



CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
ANNUAL FINANCIAL REPORT
JUNE 30, 2014



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INTRODUCTORY SECTION

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
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STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Official Roster
June 30, 2014

<u>Name</u>		<u>Title</u>
	<u>Board of Education</u>	
Doris Bruton Carleton		Board President
Abel Montoya		Board Vice President
Steve West		Board Member
Ron Singleton		Board Member
Andrew Harris		Board Secretary
	<u>School Officials</u>	
Gary Perkowski		Superintendent
Laura Garcia		Director of Finance

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FINANCIAL SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Carlsbad Municipal School District No. 20
Carlsbad, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison for the General Fund and major special revenue fund of Carlsbad Municipal School District No. 20 (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, the combining financial statements for the General Fund, and the budgetary comparisons for the major capital projects funds, major debt service fund, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of District, as of June 30, 2014, and the respective changes in financial position thereof, and the respective budgetary comparisons for the general fund and major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund, and the combining financial statements for General Fund of the District as of June 30, 2014, and the respective changes in financial position thereof, and the respective budgetary comparisons for the major capital projects funds, major debt service fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 12 through 17 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 Department 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 District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The introductory section, the Schedule of Expenditures of Federal Awards as required by Office of Management and Budget *Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations* and Supporting Schedules I through IV required by section 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 Supporting Schedules I through IV required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and Supporting Schedules I through IV required by section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
November 3, 2014

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Management's Discussion and Analysis
June 30, 2014

Introduction

This discussion and analysis of Carlsbad Municipal School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2013-14 are as follows:

- Capital assets increased from \$120,094,379 in the year ending June 30, 2013 to \$ 120,728,622 in the year ending June 30, 2014. This increase is attributed to the net effect of changes in construction in progress and equipment deletions completed during the year. The net change in construction in progress and other capital asset additions amounted to \$5,788,016. The District took steps during the year to formally dispose of equipment on the books that were obsolete, inoperable or were tagged as un-located for greater than 10-years. All equipment items deleted were fully depreciated and were no longer in use. The total asset deletions were \$5,153,773 for the year ended June 30, 2014.
- Accumulated depreciation as of June 30, 2014 totaled \$52,297,056. This includes current year depreciation of \$3,788,090 for assets currently in service. Accumulated depreciation was reduced by \$4,827,427 during the year.
- The overall fund balance increased from \$30,271,006 for the year ending June 30, 2013 to \$59,980,772 for the year ending June 30, 2014. The increase is primarily attributed to the \$30 million General Obligation Bond sale for the construction of up to four (4) new elementary schools. An additional \$30 million is authorized for sale in future years.
- The net position of the District increased by \$4,047,720 in FY14. Total assets from governmental activities were \$98,708,473 for the year ended June 30, 2013, increasing to \$133,024,327 for the year ended June 30, 2014. Current assets increased by \$4,256,118, while non-current assets increased by \$30,059,736.
- Total liabilities from governmental activities increased by \$30,406,951. The increase can be primarily attributed to the increase in non-current Bonds payable. Current liabilities decreased by approximately \$921,000.
- The District had approximately \$68 million in expenses related to governmental activities. Approximately \$57 million of these expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily State Equalization Guarantee, property taxes and oil & gas taxes) of approximately \$61 million were adequate to provide for these programs.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Management's Discussion and Analysis
 June 30, 2014

Condensed Statement of Net position:

	June 30, 2014 Governmental <u>Activities</u>	June 30, 2013 Governmental <u>Activities</u>
Current assets	\$ 27,506,587	\$ 23,250,469
Noncurrent assets	105,517,740	75,458,004
Total assets	<u>133,024,327</u>	<u>98,708,473</u>
Current liabilities	5,868,899	6,790,269
LT- liabilities	43,000,404	11,672,083
Total liabilities	<u>48,869,303</u>	<u>18,462,352</u>
Net investmet in capital assets	57,216,401	53,269,185
Restricted	48,623,401	19,504,174
Unrestricted	(21,684,778)	7,472,762
Total net position	<u>\$ 84,155,024</u>	<u>\$ 80,246,121</u>

Condensed Statement of Activities:

	June 30, 2014 Governmental <u>Activities</u>	June 30, 2013 Governmental <u>Activities</u>
Revenue:		
Charges for services	\$ 2,061,318	\$ 2,141,087
Operating Grant	8,903,555	8,310,927
Capital Grant	464,141	119,886
General Revenues		
Taxes	13,665,844	11,453,979
State Aid	47,180,304	44,148,940
Other	(214,762)	427,734
Total Revenue	<u>72,060,400</u>	<u>66,602,553</u>
Expenses:		
Instruction	37,157,827	34,832,133
Support Services:		
Students	12,071,934	12,164,198
Central Services	1,633,353	1,338,037
Operation and maintenance of plant	11,023,569	8,839,456
Student transportation	1,579,362	1,279,299
Operation of non-support services:		
Food Services	4,009,739	3,702,147
Community Services	74,802	95,844
Interest on long term debt	462,094	480,496
Total Expense	<u>68,012,680</u>	<u>62,731,610</u>
Increase in net position	<u>\$ 4,047,720</u>	<u>\$ 3,870,943</u>

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Management's Discussion and Analysis
June 30, 2014

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Carlsbad Municipal School District as a financial whole, or as an entire operating entity.

The Statement of Net position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in a single column. For Carlsbad Municipal School District, the General Fund is the most significant fund.

Statement of Net position and Statement of Activities

While this report contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2014?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The accrual basis of accounting considers all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it identifies whether the financial position of the School District has improved or diminished for the School District as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, facility conditions, required educational programs, and other factors.

In the Statement of Net position and the Statement of Activities, the School District reports only governmental activities:

Governmental Activities – Most of the School District's programs and services are reported in this statement including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds identified for FY14 are the General Fund, IDEA-B cluster, Bond Building, HB-33 Capital Improvements, Debt Service and the SB-9 Capital Improvements Fund.

Governmental Funds

Most of the School District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net position and the statement of activities and the governmental funds is reconciled in the financial statements.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Management's Discussion and Analysis
 June 30, 2014

Governmental Activities

The Statement of Activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The Statement of Activities, for government activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by revenues from state entitlements.

The dependence upon revenues from the State of New Mexico for governmental activities is apparent. Approximately 89 percent of Total Primary Government Expenses are supported through general revenues. There was no change from this percentage in the prior year.

The School District's food service operation is dependent upon revenues from federal sources. The School District's food service operation had revenues of \$3,693,724 and expenses of \$3,702,147 for fiscal year 2014. This year the food service operation experienced a net deficit of (\$8,423) in program operations. In spite of this deficit, the food services operation has remained self-sufficient and has not required a subsidy from the General Fund. The food service operation receives no support from tax revenues.

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues of approximately \$72.1 million and expenditures of \$75 million. Total other financing sources were \$32.6 million. The net change in fund balance for the year was an increase of \$29.7 million. The increase is primarily attributed to funds received from the General Obligation Bond sale.

General Fund Budgeting Highlights

The School District's budget is prepared in compliance with New Mexico statute and New Mexico Public Education Department regulation and is based on revenue and expenditure trends, current year projections for certain transactions including cash receipts, disbursements, and encumbrances and is driven by the Educational Plan for Student Success. The budget development process requires the creation of District and School budget advisory committees with representation from all stakeholder groups. The primary focus of the District's budget development process is the General Fund due to funding challenges, legislative mandates for the educational programs and provision of student services, staffing and other operating decisions.

During the course of fiscal year 2014, the School District amended its budget as needed.

The following table examines the summary budget performance of the general fund and the major special revenue fund for the fiscal year ending June 30, 2014.

	Original Budget- Expenditures	Final Budget- Expenditures
General Fund	\$ 55,300,705	\$ 58,705,594
Entitlement IDEA-B Fund	1,290,953	1,601,198
Total	<u>56,591,658</u>	<u>60,306,792</u>

	Original Budget- Revenues	Final Budget- Revenues
General Fund	\$ 49,587,592	\$ 50,631,071
Entitlement IDEA-B Fund	1,290,953	1,601,198
Total	<u>50,878,545</u>	<u>52,232,269</u>

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Management's Discussion and Analysis
June 30, 2014

General Fund Budgeting Highlights-continued

For the General Fund, final budgeted revenues and other financing sources were approximately \$58.7 million while actual revenues were approximately \$51 million. Total revenues from state sources amounted to \$49.4 million or 97% of the total. The excess of revenues over expenditures was \$2,229,038 for fiscal year 2014.

Final General Fund expenditures and other financing uses were budgeted at \$58.7 million while actual expenditures were \$48.7 million. The favorable variance between final budget and actual expenditures was approximately \$10 million.

The General Fund is predominately funded by revenues from the State of New Mexico as allocated through the State Equalization Guarantee (SEG) formula, the Transportation formula and Instructional Materials awards. This fund covers the costs for employee salaries and benefits, fixed costs including utilities and insurance, school and department operating allocations, student transportation contracts, adopted and non-adopted instructional materials and reserves.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2014, the District had approximately \$120.7 million invested in capitalized assets with associated accumulated depreciation of \$52.3 million (see note 7). The value of District owned land and buildings were adjusted to correspond to historical cost or appraised value (if historical cost was not available).

Debt

The total principal amount paid for outstanding debt for the year ending June 30, 2014 was \$5,170,000; an increase from the \$1,655,000 principal paid for outstanding debt for the year ending June 30, 2013. Principal and interest payments continue for the General Obligation Bonds issued in 2004 for \$7.1 million, in 2007 for \$7.1 million, in 2011 for \$7.0 million and in 2014 for \$30.0 million. In FY13, the District issued Educational Technology Notes for \$3.4 million. These notes were designated for the expansion of technology-based infrastructure and upgrades of technology equipment and communication systems.

The District had outstanding bonds payable in the amount of \$41,190,000 for the year ending June 30, 2014. In addition, the District accrues compensated absences for employee vacation and other compensatory time. At year end, the compensated absences were valued at \$586,421.

Economic Factors and Next Year's Budget

Carlsbad Municipal School is located in Eddy County. Eddy County has a strong and balanced economy. With the expansion of the oil & gas industry in Southeastern New Mexico, unemployment rates in the area have declined. The recruitment and retention of District employees has been a challenge since wages paid by the private sectors has pulled from the potential employee pool. In addition, the lack of adequate and affordable housing for new employees moving to the area has negatively impacted employee retention.

While Eddy County's population continues to increase, Carlsbad Municipal School District had experienced a growth in student enrollment. From 2006 to 2009, the District experienced declines in enrollment. At the time, the student population was projected to stabilize and in 2009-10. In 2010-11, the District experienced an unexpected increase in enrollment and the student population has continued to grow. The rate of growth has exceeded 1% for the four (4) most recent years. The rate of growth has qualified the District for additional funding through the State Equalization Formula. The final student enrollment count for 2013-14 was 6,213. This was an increase of 136 students over the final enrollment count of 6,077 in 2012-13. Projected enrollment for 2014-15 is 6,289. Student enrollment growth is expected to continue in the coming years.

Carlsbad Municipal Schools received approximately 63% of the 2013-14 approved annual operating budget from the State of New Mexico through the State Equalization Guaranteed Funding. The objectives of the formula are (1) to equalize educational opportunity statewide (by crediting certain local and federal support and then distributing state support in an objective manner) and (2) to retain local autonomy in actual use of funds by allowing funds to be used in local districts at the discretion of local policy making bodies. The basis for the formula is in the number of students enrolled. Weighting factors

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Carlsbad Municipal School District No. 20
Management's Discussion and Analysis
June 30, 2014

Economic Factors and Next Year's Budget-continued

are assigned to students that receive special services, i.e., special education and bilingual education services, as well as other factors based on the training and experience of the teaching staff and the District's at-risk population.

Carlsbad Municipal Schools continues to seek community partnerships to support the implementation and expansion of instructional programs and student support services. Community partnerships with various governmental agencies including the City of Carlsbad and Eddy County, service organizations including United Way of Carlsbad, the Daniels Fund/Bridge of Southern New Mexico and parent organizations, area potash mining companies and other individuals and businesses were established. These partnerships have resulted in shared funding arrangements for the start-up and continuation of the Eddy Alternative School and the Carlsbad Early College High School. Community partners, through their service on various District Advisory Committees, assisted in guiding program decisions through their recommendations. For 2014-15, this work resulted in the re-organization of the Middle Schools into a Sixth Grade Academy and the Carlsbad Intermediate School for 7th and 8th graders. The District's community partnerships are greatly valued and community involvement will continue to be a priority for the District.

Contacting the School District's Financial Management

The financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the monies it receives. Questions about this report or requests for additional financial information may be directed to:

Laura Garcia
Director of Finance
Carlsbad Municipal Schools
408 N. Canyon
Carlsbad, NM 88220
Laura.Garcia@carlsbad.k12.nm.us
(575) 234-3300, Ext. 1016

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Statement of Net Position
June 30, 2014

	Governmental Activities	Component Unit
Assets		
Current assets		
Cash and cash equivalents	\$ 23,753,533	\$ 304,785
Receivables:		
Taxes	1,469,211	-
Due from other governments	1,852,190	14,989
Other	8,779	-
Inventory	422,874	-
Total current assets	27,506,587	319,774
Noncurrent assets		
Unspent bond proceeds	29,974,835	-
Restricted cash and cash equivalents	7,111,339	-
Capital assets	120,728,622	124,614
Less: accumulated depreciation	(52,297,056)	(117,619)
Total noncurrent assets	105,517,740	6,995
Total assets	\$ 133,024,327	\$ 326,769

The accompanying notes are an integral part of these financial statements

	Governmental Activities	Component Unit
Liabilities		
Current liabilities		
Accounts payable	\$ 1,259,595	\$ 3,963
Accrued payroll	2,804,197	69,332
Accrued interest	284,805	-
Current portion of accrued compensated absences	185,302	-
Current portion of bonds payable	1,335,000	-
	<u>5,868,899</u>	<u>73,295</u>
Total current liabilities		
Noncurrent liabilities		
Accrued compensated absences	401,119	-
Bond premiums, net of amortization of \$108,885	2,744,285	-
Bonds payable	39,855,000	-
	<u>43,000,404</u>	<u>-</u>
Total noncurrent liabilities		
Total liabilities	<u>48,869,303</u>	<u>73,295</u>
Net position		
Net investment in capital assets	57,216,401	6,995
Restricted for:		
Special revenue	2,149,907	23,364
Debt service	7,327,435	-
Capital projects	39,146,059	48,406
Unrestricted	(21,684,778)	174,709
	<u>84,155,024</u>	<u>253,474</u>
Total net position		
Total liabilities and net position	<u>\$ 133,024,327</u>	<u>\$ 326,769</u>

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Statement of Activities
 For the Year Ended June 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
Instruction	\$ 37,157,827	\$ 913,136	\$ 4,030,296	\$ -
Support services	12,071,934	111,102	440,891	464,141
Central services	1,633,353	-	-	-
Operation and maintenance of plant	11,023,569	-	-	-
Student transportation	1,579,362	-	1,512,490	-
Food services operations	4,009,739	1,037,080	2,919,878	-
Community services operations	74,802	-	-	-
Interest on long-term debt	462,094	-	-	-
	<u>\$ 68,012,680</u>	<u>\$ 2,061,318</u>	<u>\$ 8,903,555</u>	<u>\$ 464,141</u>
Component Unit Activities:				
Jefferson Montessori Academy	<u>\$ 1,861,047</u>	<u>\$ 38,053</u>	<u>\$ 92,536</u>	<u>\$ 137,346</u>

General Revenues:

Taxes:

- Property taxes, levied for operating programs
- Property taxes, levied for debt services
- Property taxes, levied for capital projects
- Oil and gas
- State equalization guarantee
- Interest and investment earnings
- Miscellaneous
- Loss on disposal of capital assets

Subtotal, general revenues

Change in net position

Net position, beginning

Restatement (Note 14)

Net position, beginning of the year as restated

Net position, ending

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Unit
Governmental Activities	Charter School
\$ (32,214,395)	\$ -
(11,055,800)	-
(1,633,353)	-
(11,023,569)	-
(66,872)	-
(52,781)	-
(74,802)	-
(462,094)	-
(56,583,666)	-
-	(1,593,112)
172,742	-
2,895,409	-
3,849,805	57,113
6,747,888	-
47,180,304	1,760,082
30,445	-
81,139	15,200
(326,346)	-
60,631,386	1,832,395
4,047,720	239,283
80,246,121	14,191
(138,817)	-
80,107,304	14,191
<u>\$ 84,155,024</u>	<u>\$ 253,474</u>

