide financial assistance to local educational agencies (LEA'S) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), where there is a significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3 (b); where there is a significant decrease (Section 3(c)) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

**TITLE XIX MEDICAID**

To provide financial assistance from the Federal government which flows-through the State of New Mexico to school districts, for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women and the aged who meet income and resource requirements, and other categorically-eligible groups. The program is funded by the U.S. government under the Social Security Act, Title XIX, as amended; Public Laws 92-223, 92-602, 93-66, 93-233, 96-499, 97-35, 97-2248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-234, 101-239, 101-508, 101-517, 102-234, 102-170, 102-394, 103-66, 103-112, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

**INDIAN ED FORMULA GRANT**

The purpose of this program is to support projects which improve educational opportunities and achievement of Native American children. Funding is provided by the Federal Government, under the Elementary and Secondary Education Act of 1965, Title IX, Part A, Subpart 1, as amended, Public Law 103-382, 20 U.S.C. 7811-7818; 25 U.S.C. 2002.

**GOLDEN APPLE FOUNDATION**

Improve the quality of education for all children through the recognition, recruitment and professional development of outstanding teachers.

**CONOCO PHILLIPS GRANT**

The ConocoPhillips grant provides funds to support specific projects proposed by teachers at Naabi Ani Elementary School. The project is funded by a grant from ConocoPhillips. The creation of the fund is authorized by NMSA 1978 22-89-14.

**DUAL CREDIT INSTRUCTIONAL MATERIALS**

To provide instructional materials to be used for a dual credit course approved by Higher Education Department (HED) and through a college/university for which the district has an approved agreement.

**BUS REPLACEMENT**

To provide for the purchase of school buses.

**NONMAJOR SPECIAL REVENUE FUNDS**  
YEAR ENDED JUNE 30, 2013

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**LIBRARIES GO BOND 2010**

To be used to fund each library facility for improvement or acquisition and to acquire library books and library resources to support the library program. Funds generated by GO Bonds may not be used to supplant existing or prior library material funding within school districts receiving these monies. This funding will supplement and be in addition to current and existing funding. Authorized through Senate Bill 2010 SB333.

**TECHNOLOGY FOR EDUCATION**

State funding to provide financial assistance to school districts to improve educational opportunities for all students to close the technology gap between schools and the workplace through enhancement of computer education. The funding is provided by state resources and supplements the federal funding for the Technology Literacy Challenge grant. The creation of the fund is authorized by NMSA 1978 22-15A-1 TO 22-15A-10.

**INCENTIVE FOR SCHOOL IMPROVEMENTS**

These funds are used for school improvements, from lighting to encyclopedias. Funding is provided by the State of New Mexico. The creation of the fund is authorized by NMSA 1978 22-13A-5.

**BEGINNING TEACHER MENTORING**

Funds to assist school districts in the design, implementation, and evaluation of beginning teacher mentoring programs. Funding is provided through the 2000 legislative session, with appropriated funds from the General Appropriations Act.

**GEAR UP**

To encourage eligible entities to provide supportive services to elementary and middle schools, and secondary school students who are at risk of dropping out of school; and information to students and their parents about the advantages of obtaining a postsecondary education and the college financing options for the students and their parents. Authorization granted through Higher Education Act, Title IV, Part A, Subpart 2, Chapter 2, 20 U.S.C. 1070a-21-1070a-28.

**BP AMERICA PRODUCTION**

To provide students with experiences and career awareness in wildlife, forestry, and environmental management operations.

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

FOOD SERVICE FUND - NO. 21000  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 1,184,121	\$ 1,184,121	\$ 1,114,783	\$ (69,338)
Local sources:				
Fees and activities	266,829	274,841	253,435	(21,406)
Earnings from investments	<u>408</u>	<u>408</u>	<u>262</u>	<u>(146)</u>
Total revenues	<u>1,451,358</u>	<u>1,459,370</u>	<u>1,368,480</u>	<u>(90,890)</u>
Expenditures:				
Current:				
Food Services Operations	1,848,156	1,889,111	1,376,541	512,570
Capital outlay:				
Equipment	<u>23,000</u>	<u>23,000</u>	<u>17,599</u>	<u>5,401</u>
Total expenditures	<u>1,871,156</u>	<u>1,912,111</u>	<u>1,394,140</u>	<u>517,971</u>
Excess (deficiency) of revenues over expenditures	(419,798)	(452,741)	(25,660)	427,081
Beginning cash balance budgeted	419,798	452,741	-	(452,741)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>534,824</u>	<u>534,824</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	509,164	<u>\$ 509,164</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(35,896)	
Change in payables			(2,365)	
Change in accrued liabilities			<u>(1,687)</u>	
			<u>\$ 469,216</u>	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

ATHLETICS FUND - NO. 22000  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Fees and activities	\$ 153,400	\$ 153,400	\$ 150,419	\$ (2,981)
 Expenditures:				
Current:				
Instruction	148,400	192,593	102,688	89,905
Capital outlay:				
Equipment	5,000	5,000	-	5,000
Total expenditures	153,400	197,593	102,688	94,905
Excess (deficiency) of revenues over expenditures	-	(44,193)	47,731	91,924
Fund balance at beginning of the year	-	-	68,628	68,628
Fund balance at end of the year	\$ -	\$ (44,193)	116,359	\$ 160,552
 RECONCILIATION TO GAAP BASIS:				
Change in inventory			(8,150)	
Change in receivables			235	
Change in payables			1,050	
			\$ 109,494	



STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

ACTIVITIES FUND - NO. 23000  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Fees and activities	\$ 261,200	\$ 261,200	\$ 3,490	\$ (257,710)
 Expenditures:				
Current:				
Instruction	<u>369,549</u>	<u>544,585</u>	<u>2,411</u>	<u>542,174</u>
Excess (deficiency) of revenues over expenditures	(108,349)	(283,385)	1,079	284,464
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>26,389</u>	<u>26,389</u>
Fund balance at end of the year	<u>\$ (108,349)</u>	<u>\$ (283,385)</u>	27,468	<u>\$ 310,853</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(3,632)</u>	
			<u>\$ 23,836</u>	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

DISCRETIONARY IDEA-B FUND - NO. 24107  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 5,000	\$ 1,140	\$ (3,860)
Expenditures:				
Current:				
Instruction	-	2,500	2,250	250
Support Services:				
Students	-	2,357	1,000	1,357
General Administration	-	143	83	60
Total expenditures	-	5,000	3,333	1,667
Excess (deficiency) of revenues over expenditures	-	-	(2,193)	(2,193)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(2,193)	\$ (2,193)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			2,193	
			\$ -	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

PRESCHOOL IDEA-B FUND - NO. 24109  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 44,532	\$ 73,108	\$ 54,713	\$ (18,395)
Expenditures:				
Current:				
Instruction	4,559	22,320	817	21,503
Support Services:				
Students	2,000	12,660	3,045	9,615
General Administration	1,269	2,084	1,018	1,066
School Administration	36,704	36,044	36,044	-
Total expenditures	44,532	73,108	40,924	32,184
Excess of revenues over expenditures	-	-	13,789	13,789
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	13,789	\$ 13,789
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(13,789)	
			\$ -	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

IDEA-B CEIS FUND - NO. 24112  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 32,306	\$ 32,306
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	32,306	32,306
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	32,306	<u>\$ 32,306</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(32,306)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

FRESH FRUITS AND VEGETABLES FUND - NO. 24118  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 88,893	\$ 88,893	\$ 87,764	\$ (1,129)
Expenditures:				
Current:				
Food Services Operations	<u>88,893</u>	<u>88,893</u>	<u>87,764</u>	<u>1,129</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u><u>\$ -</u></u>	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

IDEA-B "RISK POOL" FUND - NO. 24120  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 4,482	\$ -	\$ (4,482)
Expenditures:				
Current:				
Instruction	-	1,500	-	1,500
Support Services:				
Students	-	2,854	-	2,854
General Administration	-	128	-	128
Total expenditures	-	4,482	-	4,482
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ -	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

TITLE III ENGLISH LANGUAGE FUND - NO. 24153  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 21,520	\$ 30,876	\$ 30,141	\$ (735)
Expenditures:				
Current:				
Instruction	2,679	14,425	10,710	3,715
Support Services:				
Students	18,306	15,729	14,361	1,368
General Administration	535	722	501	221
Total expenditures	21,520	30,876	25,572	5,304
Excess of revenues over expenditures	-	-	4,569	4,569
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	4,569	\$ 4,569
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(3,647)	
Change in payables			(922)	
			\$ -	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

TITLE II TEACHER QUALITY FUND - NO. 24154  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 188,524	\$ 214,736	\$ 26,212
Expenditures:				
Current:				
Instruction	-	182,766	179,326	3,440
Support Services:				
General Administration	-	5,395	4,582	813
School Administration	-	363	363	-
Total expenditures	-	188,524	184,271	4,253
Excess of revenues over expenditures	-	-	30,465	30,465
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	30,465	\$ 30,465
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(30,465)	
			\$ -	



STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

CARL D PERKINS FUND - NO. 24174  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 35,702	\$ 39,669	\$ 40,063	\$ 394
Expenditures:				
Current:				
Instruction	34,682	37,838	37,448	390
Support Services:				
Instruction	-	811	807	4
General Administration	1,020	1,020	976	44
Total expenditures	35,702	39,669	39,231	438
Excess of revenues over expenditures	-	-	832	832
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	832	\$ 832
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(461)	
Change in payables			(371)	
			\$ -	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

CARL D PERKINS SECONDARY REDISTRIBUTION FUND - NO. 24176  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 4,810	\$ 7,227	\$ 2,417
Expenditures:				
Current:				
Instruction	-	4,687	3,910	777
Support Services:				
General Administration	-	123	100	23
Total expenditures	-	4,810	4,010	800
Excess of revenues over expenditures	-	-	3,217	3,217
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,217	<u>\$ 3,217</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(3,217)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