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Balance Sheet
 Governmental Funds
 June 30, 2014

	General Fund	Entitlement IDEA-B	Bond Building
<i>Assets</i>			
Cash and cash equivalents	\$ 12,039,870	\$ -	\$ 29,974,835
Receivables:			
Taxes	124,117	-	-
Due from other governments	-	557,844	-
Other	-	-	-
Inventory	304,038	-	-
Due from other funds	1,630,670	-	26,217
<i>Total assets</i>	\$ 14,098,695	\$ 557,844	\$ 30,001,052
<i>Liabilities, deferred inflows and fund balances</i>			
<i>Liabilities</i>			
Accounts payable	\$ 147,071	\$ 2,555	\$ 57,310
Accrued payroll	2,513,270	98,116	-
Due to other funds	26,217	457,173	-
<i>Total liabilities</i>	2,686,558	557,844	57,310
<i>Deferred inflows</i>			
Unavailable revenue	45,956	-	-
<i>Total deferred inflows</i>	45,956	-	-
<i>Fund balances</i>			
Nonspendable:			
Inventory	304,038	-	-
Spendable:			
Restricted for:			
Educational purposes	-	-	-
Food services	-	-	-
Capital acquisitions and improvements	-	-	29,943,742
Debt service	-	-	-
Extracurricular activities	-	-	-
Committed for:			
Subsequent years' expenditures	11,062,143	-	-
<i>Total fund balances</i>	11,366,181	-	29,943,742
<i>Total liabilities, deferred inflows and fund balances</i>	\$ 14,098,695	\$ 557,844	\$ 30,001,052

The accompanying notes are an integral part of these financial statements

Capital Improvements SB-9	Capital Improvements HB-33	Debt Service	Other Governmental Funds	Total
\$ 2,824,057	\$ 6,748,955	\$ 7,111,339	\$ 2,140,651	\$ 60,839,707
440,954	503,272	400,868	-	1,469,211
-	-	-	1,294,346	1,852,190
-	-	-	8,779	8,779
-	-	-	118,836	422,874
-	-	-	-	1,656,887
<u>\$ 3,265,011</u>	<u>\$ 7,252,227</u>	<u>\$ 7,512,207</u>	<u>\$ 3,562,612</u>	<u>\$ 66,249,648</u>
\$ 368,267	\$ 587,536	\$ -	\$ 96,856	\$ 1,259,595
-	-	-	192,811	2,804,197
-	41,649	-	1,131,848	1,656,887
<u>368,267</u>	<u>629,185</u>	<u>-</u>	<u>1,421,515</u>	<u>5,720,679</u>
<u>127,776</u>	<u>189,693</u>	<u>184,772</u>	<u>-</u>	<u>548,197</u>
<u>127,776</u>	<u>189,693</u>	<u>184,772</u>	<u>-</u>	<u>548,197</u>
-	-	-	118,836	422,874
-	-	-	829,802	829,802
-	-	-	1,118,843	1,118,843
2,768,968	6,433,349	-	-	39,146,059
-	-	7,327,435	-	7,327,435
-	-	-	82,426	82,426
-	-	-	(8,810)	11,053,333
<u>2,768,968</u>	<u>6,433,349</u>	<u>7,327,435</u>	<u>2,141,097</u>	<u>59,980,772</u>
<u>\$ 3,265,011</u>	<u>\$ 7,252,227</u>	<u>\$ 7,512,207</u>	<u>\$ 3,562,612</u>	<u>\$ 66,249,648</u>

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STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Governmental Funds

Exhibit B-1
Page 2 of 2

Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2014

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

Fund balances - total governmental funds	\$ 59,980,772
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds	68,431,566
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities	548,197
Interest on long-term debt is not accrued in the fund financial statements unless it is due and payable: Accrued interest	(284,805)
Some liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds: Accrued compensated absences Bond premiums Bonds payable	(586,421) (2,744,285) <u>(41,190,000)</u>
Total net position - governmental activities	<u>\$ 84,155,024</u>

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2014

	General Fund	Entitlement IDEA-B	Bond Building
<i>Revenues</i>			
Taxes	\$ 1,158,284	\$ -	\$ -
Intergovernmental revenue			
Federal flowthrough	72,479	1,401,519	-
Federal direct	-	-	-
Local	-	-	-
State flowthrough	47,623,459	-	-
State direct	225,318	-	-
Transportation distribution	1,512,490	-	-
Charges for services	385,857	-	-
Investment income	17,743	-	1,652
Miscellaneous	75	-	-
<i>Total revenues</i>	<u>50,995,705</u>	<u>1,401,519</u>	<u>1,652</u>
<i>Expenditures</i>			
Current			
Instruction	30,414,612	1,098,343	-
Support services	9,544,861	255,370	298,306
Central services	1,578,686	39,987	-
Operation and maintenance of plant	7,155,466	7,819	-
Student transportation	1,509,807	-	-
Food services operations	124,608	-	-
Community services operations	67,226	-	-
Capital outlay	-	-	2,630,614
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>50,395,266</u>	<u>1,401,519</u>	<u>2,928,920</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>600,439</u>	<u>-</u>	<u>(2,927,268)</u>
<i>Other financing sources (uses)</i>			
Bond proceeds	-	-	30,000,000
Bond premium	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>30,000,000</u>
<i>Net change in fund balances</i>	600,439	-	27,072,732
<i>Fund balances - beginning</i>	<u>10,765,742</u>	<u>-</u>	<u>2,871,010</u>
<i>Fund balances - ending</i>	<u>\$ 11,366,181</u>	<u>\$ -</u>	<u>\$ 29,943,742</u>

The accompanying notes are an integral part of these financial statements

Capital Improvements SB-9	Capital Improvements HB-33	Debt Service	Other Governmental Funds	Total
\$ 3,611,077	\$ 4,741,940	\$ 3,904,293	\$ -	\$ 13,415,594
-	-	-	4,127,069	5,601,067
-	-	-	421,963	421,963
-	-	-	100,000	100,000
-	-	-	692,457	48,315,916
-	-	-	373,713	599,031
-	-	-	-	1,512,490
-	-	-	1,675,461	2,061,318
-	10,004	432	614	30,445
13,204	-	-	67,860	81,139
<u>3,624,281</u>	<u>4,751,944</u>	<u>3,904,725</u>	<u>7,459,137</u>	<u>72,138,963</u>
-	-	-	2,244,668	33,757,623
1,140,150	17,617	12,466	560,726	11,829,496
-	-	-	3,316	1,621,989
2,185,712	1,083,077	-	485,429	10,917,503
-	-	-	31,674	1,541,481
-	-	-	3,820,733	3,945,341
-	-	-	-	67,226
283,354	2,025,583	-	848,465	5,788,016
-	-	5,170,000	-	5,170,000
-	-	394,347	-	394,347
<u>3,609,216</u>	<u>3,126,277</u>	<u>5,576,813</u>	<u>7,995,011</u>	<u>75,033,022</u>
<u>15,065</u>	<u>1,625,667</u>	<u>(1,672,088)</u>	<u>(535,874)</u>	<u>(2,894,059)</u>
-	-	-	-	30,000,000
-	-	2,603,825	-	2,603,825
-	-	2,603,825	-	32,603,825
15,065	1,625,667	931,737	(535,874)	29,709,766
<u>2,753,903</u>	<u>4,807,682</u>	<u>6,395,698</u>	<u>2,676,971</u>	<u>30,271,006</u>
<u>\$ 2,768,968</u>	<u>\$ 6,433,349</u>	<u>\$ 7,327,435</u>	<u>\$ 2,141,097</u>	<u>\$ 59,980,772</u>

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STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the year ended June 30, 2014

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

Net change in fund balances - total governmental funds	\$ 29,709,766
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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:

Capital expenditures recorded in capital outlay	5,788,016
Depreciation expense	(3,788,090)
Loss on disposal of capital assets	(326,346)

Revenues in the Statement of Activities that do not provide current financial
 resources are not reported as revenue in the funds:

Decrease in deferred inflows related to unavailable property taxes	250,250
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Expenses in the Statement of Activities that do not consume current financial
 resources are not reported as expenditures in the funds:

Increase in accrued compensated absences	(84,304)
Increase in accrued interest	(109,980)

The issuance of long-term debt (e.g. bonds, notes, leases) 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, discounts, and similar items when
 debt is first issued, whereas these amounts are deferred and amortized in the
 statement of activities:

Amortization of premiums	42,233
Bond premium capitalized	(2,603,825)
Bond proceeds	(30,000,000)
Principal payments on bonds	5,170,000

Change in net position of governmental activities	\$ 4,047,720
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 General Fund

Exhibit C-1

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

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ 853,816	\$ 853,816	\$ 1,122,451	\$ 268,635
<i>Intergovernmental revenue</i>				
Federal flowthrough	60,000	60,000	72,479	12,479
State flowthrough	46,993,211	47,687,064	47,623,459	(63,605)
State direct	95,451	95,451	225,318	129,867
Transportation distribution	1,290,014	1,512,490	1,512,490	-
Charges for services	275,100	380,100	385,857	5,757
Investment income	20,000	20,000	17,743	(2,257)
Miscellaneous	-	-	75	75
<i>Total revenues</i>	<u>49,587,592</u>	<u>50,631,071</u>	<u>50,959,872</u>	<u>328,801</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	32,921,521	33,638,159	28,662,650	4,975,509
Support services	11,901,988	13,461,100	9,763,796	3,697,304
Central services	1,730,025	2,265,488	1,579,208	686,280
Operation and maintenance of plant	7,438,591	7,537,091	7,037,720	499,371
Student transportation	1,290,014	1,512,490	1,509,807	2,683
Food services operations	6,000	13,000	12,687	313
Community services operations	12,566	78,266	67,226	11,040
<i>Total expenditures</i>	<u>55,300,705</u>	<u>58,705,594</u>	<u>48,730,834</u>	<u>9,974,760</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,713,113)</u>	<u>(8,074,523)</u>	<u>2,229,038</u>	<u>10,303,561</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	5,713,113	8,074,523	-	(8,074,523)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,713,113</u>	<u>8,074,523</u>	<u>-</u>	<u>(8,074,523)</u>
<i>Net change in fund balances</i>	-	-	2,229,038	2,229,038
<i>Fund balances - beginning</i>	-	-	11,415,285	11,415,285
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,644,323</u>	<u>\$ 13,644,323</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 2,229,038
Adjustments to revenues for property taxes, oil and gas taxes and state flowthrough grants				35,833
Adjustments to expenditures for salaries, general supplies and materials, and other contract services				<u>(1,664,432)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 600,439</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Entitlement IDEA-B Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	1,290,953	1,601,198	1,298,443	(302,755)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	1,290,953	1,601,198	1,298,443	(302,755)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	1,077,013	1,221,032	1,052,520	168,512
Support services	170,957	332,188	253,900	78,288
Central services	37,983	39,978	39,978	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	5,000	8,000	7,828	172
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	1,290,953	1,601,198	1,354,226	246,972
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(55,783)	(55,783)
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(55,783)	(55,783)
<i>Fund balances - beginning</i>	-	-	(401,390)	(401,390)
<i>Fund balances - ending</i>	\$ -	\$ -	\$ (457,173)	\$ (457,173)
<i>Net change in fund balances (Budget Basis)</i>				\$ (55,783)
Adjustments to revenues for federal flowthrough grants				103,076
Adjustments to expenditures for general supplies and materials				(47,293)
<i>Net change in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2014

Exhibit D-1

Assets

Cash and cash equivalents	<u>\$ 61,806</u>
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<i>Total assets</i>	<u><u>\$ 61,806</u></u>
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Liabilities

Deposits held in trust for others	<u>\$ 61,806</u>
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<i>Total liabilities</i>	<u><u>\$ 61,806</u></u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies

Carlsbad Municipal School District No. 20 (“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 Carlsbad and surrounding area. 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 summary of significant accounting policies of the District is presented to assist in the understanding of the District’s financial statements. The financial statements and notes are the representation of the District’s management who is responsible for their integrity and objectivity. The financial statements and notes of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for the governmental units. The more significant of the District’s accounting policies are described below.

In fiscal year 2014 the District adopted new accounting standard GASB Statement No. 65, Items Previously Reported as Assets and Liabilities (“GASB 65”), which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The implementation of GASB 65 impacted the District’s fiscal year 2014 financial statements through reclassifying the unavailable portion of property taxes receivable not collected within 60 days as a deferred inflow whereas in the previous year it was classified as a liability.

A. Financial Reporting Entity

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

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

The District’s Board of Education approved the Jefferson Montessori Academy Charter School for operations in accordance with the criteria listed above. The charter school is deemed to be fiscally dependent upon the District and has been deemed to be a separate legal entity based on state statute and is presented as a discrete component unit. The discretely presented component unit does not have separately issued financial statements.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies (continued)

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 nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any *business-type activities*.

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions should be recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions should be recognized when the related purpose restriction, eligibility requirement or time requirement is met in accordance with GASB 33 and GASB 65. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies (continued)

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

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided by the District's school tax levy, state equalization and transportation funds, state instructional material allocations, and earnings from investments. Expenditures include all costs associated with the daily operations of the schools except for those items included in other funds.

The *Entitlement IDEA-B Special Revenue fund* is used to account for a program funded by a federal grant to assist the District in providing free appropriate public education to all handicapped children. The funding is authorized by the Individuals with Disabilities Education Act, Part B, Section 611-620 as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U.S.C. 1411-1420

The *Bond Building Capital Projects Fund* is used to account for the erecting, remodeling, additions and furnishings of school buildings. This particular Bond Building Fund is for the bonds issued in 2007.

The *Capital Improvements SB-9 Capital Projects Fund* is used to account for expenditures of property taxes levied and state matching funds restricted to maintenance and capital improvement projects as adopted by school board resolution. Authority for creation of this fund is NMSA 22-25-1 to 22-25-10.

The *Capital Improvements HB-33* fund is used to account for two mill levy funds authorized by the Public School Capital Improvement Act. The levy must be voted on by local residents and allows the District to impose a property tax.

The *Debt Service* fund is used to accumulate resources for payment of principal and interest due on general obligation bonds. Financing is provided by a special tax levy approved by the voters, and assessed by the County Assessor and collected and remitted to the District by the County Treasurer.

Additionally, the District reports the following agency fund:

The *Fiduciary Funds* account for assets held by the District in a trustee capacity or as an agent for individual, private organizations, other governments and/or other funds.

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

D. *Assets, Liabilities and Net Position*

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

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

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Position (continued)

Restricted Assets: Certain proceeds of the District's revenue bonds and general obligation bonds are classified as restricted assets on the balance sheet because their use is limited by the applicable bond covenants. The Bond Building fund has \$29,974,835 in unspent bond proceeds as of June 30, 2014. Also the debt service fund reports \$7,111,339 in cash which cannot be used for general operations.

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

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

The District receives monthly income from a tax levy from Eddy County. The funds are collected by the County Treasurer and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the County Treasurer in July and August 2014 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2014. Period of availability is deemed to be sixty days subsequent to year end. The portion of property taxes receivable not collected within 60 days is classified as a deferred inflow.

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

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

U.S.D.A. commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). The District does not have any infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Library books are deemed to have useful lives of one year and are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction. Construction projects paid for by the Public School Capital Outlay Council are included in the District's capital assets.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2014

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	20-50
Equipment	5-20

Unearned Revenues and Unavailable Revenues:

- *Unearned revenue* - Under both the accrual and the modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability called unearned revenue.
- *Unavailable revenue* – Under the modified accrual basis of accounting, revenue must also be susceptible to accrual (it must be both measureable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflow. The District has recorded \$548,197 in deferred inflows related to property taxes considered unavailable.

Compensated Absences: The District permits administrative employees to accumulate a limited amount of earned but unused vacation, which will be paid if not used, upon termination from the District. Accumulated sick leave benefits vest with each employee in accordance with District policy. All vacation pay and applicable accumulated sick leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is reported for unpaid accumulated sick leave, as no payment is required upon termination of service employees.