JOHNSON O'MALLEY FUND - NO. 25131  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 60,786	\$ 63,032	\$ 61,540	\$ (1,492)
Expenditures:				
Current:				
Instruction	13,414	14,144	8,498	5,646
Support Services:				
Students	34,277	33,277	32,084	1,193
General Administration	1,503	1,608	1,370	238
School Administration	11,592	14,003	13,142	861
Total expenditures	60,786	63,032	55,094	7,938
Excess of revenues over expenditures	-	-	6,446	6,446
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	6,446	\$ 6,446
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(817)	
Change in payables			(5,629)	
			\$ -	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

IMPACT AID SPECIAL EDUCATION FUND - NO. 25145  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 61,560	\$ 61,560	\$ 100,517	\$ 38,957
Expenditures:				
Current:				
Instruction	81,506	89,800	111	89,689
Support Services:				
Students	41,662	41,662	13,348	28,314
General Administration	1,735	4,400	1,294	3,106
School Administration	37,437	37,437	37,276	161
Total expenditures	162,340	173,299	52,029	121,270
Excess (deficiency) of revenues over expenditures	(100,780)	(111,739)	48,488	160,227
Beginning cash balance budgeted	100,780	111,739	-	(111,739)
Fund balance at beginning of the year	-	-	111,739	111,739
Fund balance at end of the year	\$ -	\$ -	160,227	\$ 160,227
RECONCILIATION TO GAAP BASIS:				
Change in payables			(2,050)	
			\$ 158,177	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

IMPACT AID INDIAN EDUCATION FUND - NO. 25147  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 114,086	\$ 114,086	\$ 141,071	\$ 26,985
Expenditures:				
Current:				
Instruction	202,309	202,459	39,853	162,606
Support Services:				
Students	62,785	63,585	60,406	3,179
Instruction	1,090	1,090	-	1,090
General Administration	6,708	10,683	3,243	7,440
School Administration	45,272	47,477	26,915	20,562
Total expenditures	318,164	325,294	130,417	194,877
Excess (deficiency) of revenues over expenditures	(204,078)	(211,208)	10,654	221,862
Beginning cash balance budgeted	204,078	211,208	-	(211,208)
Fund balance at beginning of the year	-	-	210,605	210,605
Fund balance at end of the year	\$ -	\$ -	221,259	\$ 221,259
RECONCILIATION TO GAAP BASIS:				
Change in payables			(909)	
Change in accrued liabilities			603	
			\$ 220,953	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

TITLE XIX MEDICAID FUND - NO. 25153  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 160,000	\$ 160,000	\$ 220,033	\$ 60,033
 Expenditures:				
Current:				
Instruction	3,000	4,600	2,481	2,119
Support Services:				
Students	<u>186,426</u>	<u>220,004</u>	<u>208,133</u>	<u>11,871</u>
Total expenditures	<u>189,426</u>	<u>224,604</u>	<u>210,614</u>	<u>13,990</u>
 Excess (deficiency) of revenues over expenditures	(29,426)	(64,604)	9,419	74,023
 Beginning cash balance budgeted	29,426	64,604	-	(64,604)
 Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>63,694</u>	<u>63,694</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	73,113	<u>\$ 73,113</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			786	
Change in accrued liabilities			<u>(1,078)</u>	
			<u>\$ 72,821</u>	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

INDIAN ED FORMULA GRANT FUND - NO. 25184  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 195,125	\$ 195,802	\$ 189,899	\$ (5,903)
Expenditures:				
Current:				
Instruction	125,043	137,900	133,095	4,805
Support Services:				
Students	21,996	11,555	11,519	36
General Administration	4,886	4,903	4,722	181
School Administration	43,200	41,444	40,563	881
Total expenditures	195,125	195,802	189,899	5,903
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			1,737	
Change in payables			(1,737)	
			\$ -	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

GOLDEN APPLE FOUNDATION FUND - NO. 26163  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Transfers out	-	-	(19)	(19)
Net change in fund balance	-	-	(19)	(19)
Fund balance at beginning of the year	-	-	19	19
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

CONOCO PHILLIPS GRANT FUND - NO. 26200  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ 19,650	\$ 19,650	\$ 6,480	\$ (13,170)
Expenditures:				
Current:				
Instruction	17,568	40,831	14,621	26,210
Capital outlay:				
Equipment	6,878	6,878	-	6,878
Total expenditures	24,446	47,709	14,621	33,088
Excess (deficiency) of revenues over expenditures	(4,796)	(28,059)	(8,141)	19,918
Beginning cash balance budgeted	4,796	28,059	-	(28,059)
Fund balance at beginning of the year	-	-	28,059	28,059
Fund balance at end of the year	\$ -	\$ -	19,918	\$ 19,918
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ 19,918	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

DUAL CREDIT INSTRUCTIONAL MATERIALS FUND - NO. 27103  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 7,121	\$ 7,938	\$ 817
 Expenditures:				
Current:				
Instruction	-	7,121	7,121	-
Excess of revenues over expenditures	-	-	817	817
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	817	\$ 817
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(817)	
			\$ -	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

BUS REPLACEMENT FUND - NO. 27104  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 249,744	\$ 249,744	\$ -
Expenditures:				
Capital outlay:				
Equipment	-	249,744	249,744	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ -	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

LIBRARIES GO BOND 2010 FUND - NO. 27106  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 7,328	\$ 7,328
 Expenditures:				
Current:				
Support Services:				
Instruction	-	5,198	5,001	197
Excess (deficiency) of revenues over expenditures	-	(5,198)	2,327	7,525
Beginning cash balance budgeted	-	5,198	-	(5,198)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,327	<u>\$ 2,327</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(2,327)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

TECHNOLOGY FOR EDUCATION FUND - NO. 27117  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Support Services:				
Central Services	-	27,760	16,385	11,375
Excess (deficiency) of revenues over expenditures	-	(27,760)	(16,385)	11,375
Beginning cash balance budgeted	-	27,760	-	(27,760)
Fund balance at beginning of the year	-	-	27,760	27,760
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	11,375	<u>\$ 11,375</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 11,375</u>	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

INCENTIVES FOR SCHOOL IMPROVEMENT FUND - NO. 27138  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Transfers out	-	-	(23)	(23)
Net change in fund balance	-	-	(23)	(23)
Fund balance at beginning of the year	-	-	23	23
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

BEGINNING TEACHER MENTORING FUND - NO. 27154  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Transfers out	-	-	(2)	(2)
Net change in fund balance	-	-	(2)	(2)
Fund balance at beginning of the year	-	-	2	2
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

SCIENCE INSTRUCTIONAL MATERIALS FUND - NO. 27176  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 43,763	\$ -	\$ (43,763)
 Expenditures:				
Current:				
Instruction	-	43,763	32,862	10,901
over expenditures	-	-	(32,862)	(32,862)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(32,862)	<u>\$ (32,862)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

GEAR UP FUND - NO. 28178  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 39,677	\$ 39,677
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess (deficiency) of revenues				
Excess of revenues over expenditures	-	-	39,677	39,677
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	39,677	<u>\$ 39,677</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(39,677)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

BP AMERICA PRODUCTION FUND - NO. 29102  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Local sources:				
Miscellaneous	\$ -	\$ 600	\$ 600	\$ -
Expenditures:				
Current:				
Instruction	17,740	8,575	1,974	6,601
Support Services:				
Operation & Maintenance of Plant	-	850	-	850
Capital outlay:				
Land and improvements	19,000	19,700	19,700	-
Equipment	-	8,215	8,214	1
Total expenditures	36,740	37,340	29,888	7,452
Excess (deficiency) of revenues over expenditures	(36,740)	(36,740)	(29,288)	7,452
Beginning cash balance budgeted	36,740	36,740	-	(36,740)
Fund balance at beginning of the year	-	-	36,740	36,740
Fund balance at end of the year	\$ -	\$ -	7,452	\$ 7,452
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ 7,452	

## **CAPITAL PROJECTS FUNDS**

YEAR ENDED JUNE 30, 2013

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### **BOND BUILDING FUND**

This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

### **CAPITAL IMPROVEMENTS SB – 9**

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

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STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

BOND BUILDING FUND - NO. 31100  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Local sources:				
Earnings from investments	\$ 300	\$ 300	\$ 386	\$ 86
Expenditures:				
Current:				
Support Services:				
Operation & Maintenance of Plant	349,651	717,947	189,294	528,653
Capital outlay:				
Construction in progress	-	138,000	132,457	5,543
Total expenditures	349,651	855,947	321,751	534,196
Excess (deficiency) of revenues over expenditures	(349,351)	(855,647)	(321,365)	534,282
Beginning cash balance budgeted	349,351	855,647	-	(855,647)
Fund balance at beginning of the year	-	-	854,943	854,943
Fund balance at end of the year	\$ -	\$ -	533,578	\$ 533,578
RECONCILIATION TO GAAP BASIS:				
Change in payables			(4,696)	
			\$ 528,882	

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STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

CAPITAL IMPROVEMENTS SB-9 FUND - NO. 31700  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 65,679	\$ 130,628	\$ 64,949
Local sources:				
District school tax levy	1,646,395	1,646,395	1,545,103	(101,292)
Earnings from investments	2,860	2,860	1,808	(1,052)
Miscellaneous	<u>-</u>	<u>-</u>	<u>1,006</u>	<u>1,006</u>
Total revenues	<u>1,649,255</u>	<u>1,714,934</u>	<u>1,678,545</u>	<u>(36,389)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	7,018	11,018	8,889	2,129
Operation & Maintenance of Plant	3,431,000	3,940,599	1,141,685	2,798,914
Capital outlay:				
Land and improvements	97,886	97,886	-	97,886
Equipment	335,000	415,500	68,691	346,809
Construction in progress	<u>300,000</u>	<u>300,000</u>	<u>25,995</u>	<u>274,005</u>
Total expenditures	<u>4,170,904</u>	<u>4,765,003</u>	<u>1,245,260</u>	<u>3,519,743</u>
Excess (deficiency) of revenues over expenditures	(2,521,649)	(3,050,069)	433,285	3,483,354
Beginning cash balance budgeted	2,521,649	3,050,069	-	(3,050,069)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>3,153,778</u>	<u>3,153,778</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>3,587,063</u>	<u>\$ 3,587,063</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			12,534	
Change in due from other governments			(11,225)	
Change in payables			(8,050)	
Change in deferred property taxes			<u>(7,407)</u>	
			<u>\$ 3,572,915</u>	

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**DEBT SERVICE FUND**  
YEAR ENDED JUNE 30, 2013

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**DEBT SERVICE FUND**

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.