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

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 or straight line method if the difference is inconsequential.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

Nonspendable Fund Balance: At June 30, 2014, the nonspendable fund balances in the general fund and food service fund are made up of inventory in the amount of \$304,038 and \$118,836, respectively, which are not in spendable form.

Restricted and Committed Fund Balance: At June 30, 2014, the restricted fund balance on the governmental funds balance sheet is made up of \$48,504,565 for the purposes described on pages 38 and 60-63. The District also has committed funds of \$11,062,143 in the general fund rebudgeted for the subsequent year's expenditures. The District has no minimum fund balance policy. Residual amounts of fund balance are reported as unassigned in the general fund.

Equity Classifications

Government-wide Statements

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

- a. Net investment in capital assets:
Net investment in capital assets includes 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.
- b. Restricted:
This component consists of amounts with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for "special revenue," "debt service" and "capital projects" are described on pages 38 and 60-63.
- c. Unrestricted:
This component consists of all other amounts that do not meet the definition of "restricted" or "net investment in capital assets."

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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. The District's estimates include the useful lives of depreciable assets and the current portion of compensated absences. Accordingly, actual results could differ from those estimates.

E. *Revenues*

State Equalization Guarantee: School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to 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 costs." A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$47,180,304 in state equalization guarantee distributions during the year ended June 30, 2014.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements. The District recognized \$6,917,956 in property tax revenues during the year ended June 30, 2014. The amount is included in revenue from taxes reported in the statement of activities. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes. The District received \$6,747,888 in oil and gas tax revenues in fiscal year 2014.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$1,512,490 in transportation distributions during the year ended June 30, 2014.

Instructional Materials: The Public Education Department receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. The District received \$427,588 in instructional materials during the year ended June 30, 2014.

SB-9 State Match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the Schools under the Public School Capital Improvements Act. The distribution shall be made by December 1 of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. The District received \$3,611,077 in SB-9 match during the year ended June 30, 2014.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies (continued)

E. *Revenues (continued)*

Public School Capital Outlay: The public school capital outlay fund was created under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used for: capital expenditures deemed by the public school capital outlay council to be necessary for an adequate education program per Section 22-24-4(B); core administrative function of the public school facilities authority and for project management expense upon approval of the council per Section 22-24-4(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L). Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved. The District did not receive any funds from PSCOC awards during the year ended June 30, 2014.

Federal Grants: The District receives revenues from various federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operates under its own budget, which has been approved by the Federal Department or the flowthrough agency (usually the New Mexico Public Education Department). The various budgets are approved by the Local School Board and the New Mexico Public Education Department.

The District also receives reimbursement under the National School Lunch and Breakfast for its food services operations, and the distribution of commodities through the New Mexico Human Services Department.

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

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

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Public Education Department.
2. In May or June, the budget is approved by the Board of Education.
3. The school board must certify the budget. The school board meeting is open for the general public unless a closed meeting has been called.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2014

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds.
6. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Budget basis expenditures exclude encumbrances.

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

NOTE 3. Deposits and Investments

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

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

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

Excess 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.

All of the District's accounts at an insured depository institution, including non-interest bearing accounts are insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2014, \$48,136,069 of the District's bank balance of \$62,639,551 was subject to custodial credit risk. \$30,808,555 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the District's name. \$17,327,514 of the District's deposits were uninsured and uncollateralized at June 30, 2014.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2014

NOTE 3. Deposits and Investments (continued)

	Western Commerce Bank	Wells Fargo Bank	Carlsbad National Bank	Total
Amount of deposits	\$ 29,146,415	\$ 15,916,480	\$ 17,576,656	\$ 62,639,551
FDIC coverage	<u>(13,753,482)</u>	<u>(250,000)</u>	<u>(500,000)</u>	<u>(14,503,482)</u>
Total uninsured public funds	<u>15,392,933</u>	<u>15,666,480</u>	<u>17,076,656</u>	<u>48,136,069</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	<u>12,830,745</u>	<u>9,710,972</u>	<u>8,266,838</u>	<u>30,808,555</u>
Uninsured and uncollateralized	<u>\$ 2,562,188</u>	<u>\$ 5,955,508</u>	<u>\$ 8,809,818</u>	<u>\$ 17,327,514</u>
Collateral requirement (50% of uninsured funds)	\$ 7,696,467	\$ 7,833,240	\$ 8,538,328	\$ 24,068,035
Pledged Collateral	<u>12,830,745</u>	<u>9,710,972</u>	<u>8,266,838</u>	<u>30,808,555</u>
Over (Under) collateralized	<u>\$ 5,134,279</u>	<u>\$ 1,877,732</u>	<u>\$ (271,490)</u>	<u>\$ 6,740,522</u>

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

Reconciliation to the Statement of Net Position

The carrying amounts of deposits shown above are included in the District's Statement of Net Position as follows:

Cash and cash equivalents per Exhibit A-1	\$23,753,533
Unspent bond proceeds per Exhibit A-1	29,974,835
Restricted cash and cash equivalents per Exhibit A-1	7,111,339
Agency funds cash per Exhibit D-1	<u>61,806</u>
Total cash and cash equivalents	<u>60,901,513</u>
Less deposits in transit	(514,229)
Less petty cash	(1,000)
Add outstanding checks	2,152,840
Add other adjustments	<u>100,427</u>
Bank balance of deposits	<u>\$62,639,551</u>

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2014

NOTE 3. Deposits and Investments (continued)

Component Unit:

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Component Unit’s deposits may not be returned to it. The Component Unit does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2014, \$64,706 of the component unit’s bank balance of \$314,706 was subject to custodial credit risk.

	<u>Wells Fargo Bank</u>
Amount of deposits	\$ 314,706
FDIC Insurance	<u>(250,000)</u>
 Total uninsured public funds	 \$ 64,706
 Collateralized by securities held by pledging institutions or by its trust department or agent in other than the Component Unit's name	 <u>-</u>
Uninsured and uncollateralized	<u>\$ 64,706</u>
 Collateral requirement (50% of uninsured funds)	 \$ 32,353
Pledged Collateral	<u>-</u>
Over (Under) collateralized	<u>\$ (32,353)</u>

Reconciliation to the Statement of Net Position

The carrying amounts of deposits shown above are included in the component unit’s statement of net position as follows:

Cash and cash equivalents per Exhibit A-1	<u>\$ 304,785</u>
Total cash and cash equivalents	<u>304,785</u>
Add: outstanding checks	10,121
Less: petty cash	<u>(200)</u>
Bank balance of deposits	<u>\$ 314,706</u>

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2014

NOTE 4. Accounts Receivable

Primary Government:

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

	<u>General</u>	<u>Entitlement IDEA-B</u>	<u>Capital Improvements SB-9</u>
Taxes receivable:			
Property taxes	\$ 58,985	\$ -	\$ 182,744
Oil and gas taxes	65,132	-	258,210
Due from other governments:			
State	-	-	-
Federal	-	557,844	-
Other receivables:			
Reimbursements	-	-	-
Totals by fund	<u>\$ 124,117</u>	<u>\$ 557,844</u>	<u>\$ 440,954</u>

	<u>Capital Improvements HB-33</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Taxes receivable:				
Property taxes	\$ 242,744	\$ 224,376	\$ -	\$ 708,849
Oil and gas taxes	260,528	176,492	-	760,362
Due from other governments:				
State	-	-	576,560	576,560
Federal	-	-	717,786	1,275,630
Other receivables:				
Reimbursements	-	-	8,779	8,779
Totals by fund	<u>\$ 503,272</u>	<u>\$ 400,868</u>	<u>\$ 1,303,125</u>	<u>\$ 3,330,180</u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$548,197, which were recognized as receivables before time requirements were met, have been reclassified as deferred inflow within the governmental fund financial statements. All of the above receivables are deemed 100% collectible.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2014

NOTE 4. Accounts Receivable (continued)

Component unit:

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

	General Instructional Materials	Food Services	Non- Instructional Support	Entitlement IDEA-B
Due from other governments:				
State	\$ 3,225	\$ -	\$ 725	\$ -
Federal	-	832	-	20
Totals by fund	<u>\$ 3,225</u>	<u>\$ 832</u>	<u>\$ 725</u>	<u>\$ 20</u>

	2012 GO Bond Student Library Fund	Next Generation Assessment Fund	Public School Capital Outlay	Total
Due from other governments:				
State	\$ 2,277	\$ 1,643	\$ 6,267	\$ 14,137
Federal	-	-	-	852
Totals by fund	<u>\$ 2,277</u>	<u>\$ 1,643</u>	<u>\$ 6,267</u>	<u>\$ 14,989</u>

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2014

NOTE 5. Interfund Receivables, Payables

The District records temporary interfund receivables and payables to enable the funds to operate until grant monies are received. All interfund balances are to be repaid within one year. The composition of interfund balances during the year ended June 30, 2014 is as follows:

Primary Government:

<u>Due from Other Fund</u>	<u>Due to Other Fund</u>	<u>Amount</u>
General Fund	Entitlement IDEA-B	\$ 457,173
General Fund	HB-33 Capital Improvements	41,649
General Fund	Title I	359,536
General Fund	Preschool IDEA-B	10,889
General Fund	IDEA-B Early Intervention Services	2,495
General Fund	Education for Homeless Children	6,524
General Fund	IDEA Private School Share	6,655
General Fund	IDEA-B "Risk Pool"	12,216
General Fund	Teacher/Principal Training & Recruiting	100,192
General Fund	Title I 1300A School Improvement	1,600
General Fund	Carl D Perkins Secondary - Current	18,781
General Fund	Carl D Perkins HSTW - Current	48,175
General Fund	Dual Credit Instructional Materials	2,747
General Fund	2008 GO Bond Student Library Fund	44,679
General Fund	New Mexico Reads to Lead	18,267
General Fund	Advanced Placement Middle School	18,355
General Fund	K3 Plus	106,138
General Fund	Breakfast for Elementary Students	2,467
General Fund	New Mexico Grown Fruits & Vegetables	591
General Fund	Next Generation Assignments	128,172
General Fund	Special Capital Outlay-State & Local	243,369
Bond Building Fund	General Fund	26,217
Total Interfund Balances		<u><u>\$ 1,656,887</u></u>

Component Unit:

<u>Due from Other Fund</u>	<u>Due to Other Fund</u>	<u>Amount</u>
General Fund-operational	Food Services	\$ 3,073
General Fund-operational	Entitlement IDEA-B	20
General Fund-operational	2008 Go Bond Student Library Fund (SB333)	2,277
General Fund-operational	Partnership for Assessment	1,643
General Fund-operational	Public School Capital Outlay	6,267
Total Interfund Balances		<u><u>\$ 13,280</u></u>

NOTE 6. Concentrations

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

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2014

NOTE 7. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2014 is as follows.

Primary Government:

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,346,923	\$ -	\$ -	\$ 1,346,923
Construction in progress	<u>2,482,140</u>	<u>672,888</u>	<u>(2,472,037)</u>	<u>682,991</u>
Total capital assets not being depreciated	<u>3,829,063</u>	<u>672,888</u>	<u>(2,472,037)</u>	<u>2,029,914</u>
Capital assets being depreciated:				
Land improvements	13,108,965	495,306	-	13,604,271
Buildings and improvements	91,940,044	6,561,576	-	98,501,620
Equipment	<u>11,216,307</u>	<u>530,283</u>	<u>(5,153,773)</u>	<u>6,592,817</u>
Total capital assets being depreciated	<u>116,265,316</u>	<u>7,587,165</u>	<u>(5,153,773)</u>	<u>118,698,708</u>
Less accumulated depreciation:				
Land Improvements	3,819,140	567,115	-	4,386,255
Buildings and improvements	40,995,651	2,671,108	-	43,666,759
Equipment	<u>8,521,602</u>	<u>549,867</u>	<u>(4,827,427)</u>	<u>4,244,042</u>
Total accumulated depreciation	<u>53,336,393</u>	<u>3,788,090</u>	<u>(4,827,427)</u>	<u>52,297,056</u>
Total capital assets, net of depreciation	<u>\$ 66,757,986</u>	<u>\$ 4,471,963</u>	<u>\$ (2,798,383)</u>	<u>\$ 68,431,566</u>

Depreciation expense for the year ended June 30, 2014 was charged to the following functions:

Direct Instruction	\$ 3,318,367
Support Services-Students	242,438
Central Services	11,364
Operation and maintenance of plant	106,066
Student Transportation	37,881
Food service operations	64,398
Community service operations	<u>7,576</u>
Total	<u>\$ 3,788,090</u>

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2014

NOTE 7. Capital Assets-(continued)

Component Unit:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets being depreciated:				
Furniture, fixtures and equipment	\$ 117,619	\$ 6,995	\$ -	\$ 124,614
Less accumulated depreciation:				
Furniture, fixtures and equipment	(117,619)	-	-	(117,619)
Total capital assets, net of depreciation	<u>\$ -</u>	<u>\$ 6,995</u>	<u>\$ -</u>	<u>\$ 6,995</u>

NOTE 8. Long-term Debt

Primary Government

On June 24, 2004 the District issued general obligation bonds secured by ad valorem taxes to provide funds for the acquisition and construction of major capital facilities. The original amount of the issue was \$7,100,000. The bonds are issued with varying terms, interest rates that range between 2.5% to 4%, and varying amounts of principal maturing each year.

On November 20, 2007 the District issued general obligation bonds secured by ad valorem taxes to provide funds for purposes of purchasing, improving, renovating, remodeling, upgrading, and making additions to the heating and cooling systems in elementary and secondary schools, restrooms at P.R. Leyva Middle School auditorium, playground equipment at elementary schools, and outside lockers at Carlsbad High School. The original amount of the issue was \$7,100,000. The bonds are issued with varying terms, interest rates that range between 3.75% to 4%, and varying amounts of principal maturing each year.

On June 24, 2011 the District issued general obligation bonds secured by ad valorem taxes for purposes of providing funds for an on-going school building and renovation program, to purchase or improve schools grounds, to purchase computer software and hardware for student use in public schools, and to provide matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act. The original amount of the issue was \$7,000,000. The bonds are issued with varying terms, interest rates that range between 2% to 3.5%, and varying amounts of principal maturing each year.

On February 8, 2012 the District issued general obligation bonds secured by ad valorem taxes for purposes of a lease purchase of educational technology equipment. The original amount of the issue was \$740,000. The bonds are issued with varying terms, interest rates that range between .2% and .85%, with principal in the amount of \$140,000 maturing in 2013, and \$150,000 of principal maturing each subsequent year through 2017.

On May 21, 2014 the District issued general obligation bonds secured by ad valorem taxes for purposes of erecting, remodeling and making additions to and furnish school buildings within the District, to purchase or improve school grounds, to purchase computer software and hardware for student use in public schools, and to provide matching funds for capital outlay projects funded pursuant the Public School Capital Outlay Act. The original amount of the issue was \$30,000,000. The bonds are issued with varying terms, interest rates that range between 2.5% and 5% and varying amounts of principal maturing each year through August 1, 2027.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2014

NOTE 8. Long-term Debt (continued)

All general obligation bonds as of June 30, 2014 are for governmental activities. The following is a summary of the long-term debt and the activity for the year ending June 30, 2014.

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
Bonds	\$ 16,360,000	\$ 30,000,000	\$ 5,170,000	\$ 41,190,000	\$ 1,335,000
Compensated Absences	502,117	269,606	185,302	586,421	185,302
Total long-term debt	<u>\$ 7,248,287</u>	<u>\$ 30,269,606</u>	<u>\$ 5,355,302</u>	<u>\$ 41,776,421</u>	<u>\$ 1,520,302</u>

The final year of payment for bonds outstanding is fiscal year 2028. The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2014, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 1,335,000	\$ 1,224,563	\$ 2,559,563
2016	5,800,000	1,458,910	7,258,910
2017	6,360,000	1,180,025	7,540,025
2018	2,275,000	987,244	3,262,244
2019	2,525,000	888,300	3,413,300
2020-2024	13,700,000	2,617,594	16,317,594
2025-2028	9,195,000	533,100	9,728,100
	<u>\$ 41,190,000</u>	<u>\$ 8,889,736</u>	<u>\$ 50,079,736</u>

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2014, compensated absences increased by \$84,304 from the prior year accrual. In prior years, the general fund was typically used to liquidate long-term liabilities.