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

DEBT SERVICE FUND - NO. 41000  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Local sources:				
District school tax levy	\$ 5,608,423	\$ 5,608,423	\$ 5,214,169	\$ (394,254)
Earnings from investments	<u>3,000</u>	<u>3,000</u>	<u>1,929</u>	<u>(1,071)</u>
Total revenues	<u>5,611,423</u>	<u>5,611,423</u>	<u>5,216,098</u>	<u>(395,325)</u>
 Expenditures:				
Current:				
Support Services:				
General Administration	22,500	33,200	30,579	2,621
Debt service:				
Principal retirement	3,190,000	3,190,000	3,190,000	-
Bond interest paid	2,418,423	2,418,423	2,418,422	1
Reserves	<u>4,364,896</u>	<u>4,894,481</u>	<u>-</u>	<u>4,894,481</u>
Total expenditures	<u>9,995,819</u>	<u>10,536,104</u>	<u>5,639,001</u>	<u>4,897,103</u>
Excess (deficiency) of revenues over expenditures	(4,384,396)	(4,924,681)	(422,903)	4,501,778
Beginning cash balance budgeted	4,384,396	4,924,681	-	(4,924,681)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>5,273,517</u>	<u>5,273,517</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>4,850,614</u>	<u>\$ 4,850,614</u>
 RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			61,803	
Change in due from other governments			(20,742)	
Change in deferred property taxes			<u>(31,919)</u>	
			<u>\$ 4,859,756</u>	

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

DEFERRED SICK LEAVE FUND - NO. 42000  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive
				<u>(Negative)</u>
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Support Services:				
Central Services	<u>95,432</u>	<u>79,938</u>	-	<u>79,938</u>
Excess (deficiency) of revenues over expenditures	(95,432)	(79,938)	-	79,938
Beginning cash balance budgeted	95,432	79,938	-	(79,938)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>79,938</u>	<u>79,938</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>79,938</u>	<u><u>\$ 79,938</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u><u>\$ 79,938</u></u>	

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## OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

FIDUCIARY FUNDS  
 Schedule of Changes in Assets and Liabilities - All Agency Funds  
 Year Ended June 30, 2013

Activity		Balance				Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2013</u>
026	Bloomfield High School	\$ 91,672	\$ 133,409	\$ 144,592		\$ 80,489
095	Mesa Alta School	36,333	57,176	55,915		37,594
025	Blanco School	12,872	36,886	36,024		13,734
114	H. Hayes Scholarship	4,510	4,005	500		8,015
033	Central School	53,407	22,830	22,773		53,464
125	Naaba Ani School	21,032	30,511	23,277		28,266
030	Bloomfield Learning Center	30,146	7,605	8,661		29,090
001	Charlie Brown Secondary	<u>7,374</u>	<u>1,515</u>	<u>3,596</u>		<u>5,293</u>
	Pooled cash and investments	<u>\$ 257,346</u>	<u>\$ 293,937</u>	<u>\$ 295,338</u>		<u>\$ 255,945</u>
	<b>LIABILITIES</b>					
	Deposits held for others	<u>\$ 257,346</u>	<u>\$ 293,937</u>	<u>\$ 295,338</u>		<u>\$ 255,945</u>

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

SCHEDULE OF PLEDGED COLLATERAL  
 June 30, 2013

	<u>Community Bank</u>
Cash on deposit at June 30, 2013	\$ 13,159,649
Less FDIC coverage	<u>250,000</u>
Uninsured funds	<u><u>\$ 12,909,649</u></u>
50% collateral requirement	\$ 6,454,825
Pledged collateral	<u>6,823,817</u>
Excess (deficiency) of pledged collateral	<u><u>\$ 368,992</u></u>

Pledged collateral of financial institutions consists of the following at June 30, 2012

<u>Citizens Bank:</u>	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
FHLB	4/15/2020	433866DD9	\$ 1,500,000
FHLB	12/28/2035	36202EGN3	688,378
FHLB	10/25/2041	3136A1MJ1	<u>4,635,439</u>
			<u><u>\$ 6,823,817</u></u>

The above securities are held at Federal Home Loan Bank in Dallas, TX.

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

CASH RECONCILIATION  
 June 30, 2013

	<u>Beginning Cash</u>	<u>Receipts</u>	<u>Distributions</u>	<u>Other</u>	<u>Net Cash End of Period</u>	<u>Adjustments to the report</u>	<u>Total Cash on Report</u>
Operations	\$ 2,099,199	\$ 20,897,011	\$ (20,463,082)	\$ (515,940)	\$ 2,017,188	\$ -	\$ 2,017,188
Transportation	25,248	1,179,208	(1,107,992)	-	96,464	-	96,464
Instructional Materials	55,542	197,689	(192,373)	-	60,858	-	60,858
Food Services	452,742	1,368,549	(1,394,141)	(5)	427,145	-	427,145
Athletics	44,246	150,419	(102,688)	235	92,212	-	92,212
Activity Funds	283,321	277,657	(277,565)	(211)	283,202	(255,945)	27,257
Federal Flowthrough Funds	(356,090)	1,891,846	(2,004,827)	469,071	-	-	-
Federal Direct Funds	368,752	713,061	(638,055)	12,353	456,111	-	456,111
Local Grants	28,078	6,480	(14,621)	(19)	19,918	-	19,918
State Flowthrough Funds	22,795	265,010	(311,113)	34,683	11,375	-	11,375
State Direct Funds	(39,677)	39,677	-	-	-	-	-
Local/State	36,740	600	(29,888)	-	7,452	-	7,452
Bond Building	855,647	386	(321,751)	-	534,282	-	534,282
Capital Improvements SB-9	3,050,069	1,678,545	(1,245,260)	-	3,483,354	-	3,483,354
Debt Service	4,924,681	5,216,099	(5,639,002)	-	4,501,778	-	4,501,778
Deferred Sick Leave	79,938	-	-	-	79,938	-	79,938
Agency Funds	-	-	-	-	-	255,945	255,945
<b>Total</b>	<b>\$ 11,931,231</b>	<b>\$ 33,882,237</b>	<b>\$ (33,742,358)</b>	<b>\$ 167</b>	<b>\$ 12,071,277</b>	<b>\$ -</b>	<b>\$ 12,071,277</b>

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	Adjustments to report:	
Operational	Checking - Interest	Citizens Bank	\$ 2,745,341	Agency funds	\$ 255,945
Cafeteria	Checking - Interest	Citizens Bank	427,095		
Activities	Checking - Interest	Citizens Bank	374,506	Adjustments to cash:	
Federal	Checking - Non-Interest	Citizens Bank	3,911	Bank Balance	\$ 13,159,649
Bond Building	Checking - Interest	Citizens Bank	526,141	Cash on hand	670
Bonds	Checking - Interest	Citizens Bank	8,141	Outstanding deposits	-
Capital projects	Checking - Interest	Citizens Bank	3,483,354	Outstanding checks	(1,089,042)
Debt Service	Checking - Interest	Citizens Bank	4,501,779	Total adjustment to cash	\$ 12,071,277
AP Clearing	Checking - Interest	Citizens Bank	49,270		
Payroll Clearing	Checking - Interest	Citizens Bank	1,039,762		
Athletic	Checking - Non-Interest	Citizens Bank	349		
			<u>\$ 13,159,649</u>		



## SINGLE AUDIT SECTION

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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

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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, State Auditor  
The Board of Education and  
The Audit Committee of  
Bloomfield Municipal School District No. 6

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the Bloomfield Municipal School District No. 6 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Bloomfield Municipal School District No. 6's basic financial statements, and the combining and individual funds and related budgetary comparisons of Bloomfield Municipal School District No. 6, presented as supplemental information, and have issued our report thereon dated October 22, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit, of the financial statements, we considered Bloomfield Municipal School District No. 6'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 Bloomfield Municipal School District No. 6's internal control. Accordingly, we do not express an opinion on the effectiveness of Bloomfield Municipal School District No. 6's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Bloomfield Municipal School District No. 6'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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. Finding 2013-1.

Hector H. Balderas, State Auditor  
The Board of Education and  
The Audit Committee of  
Bloomfield Municipal School District No. 6

### Compliance and other matters

As part of obtaining reasonable assurance about whether Bloomfield Municipal School District No. 6'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. We also noted certain other matters that are required to be reported pursuant to Government Auditing Standards and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings 2013-1.

### Bloomfield Municipal School District No. 6's Response to Findings

Bloomfield Municipal School District No. 6's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Bloomfield Municipal School District No. 6'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 result of that testing, and not to provide an opinion on the effectiveness of the Bloomfield Municipal School District No. 6'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Accounting & Financial Solutions, LLC*  
Farmington, NM  
October 22, 2013

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND  
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY OMB CIRCULAR A-133

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas, State Auditor  
The Board of Education and  
The Audit Committee of  
Bloomfield Municipal School District No. 6

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

We have audited Bloomfield Municipal School District No. 6's 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 Bloomfield Municipal School District No. 6's major federal programs for the year ended June 30, 2013. Bloomfield Municipal School District No. 6's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Bloomfield Municipal School District No. 6'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 Bloomfield Municipal School District No. 6'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 Bloomfield Municipal School District No. 6's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Bloomfield Municipal School District No. 6 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, 2013.

Hector H. Balderas, State Auditor  
The Board of Education and  
The Audit Committee of  
Bloomfield Municipal School District No. 6

### **Report on Internal Control Over Compliance**

Management of Bloomfield Municipal School District No. 6 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 Bloomfield Municipal School District No. 6'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 Bloomfield Municipal School District No. 6's internal control over compliance.

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

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

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

*Accounting & Financial Solutions, LLC*  
Farmington, NM  
October 22, 2013

## SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2013

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### A. PRIOR YEAR AUDIT FINDINGS

#### NOT RESOLVED

No audit findings to report.

#### RESOLVED

2012 – 1 UNTIMELY PAYMENT OF GAME WORKERS

*Current Status:* Resolved. Not repeated in the current year.