NOTE 9. 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; and natural disasters. Therefore, the District is a member of the New Mexico Public School Insurance Authority (NMPSIA). NMPSIA was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance. The NMPSIA provides coverage for up to a maximum of \$500,000 for each property damage claim with a \$15,000 deductible per occurrence with a maximum annual deductible of \$60,000. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery and Money Orders. A limit of \$100,000 applies to Money and Securities, which include a \$750 deductible. In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. No settlements exceeded insurance coverage for 2014.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2014

NOTE 10. Deficit Fund Balances and Budget Noncompliance Issues

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

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

Primary Government:

Non-Major Funds:

Special Capital Outlay -State & Local	\$ 2,090
Education Technology Notes	<u>6,720</u>
Total	<u><u>\$ 8,810</u></u>

Component Unit:

Major Funds:

Food services fund	\$ 2,241
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- B. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2014:

Primary Government:

None

Component Unit:

None

- C. The following funds exceeded budgeted designated cash appropriations for the year ended June 30, 2014:

Primary Government:

None

Component Unit:

None

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2014

NOTE 11. Pension Plan- Educational Retirement Board

Plan Description. Substantially all of the District's full-time employees participate in an educational 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, other employees of state public school districts, colleges and universities, and some state agency employees) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P. O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB's website at www.nmerb.org.

Funding Policy.

Member Contributions

Plan members whose annual salary is earning \$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: 10.10% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions

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

The contribution requirements of plan members and the District are established is State Statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2014, 2013, and 2012 were \$4,547,976, \$3,055,296, and \$3,040,325 respectively, which equal the amount of the required contributions for each fiscal year. The Academy contributions to ERB for the fiscal years ending June 30, 2014, 2013 and 2012 were \$142,300, \$136,516 and \$137,251.

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

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

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

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

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2014

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

additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 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, 2014, 2013, and 2012 were \$691,606, \$658,950, and \$596,277 respectively, which equal the required contributions for each year. The Academy's contributions for fiscal year ending June 30, 2014, 2013 and 2012 were \$21,642, \$18,698, \$17,436.

NOTE 13. Contingent Liabilities

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

The District is involved in various claims and lawsuits arising in the normal course of business. The District does not believe that the outcomes of any other lawsuits would have a material effect on the financial statements.

NOTE 14. Net Position Restatement

The District has restated beginning net position in the amount of (\$138,817) for the implementation of GASB Statement No. 65, which requires all bond issuance costs to be recognized the year of issuance rather than amortizing over the years of the bond repayment. As of June 30, 2013, the District maintained bond issuance costs \$228,149 with accumulated amortization of \$89,332.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2014

NOTE 15. Commitments

The District's construction commitments as of June 30, 2014 are as follows:

<u>Construction Projects</u>	<u>Projected Completion Date</u>	<u>Contract Amount</u>
AV-Painting	2014-15	\$ 170,232
CHS ADA Seating	2014-15	163,328
CHS E. Stadium Bleachers	2014-15	27,065
CHS HVAC Freshman Academy	2014-15	71,653
CHS Occupancy Sensors	2014-15	15,344
CHS Outside Speakers	2014-15	23,592
CHS PUG-Low Voltage	2014-15	15,987
CHS Student Parking Lot	2014-15	301,913
CIS-PRL Remodel	2014-15	19,928
CSGA-AV Entrance	2014-15	19,579
CSGA-AV Cafeteria	2014-15	5,389
CSGA-AV Gym Logo Change	2014-15	13,733
CSGA-AV Rennovation (Lockers)	2014-15	30,438
ECEC Painting	2014-15	127,127
EDISON Painting	2014-15	1,794
EISENHOWER RR & Wall Remodel	2014-15	2,296
PRL HVAC Controls	2014-15	41,952
PRL Waterline	2014-15	2,946
Warehouse Painting	2014-15	1,603
		<u>\$ 1,055,899</u>

Lease Agreement

The component unit Jefferson Montessori Academy (Academy) leases from the District a portion of the Eisenhower School, office space, and playground space situated at 500 West Church Street in Carlsbad, New Mexico. The term of the lease is from July 1, 2013 through June 30, 2018. The annual rent paid to the District is based on the amount of lease reimbursement grant made to Academy which is determined by the Academy enrollment for the year pursuant to NMSA Section 22-24-41(1)(b)(2007) as amended. The total amount paid by the Academy to the District for fiscal year 2014 was \$119,761.

NOTE 16. Restricted Net Position

The government-wide statement of net position reports \$48,623,401 of restricted amounts, all of which is restricted by enabling legislation. For the Academy restricted net position is \$71,770. For descriptions of the related restrictions for net position amounts restricted for special revenue, debt service and capital projects, see pages 38 and 60-63.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2014

NOTE 17. Subsequent Pronouncements

In June 2012, GASB Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged. The District will implement this standard during the fiscal year June 30, 2015 and will significantly impact the District. The fiscal year 2015 financial statements will include a material liability for pension participation.

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

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

NOTE 18. Subsequent Events

The date to which events occurring after June 30, 2014, have been evaluated for possible adjustment to the financial statements or disclosures is November 3, 2014. The following event necessitated the disclosure below.

On July 15, 2014 the Board approved the sale of \$2,100,000 in General Obligation Education Technology Bonds. The funds from the sale will be used to expand computer labs, to purchase software support and maintenance, equipment purchases, and to pay for annual leases and additional technology upgrades and expansions.

No other events occurring after June 30, 2014 necessitate adjustment to the financial statements or disclosure in the notes.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Nonmajor Fund Descriptions
June 30, 2014

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

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

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

Non-Instructional Support (23000) - To account for funds paid to the Schools for student activity travel. Accumulated funds are used to replace activity buses. Funding authority is the New Mexico Public Education Department.

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

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

IDEA-B Early Intervention Services (24112) – To account for a program funded by a Federal grant to assist the District to make improvements in elementary and secondary education. Funding authorized by Elementary and Secondary Education Act of 1965, as amended, Title I, Chapter 2, Part A; Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvements of 1988, Public Law 100-297, 20 U.S.C. 2911-2952, 2971-2976.

Education for Homeless Children (24113)- To reduce barriers to public education for homeless children and youth (Public Law 100-77)

IDEA Private School Share (24115) - Under 34 CFR §§ 300.132-300.133, an LEA must spend a proportionate amount of their IDEA-B Basic Entitlement and, if applicable, Preschool sub-grant funds for special education and related services (“equitable participation services”) to students with disabilities who are parentally placed in private elementary and secondary schools (“equitable participation services”) located in the school district served by the LEA. The private schools must be nonprofit institutions. Children aged three through five are considered to be parentally-placed private school children with disabilities, only if they are enrolled in a private school that meets the definition of elementary school in 34 CFR §300.13. New Mexico State law defines an elementary school as “a public school providing instruction for grades kindergarten through eight, unless there is a junior high school program approved by the state board [department], in which case it means a public school providing instruction for grades kindergarten through six” 22-1-3(A) NMSA 1978.

IDEA-B “Risk Pool” (24120) - Entitlement funds that are set aside each year for the Puente para los Ninos high cost child program.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Nonmajor Fund Descriptions
June 30, 2014

SPECIAL REVENUE FUNDS (continued)

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

Title I 1300A School Improvement (24162) – To improve Title I schools identified for improvement, corrective action, or restructuring. Authority for the creation of this fund is School Improvement Grants (SIG) section 1003 (g) of Title I of the Elementary and Secondary Education Act of 1965.

Carl D Perkins Secondary – Current (24174), Carl D Perkins HSTW - Current (24180), Carl D Perkins HSTW – Prior Year (24181), and Carl D Perkins HSTW - Redistribution (24182) - To provide secondary and post-secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Public Education Department. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

Title XIX Medicaid 3/21 Years (25153) – To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children.

Bridge Early College High School (26215) –To account for a program that is educationally driven by local business community to develop the local workforce and reduce the high school drop-out rate. Authority is Public School Code Section 22, NMSA 1978.

Dual Credit Instructional Materials (27103) - SB943 (2007) and SB31 (2008) create a dual credit program that allows public high school students in school districts, charter schools and state-supported schools in the state to earn both high school and college credit for qualifying dual credit courses. Authority is Senate Bills 943 and 31.

2008 GO Bond Student Library Fund (27105) - Must be used to fund each library facility for improvement or acquisition and to acquire library books and library resources to support the library program. Authority is Senate Bill 333, 2008.

New Mexico Reads to Lead (27114) – To account for a program that increases the quality of reading instruction, provides screening assessment for use in planning data-driven instruction and reaches out to parents and families with free resources in English and Spanish to support children’s reading at home. Authority is Laws of 2013 House Bill 2.

Advanced Placement Middle School (27129) – To account for funds used to support teacher training for advanced placement certification, which enables teachers to offer advanced placement testwork. Authority for creation of this fund is by the New Mexico Public Education Department.

K3 Plus (27166) –To account for a program that extends the school year for K-3 by 25 instructional days beginning before school starts. Authority for the creation of this fund is the New Mexico Public Education Department (Title II part A).

Breakfast for Elementary Students (27155) – To account for Legislative Appropriation to implement Breakfast in the Classroom for elementary students in need of improvement based on AYP designation. Authority for the creation of this fund is the New Mexico Public Education Department.

New Mexico Grown Fruits & Vegetables (27183) – To account for appropriations received from the New Mexico Public Education Department for the purchase of New Mexico grown fresh fruits and vegetables for school meal programs. Authority for the creation of this fund is the New Mexico Public Education Department.

Next Generation Assessments (27185) – To account for funds used to remediate deficiencies in computer devices compliant with Partnership for Assessment of Readiness for College Careers (PARCC) award letter. Authority for the creation of this fund is the New Mexico Public Education Department.

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STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Nonmajor Fund Descriptions
June 30, 2014

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for acquisition and construction of major facilities.

Special Capital Outlay – State & Local (31400) – To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of specific capital outlay projects. To account for special appropriations made by the Public Schools Capital Outlay Council (PSCOC) based on school facility needs. The allocations are made through a standards-based process that ranks the condition of every school building in the State and provides funding to allow public school facilities to meet an adequate level statewide.

Education Technology Notes (31900) – To account for revenue received from any revenue bonds issued into as part of a lease purchase agreement under the Education Technology Act. The Education Technology Act was enacted to implement a provision of Article IX Section 11 of the Constitution of New Mexico which declares that a school district may create a debt under the constitution by entering into a lease purchase arrangement to acquire education technology without submitting the proposition to a vote of the qualified electors of the school district.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2014

	Special Revenue		
	Food Services	Athletics	Non-Instructional Support
<i>Assets</i>			
Cash and cash equivalents	\$ 1,192,811	\$ 82,102	\$ 393,419
Receivables:			
Due from other governments	59,045	-	-
Other	4,266	324	4,189
Inventory	118,836	-	-
<i>Total assets</i>	\$ 1,374,958	\$ 82,426	\$ 397,608
<i>Liabilities</i>			
Accounts payable	\$ 36,257	\$ -	\$ 5,708
Accrued payroll	101,022	-	9,670
Due to other funds	-	-	-
<i>Total liabilities</i>	137,279	-	15,378
<i>Fund balances</i>			
Nonspendable:			
Inventory	118,836	-	-
Spendable:			
Restricted for:			
Educational purposes	-	-	382,230
Food service	1,118,843	-	-
Extracurricular activities	-	82,426	-
Unassigned	-	-	-
<i>Total fund balances</i>	1,237,679	82,426	382,230
<i>Total liabilities and fund balances</i>	\$ 1,374,958	\$ 82,426	\$ 397,608

The accompanying notes are an integral part of these financial statements

Special Revenue

Title I	Preschool IDEA-B	IDEA-B Early Intervention Services	Education for Homeless Children	IDEA Private School Share
\$ -	\$ -	\$ -	\$ -	\$ -
400,915	13,107	2,495	6,524	7,252
-	-	-	-	-
-	-	-	-	-
<u>\$ 400,915</u>	<u>\$ 13,107</u>	<u>\$ 2,495</u>	<u>\$ 6,524</u>	<u>\$ 7,252</u>
\$ -	\$ 118	\$ -	\$ -	\$ -
41,379	2,100	-	-	597
359,536	10,889	2,495	6,524	6,655
<u>400,915</u>	<u>13,107</u>	<u>2,495</u>	<u>6,524</u>	<u>7,252</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 400,915</u>	<u>\$ 13,107</u>	<u>\$ 2,495</u>	<u>\$ 6,524</u>	<u>\$ 7,252</u>

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2014

	Special Revenue		
	IDEA-B "Risk Pool"	Teacher/Principal Training & Recruiting	Title I 1300A School Improvement
<i>Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Receivables:			
Due from other governments	12,216	131,934	13,960
Other	-	-	-
Inventory	-	-	-
	<u>12,216</u>	<u>131,934</u>	<u>13,960</u>
<i>Total assets</i>	<u>\$ 12,216</u>	<u>\$ 131,934</u>	<u>\$ 13,960</u>
<i>Liabilities</i>			
Accounts payable	\$ -	\$ 20,490	\$ 12,360
Accrued payroll	-	11,252	-
Due to other funds	12,216	100,192	1,600
	<u>12,216</u>	<u>131,934</u>	<u>13,960</u>
<i>Total liabilities</i>	<u>12,216</u>	<u>131,934</u>	<u>13,960</u>
<i>Fund balances</i>			
Nonspendable:			
Inventory	-	-	-
Spendable:			
Restricted for:			
Educational purposes	-	-	-
Food service	-	-	-
Extracurricular activities	-	-	-
Unassigned	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 12,216</u>	<u>\$ 131,934</u>	<u>\$ 13,960</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Carl D Perkins Secondary - Current	Carl D Perkins HSTW - Current	Carl D Perkins HSTW - Redistribution	Title XIX Medicaid 3/21 Years	Bridge Early College High School
\$ -	\$ -	\$ -	\$ 371,963	\$ 79,833
20,058	50,280	-	2,332	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 20,058</u>	<u>\$ 50,280</u>	<u>\$ -</u>	<u>\$ 374,295</u>	<u>\$ 79,833</u>
\$ 1,277	\$ 2,105	\$ -	\$ 287	\$ -
-	-	-	3,848	2,421
18,781	48,175	-	-	-
<u>20,058</u>	<u>50,280</u>	<u>-</u>	<u>4,135</u>	<u>2,421</u>
-	-	-	-	-
-	-	-	370,160	77,412
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>370,160</u>	<u>77,412</u>
<u>\$ 20,058</u>	<u>\$ 50,280</u>	<u>\$ -</u>	<u>\$ 374,295</u>	<u>\$ 79,833</u>

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2014

	Special Revenue		
	Dual Credit Instructional Materials	2008 GO Bond Student Library Fund	New Mexico Reads to Lead
<i>Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Receivables:			
Due from other governments	2,747	44,679	18,267
Other	-	-	-
Inventory	-	-	-
	-	-	-
<i>Total assets</i>	\$ 2,747	\$ 44,679	\$ 18,267
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	-	-	-
Due to other funds	2,747	44,679	18,267
	2,747	44,679	18,267
<i>Total liabilities</i>	2,747	44,679	18,267
<i>Fund balances</i>			
Nonspendable:			
Inventory	-	-	-
Spendable:			
Restricted for:			
Educational purposes	-	-	-
Food service	-	-	-
Extracurricular activities	-	-	-
Unassigned	-	-	-
	-	-	-
<i>Total fund balances</i>	-	-	-
<i>Total liabilities and fund balances</i>	\$ 2,747	\$ 44,679	\$ 18,267

The accompanying notes are an integral part of these financial statements

Special Revenue

Advanced Placement Middle School	K3 Plus	Breakfast for Elementary Students	New Mexico Grown Fruits & Vegetables	Next Generation Assessments
\$ 1	\$ 20,522	\$ -	\$ -	\$ -
19,442	106,220	2,467	591	129,815
-	-	-	-	-
-	-	-	-	-
<u>\$ 19,443</u>	<u>\$ 126,742</u>	<u>\$ 2,467</u>	<u>\$ 591</u>	<u>\$ 129,815</u>
\$ 1,088	\$ 82	\$ -	\$ -	\$ 1,643
-	20,522	-	-	-
18,355	106,138	2,467	591	128,172
<u>19,443</u>	<u>126,742</u>	<u>2,467</u>	<u>591</u>	<u>129,815</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 19,443</u>	<u>\$ 126,742</u>	<u>\$ 2,467</u>	<u>\$ 591</u>	<u>\$ 129,815</u>