2012 – 2 LACK OF DOCUMENTATION FOR PAYROLL

*Current Status:* Resolved. Not repeated in the current year.

2012 – 3 RELATED PARTY HIRING

*Current Status:* Resolved. Not repeated in the current year.

2012 – 4 INVENTORY CONTROLS

*Current Status:* Resolved. Not repeated in the current year.

2012 – 5 IN-KIND DONATIONS

*Current Status:* Resolved. Not repeated in the current year.

2012 – 6 LACK OF TIMELY MONITORING OF BUDGET LINE ITEMS

*Current Status:* Resolved. Not repeated in the current year.

2012 – 7 FORM 1099 NOT ISSUED

*Current Status:* Resolved. Not repeated in the current year.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
YEAR ENDED JUNE 30, 2013

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A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Bloomfield Municipal School District No. 6.
2. There was one significant deficiency disclosed during the audit of the financial statements in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. There were no significant deficiencies considered to be material weaknesses.
3. There were no instances of noncompliance material to the financial statements of Bloomfield Municipal School District No. 6 disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of the major federal awards program in the Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; And Report On The Schedule Of Expenditures Of Federal Awards Required By OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Bloomfield Municipal School District No. 6 expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Bloomfield Municipal School District No. 6 that are required to be reported in accordance with OMB Circular A-133.510(a).
7. The programs treated as major programs include:
  - Impact Aid (P.L. 81-874) Special / Indian Education CFDA# 84.041;
  - USDA Child Nutrition Cluster CFDA# 10.553 and 10.555;
  - Indian Ed Formula Grant CFDA# 84.060; and
  - Medicaid CFDA# 93.778.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Bloomfield Municipal School District No. 6 was determined to be a high-risk auditee.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 YEAR ENDED JUNE 30, 2013

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2013 – 1 LACK OF CASH CONTROL

<u>Significant Deficiency?</u>	<u>Material Weakness?</u>	<u>Compliance or Other Matter?</u>
Yes	No	Yes

*Condition:* The District has three bank accounts (Payroll Clearing, Accounts Payable Clearing, and Athletic) that are not maintained within the general ledger. Amounts are transferred to these bank accounts to cover the disbursements made within the general ledger, however the disbursements from the Athletic account are manual checks that are not immediately recorded in the general ledger. Additionally, these accounts carry cash balances that are in excess of outstanding checks that have been drafted against them. The carrying balances are as follows:

<u>Cash Account:</u>	<u>Balance</u>
Accounts Payable Clearing	\$ 45
Payroll Clearing	7
Athletics	287
	<u>\$ 339</u>

*Criteria:* According to New Mexico Public Education Department’s Procedures for Public School Accounting and Budgeting (PSAB Supplement 7), general ledger control must exist over all bank accounts and it is imperative to good internal control that all financial transactions are recorded immediately. No “manual” checks should be allowed, but rather control procedures should be in place to fully utilize features in the Financial Management System. Also, 6-10-2 NMSA 1978 requires all items of receipts and disbursements to be entered in detail daily and the cash record shall be balanced daily so as to show the balance of public money on hand at the close of each day's business.

*Cause:* The District uses bank accounts for the clearing of checks that have been disbursed for accounts payable, payroll, and the payment of persons officiating school activities. The clearing accounts accrue interest that results in a carrying balance. The Athletics account is funded with amounts to cover the officials for a given amount of time. This results in cash being “off” the general ledger.

*Effect of condition:* The District is not complying with the requirements set forth in the Manual of Procedures for Public School Accounting and Budgeting and in violation of NMSA 1978 Section 06-10-02. The cash accounts are not controlled by the Financial Management System and are more susceptible to misappropriation than the cash accounts that are within the system. The cash reports that are sent to the state are in error by the cash amounts that are being carried in these bank accounts.

*Recommendation:* Management should make adjustments to place these accounts in the general ledger and eliminate any manual checks. The District should work with the game officials to develop a system of payment that maintains controls over cash accounts and provides for reporting of income as required by Internal Revenue Service.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
YEAR ENDED JUNE 30, 2013

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (cont'd)

2013 – 1 LACK OF CASH CONTROL (cont'd)

Management's response: Payroll Clearing Account and the Accounts Payable Account –The following controls are now in place to account for transactions in these two accounts:

- Positive Pay has been implemented with the warrants written from these two accounts. The Bank's positive pay program ties each check with a date, vendor and exact dollar amount to the list of transactions authorized by the District. There are no unaccounted funds in these accounts – the only funds that remain in these accounts will be for checks/warrants that have not cleared the Bank.
- The District earns interest from the Bank in both of these accounts on a monthly basis. The District accounts for these funds in the subsequent month close-out process. No unaccounted funds are left in the clearing accounts. All funds that move through these accounts are accounted for in the general ledger.

Athletic Account – The following controls were put into effect July 1, 2012, for transactions in this account:

- Each check written to Game Officials is entered into the school district's general ledger– this allows for accurate year-end reporting, including tax reporting.
- The checking account is reconciled monthly to the bank statements by the Business Office.
- Each Game Official submits the required tax reporting documents to receive a check and these forms are kept on file in the Business Office.
- Last minute cancellations by Game Officials result in the substitute being paid the next day after the first check has been voided and a second check issued.
- All checks written in this account require two signatures and the District has implemented a procedure to govern the use and management of this checking account.