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STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2014

	Capital Projects		
	Special Capital Outlay-State & Local	Education Technology Notes	Total Nonmajor Governmental Funds
<i>Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ 2,140,651
Receivables:			
Due from other governments	250,000	-	1,294,346
Other	-	-	8,779
Inventory	-	-	118,836
	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 3,562,612</u>
<i>Liabilities</i>			
Accounts payable	\$ 8,721	\$ 6,720	\$ 96,856
Accrued payroll	-	-	192,811
Due to other funds	243,369	-	1,131,848
	<u>252,090</u>	<u>6,720</u>	<u>1,421,515</u>
<i>Fund balances</i>			
Nonspendable:			
Inventory	-	-	118,836
Spendable:			
Restricted for:			
Educational purposes	-	-	829,802
Food service	-	-	1,118,843
Extracurricular activities	-	-	82,426
Unassigned	(2,090)	(6,720)	(8,810)
	<u>(2,090)</u>	<u>(6,720)</u>	<u>2,141,097</u>
<i>Total liabilities and fund balances</i>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 3,562,612</u>

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended June 30, 2014

	Special Revenue		
	Food Services	Athletics	Non-Instructional Support
<i>Revenues</i>			
Intergovernmental revenue			
Federal flowthrough	\$ 2,713,474	\$ -	\$ -
Federal direct	206,404	-	-
Local grants		-	-
State flowthrough	-	-	-
State direct	-	-	-
Charges for services	1,037,080	191,047	447,334
Investment income	106	-	508
Miscellaneous	-	8,781	46,879
<i>Total revenues</i>	3,957,064	199,828	494,721
<i>Expenditures</i>			
Current			
Instruction	-	313,855	512,297
Support services	-	-	-
Central services	-	-	-
Operation and maintenance of plant	-	-	-
Student transportation	-	-	-
Food services operations	3,820,733	-	-
Capital outlay	7,247	-	-
<i>Total expenditures</i>	3,827,980	313,855	512,297
<i>Net change in fund balances</i>	129,084	(114,027)	(17,576)
<i>Fund balances - beginning</i>	1,108,595	196,453	399,806
<i>Fund balances - ending</i>	\$ 1,237,679	\$ 82,426	\$ 382,230

The accompanying notes are an integral part of these financial statements

Special Revenue				
Title I	Preschool IDEA-B	IDEA-B Early Intervention Services	Education for Homeless Children	IDEA Private School Share
\$ 949,018	\$ 47,610	\$ 2,494	\$ 7,998	\$ 11,086
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>949,018</u>	<u>47,610</u>	<u>2,494</u>	<u>7,998</u>	<u>11,086</u>
724,268	23,008	88	-	4,656
212,247	24,602	2,406	7,998	6,430
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
12,503	-	-	-	-
<u>949,018</u>	<u>47,610</u>	<u>2,494</u>	<u>7,998</u>	<u>11,086</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended June 30, 2014

	Special Revenue		
	IDEA-B "Risk Pool"	Teacher/Principal Training & Recruiting	Title I 1300A School Improvement
<i>Revenues</i>			
Intergovernmental revenue			
Federal flowthrough	\$ 12,216	\$ 246,500	\$ 25,969
Federal direct	-	-	-
Local grants	-	-	-
State flowthrough	-	-	-
State direct	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	12,216	246,500	25,969
<i>Expenditures</i>			
Current			
Instruction	9,443	230,265	18,540
Support services	2,773	16,235	7,429
Central services	-	-	-
Operation and maintenance of plant	-	-	-
Student transportation	-	-	-
Food services operations	-	-	-
Capital outlay	-	-	-
<i>Total expenditures</i>	12,216	246,500	25,969
<i>Net change in fund balances</i>	-	-	-
<i>Fund balances - beginning</i>	-	-	-
<i>Fund balances - ending</i>	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

Special Revenue				
Carl D Perkins Secondary - Current	Carl D Perkins HSTW - Current	Carl D Perkins HSTW - Redistribution	Title XIX Medicaid 3/21 Years	Bridge Early College High School
\$ 46,922	\$ 50,810	\$ 12,972	\$ -	\$ -
-	-	-	215,559	-
-	-	-	-	100,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>46,922</u>	<u>50,810</u>	<u>12,972</u>	<u>215,559</u>	<u>100,000</u>
42,794	31,364	8,165	-	549
4,128	19,446	4,807	119,761	22,039
-	-	-	30	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>46,922</u>	<u>50,810</u>	<u>12,972</u>	<u>119,791</u>	<u>22,588</u>
-	-	-	95,768	77,412
-	-	-	274,392	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 370,160</u>	<u>\$ 77,412</u>

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended June 30, 2014

	Special Revenue		
	Dual Credit Instructional Materials	2008 GO Bond Student Library Fund	New Mexico Reads to Lead
<i>Revenues</i>			
Intergovernmental revenue			
Federal flowthrough	\$ -	\$ -	\$ -
Federal direct	-	-	-
Local grants	-	-	-
State flowthrough	24,707	44,679	-
State direct	-	-	88,419
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	24,707	44,679	88,419
<i>Expenditures</i>			
Current			
Instruction	24,707	-	80,131
Support services	-	44,679	8,288
Central services	-	-	-
Operation and maintenance of plant	-	-	-
Student transportation	-	-	-
Food services operations	-	-	-
Capital outlay	-	-	-
<i>Total expenditures</i>	24,707	44,679	88,419
<i>Net change in fund balances</i>	-	-	-
<i>Fund balances - beginning</i>	-	-	-
<i>Fund balances - ending</i>	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

Special Revenue				
Advanced Placement Middle School	K3 Plus	Breakfast for Elementary Students	New Mexico Grown Fruits & Vegetables	Next Generation Assessments
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
19,442	-	2,467	591	129,815
-	285,294	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>19,442</u>	<u>285,294</u>	<u>2,467</u>	<u>591</u>	<u>129,815</u>
19,442	196,162	2,467	-	-
-	57,458	-	-	-
-	-	-	-	3,286
-	-	-	591	126,529
-	31,674	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>19,442</u>	<u>285,294</u>	<u>2,467</u>	<u>591</u>	<u>129,815</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2014

	Capital Projects		Total Nonmajor Governmental Funds
	Special Capital Outlay-State & Local	Education Technology Notes	
<i>Revenues</i>			
Intergovernmental revenue			
Federal flowthrough	\$ -	\$ -	\$ 4,127,069
Federal direct	-	-	421,963
Local grants	-	-	100,000
State flowthrough	464,141	4,148	692,457
State direct	-	-	373,713
Charges for services	-	-	1,675,461
Investment income	-	-	614
Miscellaneous	12,200	-	67,860
<i>Total revenues</i>	476,341	4,148	7,459,137
<i>Expenditures</i>			
Current			
Instruction	-	-	2,244,668
Support services	-	-	560,726
Central services	-	-	3,316
Operation and maintenance of plant	358,309	-	485,429
Student transportation	-	-	31,674
Food services operations	-	-	3,820,733
Capital outlay	121,212	707,503	848,465
<i>Total expenditures</i>	479,521	707,503	7,995,011
<i>Excess (deficiency) of revenues over expenditures</i>	(3,180)	(703,355)	(535,874)
<i>Net change in fund balances</i>	(3,180)	(703,355)	(535,874)
<i>Fund balances - beginning</i>	1,090	696,635	2,676,971
<i>Fund balances - ending</i>	\$ (2,090)	\$ (6,720)	\$ 2,141,097

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-1

Carlsbad Municipal School District No. 20
 Food Services Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	2,396,800	2,396,800	2,654,429	257,629
Federal direct	184,208	184,208	206,404	22,196
Local grants	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	965,000	965,000	1,032,814	67,814
Investment income	1,000	1,000	106	(894)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,547,008</u>	<u>3,547,008</u>	<u>3,893,753</u>	<u>346,745</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Food services operations	4,505,700	4,430,913	3,657,605	773,308
Community services operations	-	-	-	-
Capital outlay	100,000	160,000	155,564	4,436
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,605,700</u>	<u>4,590,913</u>	<u>3,813,169</u>	<u>777,744</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,058,692)</u>	<u>(1,043,905)</u>	<u>80,584</u>	<u>1,124,489</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,058,692	1,043,905	-	(1,043,905)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,058,692</u>	<u>1,043,905</u>	<u>-</u>	<u>(1,043,905)</u>
<i>Net change in fund balances</i>	-	-	80,584	80,584
<i>Fund balances - beginning</i>	-	-	1,112,227	1,112,227
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,192,811</u>	<u>\$ 1,192,811</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 80,584
Adjustments to revenues for federal flowthrough grants and charges for services				63,311
Adjustments to expenditures for food costs.				(14,811)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 129,084</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-2

Carlsbad Municipal School District No. 20
 Athletics Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	155,000	155,000	190,723	35,723
Investment income	-	-	-	-
Miscellaneous	-	-	8,781	8,781
<i>Total revenues</i>	<u>155,000</u>	<u>155,000</u>	<u>199,504</u>	<u>44,504</u>
<i>Expenditures</i>				
Current				
Instruction	312,500	351,453	313,855	37,598
Support services	-	-	-	-
Central services	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	7,500	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>320,000</u>	<u>351,453</u>	<u>313,855</u>	<u>37,598</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(165,000)</u>	<u>(196,453)</u>	<u>(114,351)</u>	<u>82,102</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	165,000	196,453	-	(196,453)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>165,000</u>	<u>196,453</u>	<u>-</u>	<u>(196,453)</u>
<i>Net change in fund balances</i>	-	-	(114,351)	(114,351)
<i>Fund balances - beginning</i>	-	-	196,453	196,453
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,102</u>	<u>\$ 82,102</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (114,351)
Adjustments to revenues for charges to services				324
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (114,027)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-3

Carlsbad Municipal School District No. 20
 Non-Instructional Support Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	295,000	295,000	443,157	148,157
Investment income	500	500	508	8
Miscellaneous	25,000	25,000	46,879	21,879
<i>Total revenues</i>	320,500	320,500	490,544	170,044
<i>Expenditures</i>				
Current				
Instruction	593,017	722,366	497,116	225,250
Support services	-	-	-	-
Central services	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	7,500	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	600,517	722,366	497,116	225,250
<i>Excess (deficiency) of revenues over expenditures</i>	(280,017)	(401,866)	(6,572)	395,294
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	280,017	401,866	-	(401,866)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	280,017	401,866	-	(401,866)
<i>Net change in fund balances</i>	-	-	(6,572)	(6,572)
<i>Fund balances - beginning</i>	-	-	399,991	399,991
<i>Fund balances - ending</i>	\$ -	\$ -	\$ 393,419	\$ 393,419
<i>Net change in fund balances (Budget Basis)</i>				\$ (6,572)
Adjustments to revenues for miscellaneous income				4,177
Adjustments to expenditures for salaries				(15,181)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (17,576)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-4

Carlsbad Municipal School District No. 20
 Title I Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	1,063,310	1,319,217	1,130,454	(188,763)
Federal direct	-	-	-	-
Local grants	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,063,310</u>	<u>1,319,217</u>	<u>1,130,454</u>	<u>(188,763)</u>
<i>Expenditures</i>				
Current				
Instruction	758,500	894,147	702,173	191,974
Support services	304,810	413,751	211,967	201,784
Central services	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	11,319	11,319	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,063,310</u>	<u>1,319,217</u>	<u>925,459</u>	<u>393,758</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>204,995</u>	<u>204,995</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	204,995	204,995
<i>Fund balances - beginning</i>	-	-	(564,531)	(564,531)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (359,536)</u>	<u>\$ (359,536)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 204,995
Adjustments to revenues for federal flowthrough grants				(181,436)
Adjustments to expenditures for general supplies and materials				(23,559)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-5

Carlsbad Municipal School District No. 20
 Preschool IDEA-B Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	42,482	51,717	46,581	(5,136)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>42,482</u>	<u>51,717</u>	<u>46,581</u>	<u>(5,136)</u>
<i>Expenditures</i>				
Current				
Instruction	17,167	23,447	21,638	1,809
Support services	25,315	28,270	24,484	3,786
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>42,482</u>	<u>51,717</u>	<u>46,122</u>	<u>5,595</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>459</u>	<u>459</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>459</u>	<u>459</u>
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>(11,348)</u>	<u>(11,348)</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,889)</u>	<u>\$ (10,889)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 459
Adjustments to revenues for federal flowthrough grants				1,029
Adjustments to expenditures for general supplies and materials				(1,488)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-6

Carlsbad Municipal School District No. 20
 IDEA-B Early Intervention Services Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	2,500	583	(1,917)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>2,500</u>	<u>583</u>	<u>(1,917)</u>
<i>Expenditures</i>				
Current				
Instruction	-	90	88	2
Support services	-	2,410	2,406	4
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,500</u>	<u>2,494</u>	<u>6</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,911)</u>	<u>(1,911)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(1,911)	(1,911)
<i>Fund balances - beginning</i>	-	-	(584)	(584)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,495)</u>	<u>\$ (2,495)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (1,911)
Adjustments to revenues for federal flowthrough grants				1,911
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-7

Carlsbad Municipal School District No. 20
 Education for Homeless Children Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	7,200	8,000	3,361	(4,639)
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>7,200</u>	<u>8,000</u>	<u>3,361</u>	<u>(4,639)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	221	8,000	7,998	2
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>221</u>	<u>8,000</u>	<u>7,998</u>	<u>2</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>6,979</u>	<u>-</u>	<u>(4,637)</u>	<u>(4,637)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(6,979)	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(6,979)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(4,637)	(4,637)
<i>Fund balances - beginning</i>	-	-	(1,887)	(1,887)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,524)</u>	<u>\$ (6,524)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (4,637)
Adjustments to revenues for federal direct revenues				4,637
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-8

Carlsbad Municipal School District No. 20
 IDEA Private School Share Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	15,752	8,926	(6,826)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>15,752</u>	<u>8,926</u>	<u>(6,826)</u>
<i>Expenditures</i>				
Current				
Instruction	-	4,964	4,059	905
Support services	-	8,788	6,430	2,358
Central services	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>13,752</u>	<u>10,489</u>	<u>3,263</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>2,000</u>	<u>(1,563)</u>	<u>(3,563)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(2,000)	-	2,000
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>2,000</u>
<i>Net change in fund balances</i>	-	-	(1,563)	(1,563)
<i>Fund balances - beginning</i>	-	-	(5,092)	(5,092)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,655)</u>	<u>\$ (6,655)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (1,563)
Adjustments to revenues for federal flowthrough grants				2,160
Adjustments to expenditures for salaries				(597)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-9

Carlsbad Municipal School District No. 20
 IDEA-B "Risk Pool" Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	12,419	7,944	(4,475)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>12,419</u>	<u>7,944</u>	<u>(4,475)</u>
<i>Expenditures</i>				
Current				
Instruction	-	9,494	9,443	51
Support services	-	2,925	2,773	152
Central services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>12,419</u>	<u>12,216</u>	<u>203</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,272)</u>	<u>(4,272)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(4,272)	(4,272)
<i>Fund balances - beginning</i>	-	-	(7,944)	(7,944)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,216)</u>	<u>\$ (12,216)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (4,272)
Adjustments to revenues for federal flowthrough grants				4,272
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

Carlsbad Municipal School District No. 20
 Teacher/Principal Training & Recruiting Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	298,184	515,788	232,897	(282,891)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	298,184	515,788	232,897	(282,891)
<i>Expenditures</i>				
Current				
Instruction	215,842	383,787	201,883	181,904
Support services	82,342	134,001	13,012	120,989
Central services	-	-	-	-
Community services operations	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	298,184	517,788	214,895	302,893
<i>Excess (deficiency) of revenues over expenditures</i>	-	(2,000)	18,002	20,002
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	2,000	-	(2,000)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	2,000	-	(2,000)
<i>Net change in fund balances</i>	-	-	18,002	18,002
<i>Fund balances - beginning</i>	-	-	(118,194)	(118,194)
<i>Fund balances - ending</i>	\$ -	\$ -	\$ (100,192)	\$ (100,192)
<i>Net change in fund balances (Budget Basis)</i>				\$ 18,002
Adjustments to revenues for federal flowthrough grants				13,603
Adjustments to expenditures for salaries				(31,605)
<i>Net change in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

Carlsbad Municipal School District No. 20
 Title I 1300A School Improvement Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	10,000	65,113	55,113
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>10,000</u>	<u>65,113</u>	<u>55,113</u>
<i>Expenditures</i>				
Current				
Instruction	-	33,819	8,804	25,015
Support services	-	8,319	7,429	890
Central services	-	-	-	-
Food services operations	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>42,138</u>	<u>16,233</u>	<u>25,905</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(32,138)</u>	<u>48,880</u>	<u>81,018</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	32,138	-	(32,138)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>32,138</u>	<u>-</u>	<u>(32,138)</u>
<i>Net change in fund balances</i>	-	-	48,880	48,880
<i>Fund balances - beginning</i>	-	-	(50,480)	(50,480)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,600)</u>	<u>\$ (1,600)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 48,880
Adjustments to revenues for federal flowthrough grants				(39,144)
Adjustments to expenditures for salaries				(9,736)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

Carlsbad Municipal School District No. 20
 Carl D Perkins Secondary - Current Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	43,300	62,048	41,169	(20,879)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>43,300</u>	<u>62,048</u>	<u>41,169</u>	<u>(20,879)</u>
<i>Expenditures</i>				
Current				
Instruction	35,501	52,767	41,754	11,013
Support services	6,900	8,382	4,128	4,254
Central services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>42,401</u>	<u>61,149</u>	<u>45,882</u>	<u>15,267</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>899</u>	<u>899</u>	<u>(4,713)</u>	<u>(5,612)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(899)	(899)	-	899
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(899)</u>	<u>(899)</u>	<u>-</u>	<u>899</u>
<i>Net change in fund balances</i>	-	-	(4,713)	(4,713)
<i>Fund balances - beginning</i>	-	-	(14,068)	(14,068)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,781)</u>	<u>\$ (18,781)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (4,713)
Adjustments to revenues for federal flowthrough grants				5,753
Adjustments to expenditures for general supplies and materials				<u>(1,040)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

Carlsbad Municipal School District No. 20
 Carl D Perkins HSTW - Current Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	57,733	25,134	(32,599)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	57,733	25,134	(32,599)
<i>Expenditures</i>				
Current				
Instruction	-	29,350	29,350	-
Support services	-	28,383	19,355	9,028
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	57,733	48,705	9,028
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(23,571)	(23,571)
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(23,571)	(23,571)
<i>Fund balances - beginning</i>	-	-	(24,604)	(24,604)
<i>Fund balances - ending</i>	\$ -	\$ -	\$ (48,175)	\$ (48,175)
<i>Net change in fund balances (Budget Basis)</i>				\$ (23,571)
Adjustments to revenues for federal flowthrough grants				25,676
Adjustments to expenditures for salaries				(2,105)
<i>Net change in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

Carlsbad Municipal School District No. 20
 Carl D Perkins HSTW - Redistribution Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	28,315	12,972	(15,343)
Federal direct	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>28,315</u>	<u>12,972</u>	<u>(15,343)</u>
<i>Expenditures</i>				
Current				
Instruction	-	21,686	8,165	13,521
Support services	-	6,629	4,807	1,822
Central services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>28,315</u>	<u>12,972</u>	<u>15,343</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning</i>	-	-	(3,080)	(3,080)
<i>Fund balances - reclassification</i>	-	-	3,080	3,080
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-15

Carlsbad Municipal School District No. 20
 Title XIX Medicaid 3/21 Years Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	200,000	200,000	213,227	13,227
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>200,000</u>	<u>200,000</u>	<u>213,227</u>	<u>13,227</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	474,454	474,327	117,004	357,323
Central services	-	65	30	35
Operation and maintenance of plant	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>474,454</u>	<u>474,392</u>	<u>117,034</u>	<u>357,358</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(274,454)</u>	<u>(274,392)</u>	<u>96,193</u>	<u>370,585</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	274,454	274,392	-	(274,392)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>274,454</u>	<u>274,392</u>	<u>-</u>	<u>(274,392)</u>
<i>Net change in fund balances</i>	-	-	96,193	96,193
<i>Fund balances - beginning</i>	-	-	275,770	275,770
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 371,963</u>	<u>\$ 371,963</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 96,193
Adjustments to revenues for federal direct grants				2,332
Adjustments to expenditures for salaries				(2,757)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 95,768</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-16

Carlsbad Municipal School District No. 20
 Bridge Early College High School Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	100,000	100,000	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	100,000	100,000	-
<i>Expenditures</i>				
Current				
Instruction	-	65,794	549	65,794
Support services	-	34,206	19,618	33,657
Central services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	100,000	20,167	99,451
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	79,833	99,451
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	79,833	99,451
<i>Fund balances - beginning</i>	-	-	-	-
<i>Fund balances - ending</i>	\$ -	\$ -	\$ 79,833	\$ 99,451
<i>Net change in fund balances (Budget Basis)</i>				\$ 79,833
No adjustments to revenues				-
Adjustments to expenditures for salaries				(2,421)
<i>Net change in fund balances (GAAP Basis)</i>				\$ 77,412

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Dual Credit Instructional Materials Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

Statement B-17

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	24,707	21,960	(2,747)
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>24,707</u>	<u>21,960</u>	<u>(2,747)</u>
<i>Expenditures</i>				
Current				
Instruction	-	24,707	24,707	-
Support services	-	-	-	-
Central services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>24,707</u>	<u>24,707</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,747)</u>	<u>(2,747)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(2,747)	(2,747)
<i>Fund balances - beginning</i>	-	-	-	-
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,747)</u>	<u>\$ (2,747)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (2,747)
Adjustments to revenues for state flowthrough grants				2,747
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

Carlsbad Municipal School District No. 20
 2008 GO Bond Student Library Fund Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	46,138	46,138	-	(46,138)
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>46,138</u>	<u>46,138</u>	<u>-</u>	<u>(46,138)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	46,138	46,138	44,679	1,459
Central services	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>46,138</u>	<u>46,138</u>	<u>44,679</u>	<u>1,459</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(44,679)</u>	<u>(44,679)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(44,679)</u>	<u>(44,679)</u>
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,679)</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (44,679)
Adjustments to revenues for state flowthrough grants				44,679
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-19

Carlsbad Municipal School District No. 20
 New Mexico Reads to Lead Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	90,094	70,152	(19,942)
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>90,094</u>	<u>70,152</u>	<u>(19,942)</u>
<i>Expenditures</i>				
Current				
Instruction	-	78,773	78,773	-
Support services	-	11,321	9,646	1,675
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>90,094</u>	<u>88,419</u>	<u>1,675</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(18,267)</u>	<u>(18,267)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(18,267)	(18,267)
<i>Fund balances - beginning</i>	-	-	-	-
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,267)</u>	<u>\$ (18,267)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (18,267)
Adjustments to revenues for state direct grants				18,267
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-20

Carlsbad Municipal School District No. 20
 Advanced Placement Middle School Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	25,000	-	(25,000)
State direct	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
<i>Expenditures</i>				
Current				
Instruction	-	25,000	18,354	6,646
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>25,000</u>	<u>18,354</u>	<u>6,646</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(18,354)</u>	<u>(18,354)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(18,354)	(18,354)
<i>Fund balances - beginning</i>	-	-	-	-
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,354)</u>	<u>\$ (18,354)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (18,354)
Adjustments to revenues for state flowthrough grants				19,442
Adjustments to expenditures for salaries				(1,088)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

Carlsbad Municipal School District No. 20

K3 Plus Special Revenue Fund

Statement of Revenue, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	401,808	179,074	(222,734)
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>401,808</u>	<u>179,074</u>	<u>(222,734)</u>
<i>Expenditures</i>				
Current				
Instruction	-	305,624	175,572	130,052
Support services	-	64,511	57,445	7,066
Operation and maintenance of plant	-	-	-	-
Student transportation	-	31,673	31,673	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>401,808</u>	<u>264,690</u>	<u>137,118</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(85,616)</u>	<u>(85,616)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(85,616)</u>	<u>(85,616)</u>
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (85,616)</u>	<u>\$ (85,616)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (85,616)
Adjustments to revenues for state direct grants				106,220
Adjustments to expenditures for salaries				(20,604)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

Carlsbad Municipal School District No. 20
 Breakfast for Elementary Students Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	3,352	3,352	2,467	885
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,352</u>	<u>3,352</u>	<u>2,467</u>	<u>885</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,352)</u>	<u>(3,352)</u>	<u>(2,467)</u>	<u>885</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	3,352	3,352	-	(3,352)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,352</u>	<u>3,352</u>	<u>-</u>	<u>(3,352)</u>
<i>Net change in fund balances</i>	-	-	(2,467)	(2,467)
<i>Fund balances - beginning</i>	-	-	-	-
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,467)</u>	<u>\$ (2,467)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (2,467)
Adjustments to revenues for local grants				2,467
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-23

Carlsbad Municipal School District No. 20
 New Mexico Grown Fruits and Vegetables Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	591	-	(591)
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>591</u>	<u>-</u>	<u>(591)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	591	591	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>591</u>	<u>591</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(591)</u>	<u>(591)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(591)	(591)
<i>Fund balances - beginning</i>	-	-	-	-
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (591)</u>	<u>\$ (591)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (591)
Adjustments to revenues for state operating grants				591
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-24

Carlsbad Municipal School District No. 20
 Next Generation Assessments Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	129,815	-	(129,815)
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>129,815</u>	<u>-</u>	<u>(129,815)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	1,643	1,643	-
Operation and maintenance of plant	-	128,172	126,529	1,643
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>129,815</u>	<u>128,172</u>	<u>1,643</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(128,172)</u>	<u>(128,172)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(128,172)	(128,172)
<i>Fund balances - beginning</i>	-	-	-	-
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (128,172)</u>	<u>\$ (128,172)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (128,172)
Adjustments to revenues for state flowthrough grants				129,815
Adjustments to expenditures for salaries				(1,643)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

Carlsbad Municipal School District No. 20
Special Capital Outlay-State & Local Capital Projects Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	498,000	539,649	214,141	(325,508)
Miscellaneous	-	6,600	12,200	5,600
<i>Total revenues</i>	<u>498,000</u>	<u>546,249</u>	<u>226,341</u>	<u>(319,908)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	123,000	172,339	170,800	1,539
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	375,000	375,000	300,000	75,000
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>498,000</u>	<u>547,339</u>	<u>470,800</u>	<u>76,539</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(1,090)</u>	<u>(244,459)</u>	<u>(243,369)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	1,090	-	(1,090)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1,090</u>	<u>-</u>	<u>(1,090)</u>
<i>Net change in fund balances</i>	-	-	(244,459)	(244,459)
<i>Fund balances - beginning</i>	-	-	1,090	1,090
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (243,369)</u>	<u>\$ (243,369)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (244,459)
Adjustments to revenues for state direct grants				250,000
Adjustments to expenditures for capital outlay				(8,721)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (3,180)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-26

Carlsbad Municipal School District No. 20
 Education Technology Notes Capital Projects Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	4,148	4,148	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>4,148</u>	<u>4,148</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	7,684	7,683	1
Student transportation	-	-	-	-
Capital outlay	179,948	733,684	733,148	536
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>179,948</u>	<u>741,368</u>	<u>740,831</u>	<u>537</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(179,948)</u>	<u>(737,220)</u>	<u>(736,683)</u>	<u>537</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	179,948	737,220	-	(737,220)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>179,948</u>	<u>737,220</u>	<u>-</u>	<u>(737,220)</u>
<i>Net change in fund balances</i>	-	-	(736,683)	(736,683)
<i>Fund balances - beginning</i>	-	-	736,683	736,683
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				<u>\$ (736,683)</u>
No adjustments to revenues				-
Adjustments to expenditures for capital outlay				<u>33,328</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u><u>\$ (703,355)</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

Carlsbad Municipal School District No. 20
 Bond Building Capital Projects Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
Charges for services	-	-	-	-
Investment income	600	600	1,652	1,052
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>600</u>	<u>600</u>	<u>1,652</u>	<u>1,052</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	25,000	55,946	55,946	-
Central services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	2,974,202	2,815,853	2,815,853	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,999,202</u>	<u>2,871,799</u>	<u>2,871,799</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,998,602)</u>	<u>(2,871,199)</u>	<u>(2,870,147)</u>	<u>1,052</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	2,998,602	2,871,199	-	(2,871,199)
Bond proceeds	-	-	30,000,000	30,000,000
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,998,602</u>	<u>2,871,199</u>	<u>30,000,000</u>	<u>27,128,801</u>
<i>Net change in fund balances</i>	-	-	27,129,853	27,129,853
<i>Fund balances - beginning</i>	-	-	2,871,199	2,871,199
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,001,052</u>	<u>\$ 30,001,052</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 27,129,853
No adjustments to revenues				-
Adjustments to expenditures for construction services				(57,121)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 27,072,732</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

Carlsbad Municipal School District No. 20
 Capital Improvements SB-9 Capital Projects Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ 3,398,644	\$ 3,398,644	\$ 3,305,444	\$ (93,200)
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	152,605	177	(152,428)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	13,027	13,027
<i>Total revenues</i>	<u>3,398,644</u>	<u>3,551,249</u>	<u>3,318,648</u>	<u>(232,601)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	2,389,500	2,223,552	942,562	1,280,990
Central services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	1,562,025	1,622,025	395,954	1,226,071
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,751,525</u>	<u>6,330,577</u>	<u>3,273,919</u>	<u>3,056,658</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,352,881)</u>	<u>(2,779,328)</u>	<u>44,729</u>	<u>2,824,057</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	2,352,881	2,779,328	-	(2,779,328)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,352,881</u>	<u>2,779,328</u>	<u>-</u>	<u>(2,779,328)</u>
<i>Net change in fund balances</i>	-	-	44,729	44,729
<i>Fund balances - beginning</i>	-	-	2,779,328	2,779,328
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,824,057</u>	<u>\$ 2,824,057</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 44,729
Adjustments to revenues for property and oil and gas taxes and state flowthrough grants				305,633
Adjustments to expenditures for construction services				(335,297)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 15,065</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Capital Improvements HB-33 Capital Projects Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

Statement B-29

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ 3,506,314	\$ 3,506,314	\$ 4,616,988	\$ 1,110,674
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	10,004	10,004
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,506,314</u>	<u>3,506,314</u>	<u>4,626,992</u>	<u>1,120,678</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	40,000	40,000	17,617	22,383
Central services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	6,025,928	8,085,369	2,521,124	5,564,245
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>6,065,928</u>	<u>8,125,369</u>	<u>2,538,741</u>	<u>5,586,628</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,559,614)</u>	<u>(4,619,055)</u>	<u>2,088,251</u>	<u>6,707,306</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	2,559,614	4,619,055	-	(4,619,055)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,559,614</u>	<u>4,619,055</u>	<u>-</u>	<u>(4,619,055)</u>
<i>Net change in fund balances</i>	-	-	2,088,251	2,088,251
<i>Fund balances - beginning</i>	-	-	4,619,055	4,619,055
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,707,306</u>	<u>\$ 6,707,306</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 2,088,251
Adjustments to revenues for property and oil and gas taxes				124,952
Adjustments to expenditures for construction services				<u>(587,536)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 1,625,667</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-30

Carlsbad Municipal School District No. 20

Debt Service Fund

Statement of Revenue, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ 5,564,388	\$ 5,564,388	\$ 4,393,893	\$ (1,170,495)
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
Charges for services	-	-	-	-
Investment income	250	250	432	182
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,564,638</u>	<u>5,564,638</u>	<u>4,394,325</u>	<u>(1,170,313)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	2,409,337	3,334,509	12,466	3,322,043
Central services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	7,113,570	7,525,782	5,170,000	2,355,782
Interest	394,348	394,348	394,347	1
<i>Total expenditures</i>	<u>9,917,255</u>	<u>11,254,639</u>	<u>5,576,813</u>	<u>5,677,826</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,352,617)</u>	<u>(5,690,001)</u>	<u>(1,182,488)</u>	<u>4,507,513</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	4,352,617	5,690,001	-	(5,690,001)
Bond Premium	-	-	2,603,825	2,603,825
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>4,352,617</u>	<u>5,690,001</u>	<u>2,603,825</u>	<u>(3,086,176)</u>
<i>Net change in fund balances</i>	-	-	1,421,337	1,421,337
<i>Fund balances - beginning</i>	-	-	5,690,002	5,690,002
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,111,339</u>	<u>\$ 7,111,339</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 1,421,337
Adjustments to revenues for property and oil and gas taxes				(489,600)
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 931,737</u>