C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.

SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS

STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended June 30, 2013

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
Pass-Through Program From:				
New Mexico Department of Education:				
<u>Child Nutrition Cluster:</u>				
USDA National School Lunch Program	10.555	21000	\$ 792,112	
USDA School Breakfast Program	10.553	21000	<u>322,671</u>	
Total Child Nutrition Cluster				1,114,783
Fresh Fruits and Vegetables	10.582	24118		87,764
Pass-Through Program From:				
New Mexico Human Service Department:				
USDA Commodities Program	10.550	21000		<u>88,092</u>
Subtotal Pass-Through Programs				<u>1,290,639</u>
Total U.S. Department of Agriculture				<u>1,290,639</u>
<u>U.S. Department of Defense:</u>				
Pass-Through Program From:				
National Guard Military Projects	12.401	11000		<u>57,794</u>
<u>U.S. Department of Interior</u>				
Pass-Through Programs From:				
Office of the Navajo Nation:				
Johnson O'Malley	15.130	25131		<u>60,724</u>
<u>U.S. Department of Education:</u>				
Direct Programs:				
Impact Aid Indian Education	84.041	11000		564,656
Impact Aid Special Education	84.041	25145		54,079
Impact Aid Indian Education	84.041	25147		130,723
Indian Ed Formula Grant	84.060	25184		<u>191,637</u>
Subtotal Direct Programs				<u>941,095</u>

( cont'd; 1 of 2)

See the accompanying notes to the  
 Schedule of Expenditures of Federal Awards.



STATE OF NEW MEXICO  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended June 30, 2013

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education (continued):</u>				
Pass-Through Programs From:				
New Mexico Department of Education:				
<u>Special Education (IDEA) Cluster:</u>				
Entitlement IDEA-B	84.027	24106	739,777	
Discretionary IDEA-B	84.027	24107	3,333	
Preschool IDEA-B	84.173	24109	<u>40,924</u>	
Total Special Education (IDEA) Cluster				784,034
Title I	84.010	24101		892,512
Title III English Language	84.365	24153		26,494
Title II Teacher Quality	84.367	24154		184,271
Carl D Perkins	84.048	24174		39,603
Carl D Perkins Secondary Redistribution	84.048	24176		<u>4,010</u>
Subtotal Pass-Through Programs				<u>1,930,924</u>
Total U.S. Department of Education				<u>2,872,019</u>
<u>U.S. Department of Health and Human Services:</u>				
Pass-Through Program From:				
New Mexico Department of Health:				
Title XIX Medicaid	93.778	25153		<u>210,906</u>
Total Expenditures of Federal Awards				<u>\$ 4,492,082</u>

( 2 of 2 )

See the accompanying notes to the  
 Schedule of Expenditures of Federal Awards.

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**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2013**

1. Scope of audit pursuant to OMB Circular A-133

All federal grant operations of Bloomfield Municipal School District No. 6 (the "School District") are included in the scope of the Office of management and Budget ("OMB") Circular A-133 audit (the "Single Audit"). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised March 2013 the "Compliance Supplement"). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal 2013 cash and non-cash expenditures to ensure coverage of at least 50% (HIGH risk auditee) of federally granted funds. Actual coverage is approximately 50% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$4,403,990 and all non-cash expenditures amounted to \$88,092.

<u>Major Federal Award Program Description</u>	<u>Fiscal 2013 Expenditure</u>
Cash assistance:	
Impact Aid Indian / Special Education	\$ 749,458
USDA Child Nutrition Cluster	1,114,783
Indian Ed Formula Grant	191,637
Medicaid	210,906
Total	<u>\$ 2,266,784</u>

There were not any federal programs that were considered Type A programs for the 2013 audit.

The U.S. Department of Education is the School District's oversight agency for single audit.

2. Summary of significant accounting policies

Basis of presentation

The accompanying Schedule of Expenditure of Federal Awards includes all federal grants to the School District that had activity during the fiscal year ended June 30, 2013. This Statement has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School District has met the qualifications for the respective grant.

Accrued and deferred reimbursements

Various reimbursement procedures are used for Federal awards received by the School District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over receipts to date. Deferred balance at year-end represent an excess of cash receipts over reimbursable expenditure to date. Generally, accrued or deferred balances covered by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period.

3. Audits performed by other entities

There were no other audits performed by other organizations on the School Districts federal grant programs in 2013.

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## REQUIRED DISCLOSURE

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**REQUIRED DISCLOSURES**  
**Year Ended June 30, 2013**

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REQUIRED DISCLOSURE

The financial statements were prepared by the independent public accountants.

An exit conference was held October 22, 2013, during which the audit findings were discussed. The exit conference was attended by the following individuals:

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6

Dale Maes	Member, Board of Education
Karen Ransom	Member, Audit Committee
Tasha Lucero	Member, Audit Committee
Joe Rasor	Superintendent
Gary Giron	Finance & Operations Director

ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Terry Ogle, CPA	Partner
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