The accompanying notes are an integral part of these financial statements

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GENERAL FUND

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 General Fund
 Combining Balance Sheet
 June 30, 2014

Statement C-1

	Operational Fund	Transportation Fund	Instructional Materials Fund	Total
<i>Assets</i>				
Cash and cash equivalents	\$ 11,780,418	\$ 50,055	\$ 209,397	\$ 12,039,870
Receivables:				
Taxes	124,117	-	-	124,117
Inventory	304,038	-	-	304,038
Due from other funds	1,630,670	-	-	1,630,670
<i>Total assets</i>	\$ 13,839,243	\$ 50,055	\$ 209,397	\$ 14,098,695
<i>Liabilities, deferred inflows and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 147,071	\$ -	\$ -	\$ 147,071
Accrued payroll	2,513,243	27	-	2,513,270
Due to other funds	26,217	-	-	26,217
<i>Total liabilities</i>	2,686,531	27	-	2,686,558
<i>Deferred inflows</i>				
Unavailable revenue	45,956	-	-	45,956
<i>Total deferred inflows</i>	45,956	-	-	45,956
<i>Fund balances</i>				
Nonspendable				
Inventory	304,038	-	-	304,038
Spendable:				
Committed for:				
Subsequent year's expenditures	10,802,718	50,028	209,397	11,062,143
<i>Total fund balances</i>	11,106,756	50,028	209,397	11,366,181
<i>Total liabilities and fund balances</i>	\$ 13,839,243	\$ 50,055	\$ 209,397	\$ 14,098,695

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-2

Carlsbad Municipal School District No. 20

General Fund

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2014

	Operational Fund	Transportation Fund	Instructional Materials Fund	Total
<i>Revenues</i>				
Taxes	\$ 1,158,284	\$ -	\$ -	\$ 1,158,284
Intergovernmental revenues				
Federal flowthrough	72,479	-	-	72,479
Federal direct	-	-	-	-
State flowthrough	47,195,871	-	427,588	47,623,459
State direct	225,318	-	-	225,318
Transportation distribution	-	1,512,490	-	1,512,490
Charges for services	385,857	-	-	385,857
Investment income	17,743	-	-	17,743
Miscellaneous	75	-	-	75
<i>Total revenues</i>	<u>49,055,627</u>	<u>1,512,490</u>	<u>427,588</u>	<u>50,995,705</u>
<i>Expenditures</i>				
Current				
Instruction	30,042,843	-	371,769	30,414,612
Support services	9,544,861	-	-	9,544,861
Central services	1,578,686	-	-	1,578,686
Operation and maintenance of plant	7,057,726	-	-	7,057,726
Student transportation	-	1,509,807	-	1,509,807
Food services operations	124,608	-	-	124,608
Community services operations	67,226	-	-	67,226
<i>Total expenditures</i>	<u>48,513,690</u>	<u>1,509,807</u>	<u>371,769</u>	<u>50,395,266</u>
<i>Net change in fund balances</i>	541,937	2,683	55,819	600,439
<i>Fund balances - beginning</i>	<u>10,564,819</u>	<u>47,345</u>	<u>153,578</u>	<u>10,765,742</u>
<i>Fund balances - ending</i>	<u>\$ 11,106,756</u>	<u>\$ 50,028</u>	<u>\$ 209,397</u>	<u>\$ 11,366,181</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-3

Carlsbad Municipal School District No. 20

Operational Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Taxes	\$ 853,816	\$ 853,816	\$ 1,122,451	\$ 268,635
Intergovernmental revenue				
Federal flowthrough	60,000	60,000	72,479	12,479
Federal direct	-	22,150	-	(22,150)
State flowthrough	46,676,258	47,370,111	47,195,871	(174,240)
State direct	95,451	95,451	225,318	129,867
Charges for services	267,600	372,600	444,882	72,282
Investment income	20,000	20,000	17,743	(2,257)
Miscellaneous	7,500	7,500	(58,950)	(66,450)
<i>Total revenues</i>	<u>47,980,625</u>	<u>48,801,628</u>	<u>49,019,794</u>	<u>218,166</u>
<i>Expenditures</i>				
Current				
Instruction	32,452,864	33,101,839	28,290,908	4,810,931
Support services	11,901,988	13,461,100	9,763,796	3,697,304
Central services	1,730,025	2,265,488	1,579,208	686,280
Operation and maintenance of plant	7,438,591	7,537,091	7,037,720	499,371
Student transportation	-	-	-	-
Food services operations	6,000	13,000	12,687	313
Community services operations	12,566	78,266	67,226	11,040
Capital outlay	-	200,000	97,740	102,260
<i>Total expenditures</i>	<u>53,542,034</u>	<u>56,656,784</u>	<u>46,849,285</u>	<u>9,807,499</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,561,409)</u>	<u>(7,855,156)</u>	<u>2,170,509</u>	<u>10,025,665</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	<u>5,561,409</u>	<u>7,855,156</u>	<u>-</u>	<u>7,855,156</u>
<i>Total other financing sources (uses)</i>	<u>5,561,409</u>	<u>7,855,156</u>	<u>-</u>	<u>7,855,156</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>2,170,509</u>	<u>2,170,509</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>11,214,362</u>	<u>11,214,362</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,384,871</u>	<u>\$ 13,384,871</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 2,170,509
Adjustments to revenues for intergovernmental revenues and tax revenues				35,833
Adjustments to expenditures for salaries, supplies and professional services expenditures				(1,664,405)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 541,937</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-4

Carlsbad Municipal School District No. 20

Transportation Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	1,290,014	1,512,490	1,512,490	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,290,014</u>	<u>1,512,490</u>	<u>1,512,490</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	1,290,014	1,512,490	1,509,780	2,710
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>1,290,014</u>	<u>1,512,490</u>	<u>1,509,780</u>	<u>2,710</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	2,710	2,710
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	2,710	2,710
<i>Fund balances - beginning of year</i>	-	-	47,345	47,345
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,055</u>	<u>\$ 50,055</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 2,710
No adjustments to revenues				-
Adjustments to expenditures for salaries				(27)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 2,683</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-5

Carlsbad Municipal School District No. 20

Instructional Materials Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	316,953	384,616	427,588	42,972
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>316,953</u>	<u>384,616</u>	<u>427,588</u>	<u>42,972</u>
<i>Expenditures</i>				
Current				
Instruction	468,657	536,320	371,769	164,551
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>468,657</u>	<u>536,320</u>	<u>371,769</u>	<u>164,551</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(151,704)</u>	<u>(151,704)</u>	<u>55,819</u>	<u>207,523</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	151,704	151,704	-	(151,704)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>151,704</u>	<u>151,704</u>	<u>-</u>	<u>(151,704)</u>
<i>Net change in fund balances</i>	-	-	55,819	55,819
<i>Fund balances - beginning of year</i>	-	-	153,578	153,578
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,397</u>	<u>\$ 209,397</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 55,819
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 55,819</u>

The accompanying notes are an integral part of these financial statements

JEFFERSON MONTESSORI ACADEMY CHARTER SCHOOL

STATE OF NEW MEXICO
Jefferson Montessori Academy Charter School
Combining Balance Sheet
Governmental Funds
June 30, 2014

	General		Special Revenue	
	Operational	Instructional Materials	Food Services	Non- Instructional Support
ASSETS				
<i>Current assets</i>				
Cash and cash equivalents	\$ 235,644	\$ 19,674	\$ -	\$ 1,061
Receivables:				
Due from other governments	-	3,225	832	725
Due from other funds	13,280	-	-	-
<i>Total assets</i>	\$ 248,924	\$ 22,899	\$ 832	\$ 1,786
LIABILITIES AND FUND BALANCES				
<i>Current liabilities</i>				
Accounts payable	\$ 2,642	\$ 1,321	\$ -	\$ -
Accrued payroll	69,332	-	-	-
Due to other funds	-	-	3,073	-
<i>Total liabilities</i>	71,974	1,321	3,073	-
<i>Fund balances</i>				
Nonspendable				
Spendable:				
Restricted for:				
Educational purposes	-	21,578	-	1,786
Capital acquisitions and improvements	-	-	-	-
Committed for:				
Subsequent years' expenditures	176,950	-	-	-
Unassigned	-	-	(2,241)	-
<i>Total fund balances</i>	176,950	21,578	(2,241)	1,786
<i>Total Liabilities and fund balances</i>	\$ 248,924	\$ 22,899	\$ 832	\$ 1,786

The accompanying notes are an integral part of these financial statements

Special Revenue

Entitlement IDEA-B	IDEA-B Discretionary	IDEA-B Risk Pool	2008 Go Bond Student Library Fund (SB333)	2012 GO Bond Student Library Fund	Next Generation Assessments Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	-	-	-	2,277	1,643
-	-	-	-	-	-
<u>\$ 20</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,277</u>	<u>\$ 1,643</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
20	-	-	-	2,277	1,643
<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,277</u>	<u>1,643</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 20</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,277</u>	<u>\$ 1,643</u>

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STATE OF NEW MEXICO
 Jefferson Montessori Academy Charter School
 Combining Balance Sheet
 Governmental Funds
 June 30, 2014

	Capital Projects		
	Public School Capital Outlay	Capital Improvements SB-9	Total
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	\$ -	\$ 48,406	\$ 304,785
Receivables:			
Due from other governments	6,267	-	14,989
Due from other funds	-	-	13,280
<i>Total assets</i>	\$ 6,267	\$ 48,406	\$ 333,054
LIABILITIES AND FUND BALANCES			
<i>Current liabilities</i>			
Accounts payable	\$ -	\$ -	\$ 3,963
Accrued payroll	-	-	69,332
Due to other funds	6,267	-	13,280
<i>Total liabilities</i>	6,267	-	86,575
<i>Fund balances</i>			
Nonspendable			
Spendable:			
Restricted for:			
Educational purposes	-	-	23,364
Capital acquisitions and improvements	-	48,406	48,406
Committed for:			
Subsequent years' expenditures	-	-	176,950
Unassigned	-	-	(2,241)
<i>Total fund balances</i>	-	48,406	246,479
<i>Total Liabilities and fund balances</i>	\$ 6,267	\$ 48,406	\$ 333,054

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STATE OF NEW MEXICO

Jefferson Montessori Academy Charter School

Governmental Funds

Reconciliation of the Combining Balance Sheet to the Statement of Net Position

June 30, 2014

Statement D-1

Page 3 of 3

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

Fund balances - total governmental funds	\$	246,479
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds		<u>6,995</u>
Total net position - governmental activities	\$	<u><u>253,474</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Jefferson Montessori Academy Charter School
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2014

	General		Special Revenue	
	Operational	Instructional Materials	Food Services	Non- Instructional Support
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flow through	-	-	34,788	-
State flow through	1,760,082	13,493	-	-
Charges for services	-	-	28,374	9,679
Miscellaneous revenues	15,200	-	-	-
	<u>1,775,282</u>	<u>13,493</u>	<u>63,162</u>	<u>9,679</u>
<i>Total revenues</i>				
<i>Expenditures:</i>				
Current:				
Instruction	1,001,160	2,322	-	10,000
Support services	287,146	-	-	-
Central services	151,616	-	-	-
Operation and maintenance of plant	149,927	-	-	-
Food services operations	10,160	-	65,403	-
Capital outlay	-	-	-	-
	<u>1,600,009</u>	<u>2,322</u>	<u>65,403</u>	<u>10,000</u>
<i>Total expenditures</i>				
<i>Net change in fund balances</i>	<u>175,273</u>	<u>11,171</u>	<u>(2,241)</u>	<u>(321)</u>
<i>Fund balances - beginning of year</i>	1,677	10,407	-	2,107
<i>Fund balances - ending of year</i>	<u>\$ 176,950</u>	<u>\$ 21,578</u>	<u>\$ (2,241)</u>	<u>\$ 1,786</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Entitlement IDEA-B	IDEA-B Discretionary	IDEA-B Risk Pool	2008 Go Bond Student Library Fund (SB333)	2012 GO Bond Student Library Fund	Next Generation Assessments Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39,972	-	363	-	-	-
-	-	-	-	2,277	1,643
-	-	-	-	-	-
-	-	-	-	-	-
<u>39,972</u>	<u>-</u>	<u>363</u>	<u>-</u>	<u>2,277</u>	<u>1,643</u>
39,972	-	363	-	-	-
-	-	-	-	2,277	1,643
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>39,972</u>	<u>-</u>	<u>363</u>	<u>-</u>	<u>2,277</u>	<u>1,643</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
 Jefferson Montessori Academy Charter School
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2014

	Capital Projects		
	Public School Capital Outlay	Capital Improvements SB-9	Total
<i>Revenues:</i>			
Property taxes	\$ -	\$ 57,113	\$ 57,113
Intergovernmental revenue			
Federal flow through	-	-	75,123
State flow through	137,346	-	1,914,841
Charges for services	-	-	38,053
Miscellaneous revenues	-	-	15,200
	<u>137,346</u>	<u>57,113</u>	<u>2,100,330</u>
<i>Total revenues</i>			
<i>Expenditures:</i>			
Current:			
Instruction	-	-	1,053,817
Support services	-	-	291,066
Central services	-	-	151,616
Operation and maintenance of plant	137,346	1,712	288,985
Food services operations	-	-	75,563
Capital outlay	-	6,995	6,995
	<u>137,346</u>	<u>8,707</u>	<u>1,868,042</u>
<i>Total expenditures</i>			
<i>Net change in fund balances</i>	<u>-</u>	<u>48,406</u>	<u>232,288</u>
<i>Fund balances - beginning of year</i>	-	-	14,191
<i>Fund balances - ending of year</i>	<u>\$ -</u>	<u>\$ 48,406</u>	<u>\$ 246,479</u>

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STATE OF NEW MEXICO
Jefferson Montessori Academy Charter School
Governmental Funds

Reconciliation of the Combining Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2014

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

Net change in fund balances - total governmental funds	\$ 232,288
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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:

Capital expenditures recorded in capital outlay	<u>6,995</u>
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Change in net position of governmental activities	<u><u>\$ 239,283</u></u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-3

Jefferson Montessori Academy Charter School

Operational Fund

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

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flow through	-	-	-	-
Federal direct	-	-	-	-
Miscellaneous revenues	-	15,000	15,200	200
Local grants	-	-	-	-
State flow through	1,737,087	1,760,084	1,772,571	12,487
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>1,737,087</u>	<u>1,775,084</u>	<u>1,787,771</u>	<u>12,687</u>
<i>Expenditures:</i>				
Current:				
Instruction	1,073,167	1,142,081	1,115,554	26,527
Support services	62,896	359,574	286,659	72,915
Central services	166,288	171,558	151,616	19,942
Operation and maintenance of plant	142,958	157,826	147,802	10,024
Food services operations	-	10,161	10,160	1
<i>Total expenditures</i>	<u>1,445,309</u>	<u>1,841,200</u>	<u>1,711,791</u>	<u>129,409</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>291,778</u>	<u>(66,116)</u>	<u>75,980</u>	<u>142,096</u>
<i>Other financing sources (uses):</i>				
Designated cash balance (budgeted increase in cash)	(291,778)	66,116	-	(66,116)
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(291,778)</u>	<u>66,116</u>	<u>-</u>	<u>(66,116)</u>
<i>Net change in fund balances</i>	-	-	75,980	75,980
<i>Fund balance - beginning of year</i>	-	-	172,944	172,944
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 248,924</u>	<u>\$ 248,924</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 75,980
Adjustments to revenues for state flow through grants				(12,489)
Adjustments to expenditures for salaries and supplies				111,782
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 175,273</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-4

Jefferson Montessori Academy Charter School
Instructional Materials Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flow through	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flow through	10,907	10,907	15,424	4,517
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>10,907</u>	<u>10,907</u>	<u>15,424</u>	<u>4,517</u>
<i>Expenditures:</i>				
Current:				
Instruction	13,612	13,612	1,001	12,611
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>13,612</u>	<u>13,612</u>	<u>1,001</u>	<u>12,611</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,705)</u>	<u>(2,705)</u>	<u>14,423</u>	<u>17,128</u>
<i>Other financing sources (uses):</i>				
Designated cash balance (budgeted increase in cash)	2,705	2,705	-	(2,705)
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,705</u>	<u>2,705</u>	<u>-</u>	<u>(2,705)</u>
<i>Net change in fund balances</i>	-	-	14,423	14,423
<i>Fund balance - beginning of year</i>	-	-	5,251	5,251
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,674</u>	<u>\$ 19,674</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 14,423
Adjustments to revenues for state flow through grants				(1,931)
Adjustments to expenditures for salaries				(1,321)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 11,171</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-5

Jefferson Montessori Academy Charter School
 Food Services Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in
 Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flow through	90,000	90,000	38,074	(51,926)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flow through	-	-	-	-
Charges for services	-	-	27,962	27,962
<i>Total revenues</i>	<u>90,000</u>	<u>90,000</u>	<u>66,036</u>	<u>(23,964)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	90,000	90,000	68,949	21,051
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>90,000</u>	<u>90,000</u>	<u>68,949</u>	<u>21,051</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,913)</u>	<u>(2,913)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(2,913)	(2,913)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(160)</u>	<u>(160)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,073)</u>	<u>\$ (3,073)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (2,913)
Adjustments to revenues for state flow through grants				(2,874)
Adjustments to expenditures for salaries				3,546
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (2,241)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-6

Jefferson Montessori Academy Charter School
 Non-Instructional Support Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in
 Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flow through	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flow through	-	-	-	-
Charges for services	10,000	10,000	8,954	(1,046)
<i>Total revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>8,954</u>	<u>(1,046)</u>
<i>Expenditures:</i>				
Current:				
Instruction	10,000	10,000	10,000	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,046)</u>	<u>(1,046)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(1,046)	(1,046)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,107</u>	<u>2,107</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,061</u>	<u>\$ 1,061</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (1,046)
Adjustments to revenues for charges for services				725
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (321)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-7

Jefferson Montessori Academy Charter School
Entitlement IDEA-B Special Revenue Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flow through	-	39,978	39,978	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flow through	-	-	-	-
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>39,978</u>	<u>39,978</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	39,978	39,978	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>39,978</u>	<u>39,978</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(20)</u>	<u>(20)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20)</u>	<u>\$ (20)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for federal flow through grants				(6)
Adjustments to expenditures for salaries				6
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-8

Jefferson Montessori Academy Charter School
 IDEA-B Discretionary Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in
 Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flow through	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flow through	-	-	-	-
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-9

Jefferson Montessori Academy Charter School
 IDEA-B Risk Pool Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in
 Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flow through	-	363	363	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flow through	-	-	-	-
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>363</u>	<u>363</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	363	363	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>363</u>	<u>363</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-10

Jefferson Montessori Academy Charter School
 2008 GO Bond Student Library Fund (SB333) Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in
 Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flow through	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flow through	-	-	2,143	2,143
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>2,143</u>	<u>2,143</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>2,143</u>	<u>2,143</u>
<i>Other financing sources (uses):</i>				
Designated cash balance (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	2,143	2,143
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,143)</u>	<u>(2,143)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 2,143
Adjustments to revenues for state flow through grants				(2,143)
No adjustments to expenditures				<u>-</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-11

Jefferson Montessori Academy Charter School
 2012 GO Bond Student Library Fund Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in
 Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flow through	-	-	-	-
Local grants	-	-	-	-
State flow through	3,202	3,202	-	(3,202)
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>3,202</u>	<u>3,202</u>	<u>-</u>	<u>(3,202)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services	3,202	3,202	2,277	925
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>3,202</u>	<u>3,202</u>	<u>2,277</u>	<u>925</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,277)</u>	<u>(2,277)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(2,277)	(2,277)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,277)</u>	<u>\$ (2,277)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (2,277)
Adjustments to revenues for state flow through grants				2,277
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-12

Jefferson Montessori Academy Charter School
 Next Generation Assessments Fund Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in
 Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flow through	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flow through	-	1,643	-	(1,643)
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,643</u>	<u>-</u>	<u>(1,643)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services	-	1,643	1,643	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,643</u>	<u>1,643</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,643)</u>	<u>(1,643)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(1,643)	(1,643)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,643)</u>	<u>\$ (1,643)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (1,643)
Adjustments to revenues for state flow through grants				1,643
No adjustments to expenditures				<u>-</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-13

Jefferson Montessori Academy Charter School
Public School Capital Outlay Capital Projects Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flow through	-	137,346	131,079	(6,267)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flow through	-	-	-	-
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>137,346</u>	<u>131,079</u>	<u>(6,267)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	137,346	137,346	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>137,346</u>	<u>137,346</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,267)</u>	<u>(6,267)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(6,267)	(6,267)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,267)</u>	<u>\$ (6,267)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (6,267)
Adjustments to revenues for federal flow through grants				6,267
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-14

Jefferson Montessori Academy Charter School
 Capital Improvements SB-9 Capital Projects Fund
 Statement of Revenues, Expenditures and Changes in
 Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Property taxes	\$ -	\$ 115,256	\$ 57,113	\$ (58,143)
Intergovernmental revenue				
Federal flow through	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flow through	16	5,196	-	(5,196)
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>16</u>	<u>120,452</u>	<u>57,113</u>	<u>(63,339)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	16	120,452	8,707	111,745
<i>Total expenditures</i>	<u>16</u>	<u>120,452</u>	<u>8,707</u>	<u>111,745</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>48,406</u>	<u>48,406</u>
<i>Other financing sources (uses):</i>				
Designated cash balance (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	48,406	48,406
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(16)</u>	<u>(16)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,390</u>	<u>\$ 48,390</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 48,406
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 48,406</u>

The accompanying notes are an integral part of these financial statements

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SUPPORTING SCHEDULES

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STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Schedule of Deposits
 June 30, 2014

Schedule I

Deposit or Investment Account Type	Western Commerce Bank	Wells Fargo Bank	Carlsbad National Bank	Totals
Primary Government				
Operational - checking	\$ 5,631,645	\$ -	\$ -	\$ 5,631,645
Capital improvements - checking	9,489,763	-	-	9,489,763
Activity fund - checking	523,566	-	-	523,566
Debt service - checking	-	8,256,984	-	8,256,984
Accounts payable clearing - checking	-	3,747,632	-	3,747,632
Payroll clearing - checking	-	3,911,864	-	3,911,864
Cafeteria - checking	-	-	1,163,261	1,163,261
Bond building - checking	-	-	2,913,354	2,913,354
Certificates of deposit	-	-	13,500,041	13,500,041
Certificates of deposit	13,501,441	-	-	13,501,441
Total on deposit	<u>29,146,415</u>	<u>15,916,480</u>	<u>17,576,656</u>	<u>62,639,551</u>
Reconciling items:				
Add deposits in transit	512,138	-	2,091	514,229
Add petty cash	1,000	-	-	1,000
Less outstanding checks	(699,842)	(1,160,165)	(292,833)	(2,152,840)
Less other adjustments	(75)	(100,352)	-	(100,427)
Reconciled balance at June 30, 2014	<u>\$ 28,959,636</u>	<u>\$ 14,655,963</u>	<u>\$ 17,285,914</u>	<u>\$ 60,901,513</u>

Reconciliation to financial statements:

Cash and cash equivalents:

Government-wide statement of net position - Exhibit A-1	\$ 23,753,533
Unspent bond proceeds-Exhibit A-1	29,974,835
Restricted cash and cash equivalents Exhibit A-1	7,111,339
Statement of fiduciary assets and liabilities - Exhibit D-1	61,806
	<u>\$ 60,901,513</u>

Component Unit

Deposit Account Type	Wells Fargo Bank
Operational - checking	\$ 293,819
Federal account - checking	20,887
Total on deposit	314,706
Less outstanding checks	(10,121)
Reconciled balance at June 30, 2014	304,585
Plus petty cash	200
Component Unit cash and cash equivalents - Exhibit A-1	<u>\$ 304,785</u>

Note: All bank accounts are interest bearing

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Cash Reconciliation
 For the Year Ended June 30, 2014

Primary Government

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Food Service</u>
Beginning cash balance June 30, 2013	\$ 9,999,565	\$ 47,345	\$ 153,580	\$ 1,112,126
Add:				
Current year receipts	<u>49,258,859</u>	<u>1,512,490</u>	<u>427,588</u>	<u>3,689,933</u>
Total cash available	59,258,424	1,559,835	581,168	4,802,059
Less:				
Current year expenditures	48,472,397	1,509,807	371,771	3,710,270
Loans from (to) other funds	<u>(1,518,852)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending cash balance June 30, 2014	<u>9,267,175</u>	<u>50,028</u>	<u>209,397</u>	<u>1,091,789</u>
Adjusting journal entries Held Checks	<u>2,513,243</u>	<u>27</u>	<u>-</u>	<u>101,022</u>
Audited cash June 30, 2014	<u><u>\$ 11,780,418</u></u>	<u><u>\$ 50,055</u></u>	<u><u>\$ 209,397</u></u>	<u><u>\$ 1,192,811</u></u>

Component Unit

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Food Services</u>
Beginning cash balance June 30, 2013	\$ 170,605	\$ -	\$ 5,251	\$ -
Add:				
Current year receipts	<u>1,787,770</u>	<u>-</u>	<u>15,424</u>	<u>66,037</u>
Total cash available	<u>1,958,375</u>	<u>-</u>	<u>20,675</u>	<u>66,037</u>
Less:				
Current year expenditures	1,648,867	-	-	129,714
Loans from (to) other funds	<u>(73,864)</u>	<u>-</u>	<u>(1,001)</u>	<u>63,677</u>
Audited cash June 30, 2014	<u><u>\$ 235,644</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 19,674</u></u>	<u><u>\$ -</u></u>

See independent auditors' report

<u>Athletics</u>	<u>Non-Instructional</u>	<u>Federal Flowthrough</u>	<u>Federal Direct</u>	<u>Local Grants</u>
\$ 196,453	\$ 401,866	\$ -	\$ 275,770	\$ -
199,827	494,726	2,873,576	213,228	100,000
396,280	896,592	2,873,576	488,998	100,000
314,178	512,843	4,224,454	120,883	22,588
-	-	1,197,434	-	-
82,102	383,749	(153,444)	368,115	77,412
-	9,670	153,444	3,848	2,421
<u>\$ 82,102</u>	<u>\$ 393,419</u>	<u>\$ -</u>	<u>\$ 371,963</u>	<u>\$ 79,833</u>

<u>Athletics</u>	<u>Non-Instructional</u>	<u>Federal Flowthrough</u>	<u>Federal Direct</u>	<u>Local Grants</u>
\$ -	\$ 2,107	\$ -	\$ -	\$ -
-	8,954	40,341	-	-
-	11,061	40,341	-	-
-	10,000	40,341	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ 1,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Cash Reconciliation
 For the Year Ended June 30, 2014

Primary Government

	State Flowthrough	Bond Building	Public School Capital Outlay	Special Capital Outlay State
Beginning cash balance June 30, 2013	\$ -	\$ 2,871,199	\$ -	\$ 1,090
Add:				
Current year receipts	283,278	30,001,652	-	226,341
Total cash available	283,278	32,872,851	-	227,431
Less:				
Current year expenditures	604,695	2,898,016	-	269,080
Loans from (to) other funds	321,418	-	-	(41,649)
Ending cash balance June 30, 2014	1	29,974,835	-	-
Adjusting journal entries Held Checks	20,522	-	-	-
Audited cash June 30, 2014	<u>\$ 20,523</u>	<u>\$ 29,974,835</u>	<u>\$ -</u>	<u>\$ -</u>

Component Unit

	State Flowthrough	Bond Building	Public School Capital Outlay	Special Capital Outlay-State
Beginning cash balance June 30, 2013	\$ -	\$ -	\$ -	\$ -
Add:				
Current year receipts	2,143	-	131,079	-
Total cash available	2,143	-	131,079	-
Less:				
Current year expenditures	6,063	-	137,346	-
Loans from (to) other funds	3,920	-	6,267	-
Audited cash June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report

Special Capital HB 33	Capital Improvements SB-9	Ed Tech Equip. Act	Debt Service	Total
\$ 4,619,055	\$ 2,779,328	\$ 737,220	\$ 5,690,002	\$ 28,884,599
4,626,992	3,318,647	4,148	6,998,150	104,229,435
9,246,047	6,097,975	741,368	12,688,152	133,114,034
2,455,443	3,273,918	741,368	5,576,813	75,078,524
41,649	-	-	-	-
6,748,955	2,824,057	-	7,111,339	58,035,510
-	-	-	-	2,804,197
<u>\$ 6,748,955</u>	<u>\$ 2,824,057</u>	<u>\$ -</u>	<u>\$ 7,111,339</u>	<u>\$ 60,839,707</u>

Special Capital Outlay-Federal	Capital Improvements SB9	Ed Tech Equip. Act	Debt Service	Total
\$ -	\$ -	\$ -	\$ -	\$ 177,963
-	57,113	-	-	2,108,861
-	57,113	-	-	2,286,824
-	2,210	-	-	1,974,541
-	(6,497)	-	-	-
<u>\$ -</u>	<u>\$ 48,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 304,785</u>

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STATE OF NEW MEXICO

Schedule III

Carlsbad Municipal School District No. 20
 Schedule of Collateral Pledged by Depository for Public Funds
 June 30, 2014

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2014	Name and Location of Safekeeper
Primary Government:					
Western Commerce Bank					
	GNMA POOL #8306	01/20/2018	36202KGP4	\$ 6,397	Federal Home Loan Bank, Irvine, TX
	GNMA POOL #8457	07/20/2024	36202KME2	17,406	Federal Home Loan Bank, Irvine, TX
	FNMA #52597	07/01/2027	313617NN8	9,654	Federal Home Loan Bank, Irvine, TX
	FNMA #62942 "B"	07/01/2027	31362J5B7	9,833	Federal Home Loan Bank, Irvine, TX
	FNMA #70864	09/01/2027	31362TWZ2	8,595	Federal Home Loan Bank, Irvine, TX
	FNMA #77037	03/01/2019	313623S27	6,420	Federal Home Loan Bank, Irvine, TX
	FNMA #128776	02/01/2031	31365H6M3	9,075	Federal Home Loan Bank, Irvine, TX
	FNMA #254589	01/01/2023	31371KXS5	214,923	Federal Home Loan Bank, Irvine, TX
	FNMA #254501	09/01/2022	31371KU25	74,350	Federal Home Loan Bank, Irvine, TX
	FNMA #758904	12/01/2033	31403VDH9	104,858	Federal Home Loan Bank, Irvine, TX
	FNMA #256714	04/01/2027	31371NDT9	198,086	Federal Home Loan Bank, Irvine, TX
	FNMA #256852	08/01/2027	31371NH57	245,426	Federal Home Loan Bank, Irvine, TX
	FNMA #826080	07/01/2035	31407BHX7	920,768	Federal Home Loan Bank, Irvine, TX
	FNMA #745740	07/01/2036	31403DPZ6	527,546	Federal Home Loan Bank, Irvine, TX
	FNMA #776565	04/01/2034	31404RW29	1,022,714	Federal Home Loan Bank, Irvine, TX
	FNMA #MA0121	07/01/2029	31417YD38	578,054	Federal Home Loan Bank, Irvine, TX
	GNMAII POOL #5265	12/20/2041	36202FZ66	1,615,768	Federal Home Loan Bank, Irvine, TX
	FNMA #AE0937	02/01/2041	31419BBF1	952,551	Federal Home Loan Bank, Irvine, TX
	GNMA #5302	02/20/2042	36202F3K0	1,176,989	Federal Home Loan Bank, Irvine, TX
	FNMA #AJ7680	12/01/2041	3138E0RA9	1,287,523	Federal Home Loan Bank, Irvine, TX
	FNMA #AB2318	01/01/2041	31416XSG6	1,492,885	Federal Home Loan Bank, Irvine, TX
	FNMA#25631	03/01/2025	31371L4Q9	459,182	Federal Home Loan Bank, Irvine, TX
	GNMA POOL #MA1149	07/20/2043	36179H27	1,891,742	Federal Home Loan Bank, Irvine, TX
	Total Western Commerce Bank			<u>12,830,745</u>	
Wells Fargo Bank					
	FN AS0023	07/01/2043	3138W9AZ3	455,633	Bank of New York Mellon
	FN AS0416	09/01/2043	3138W9PA2	4,382,685	Bank of New York Mellon
	FN AT2015	04/01/2043	3138WPGZ1	4,872,654	Bank of New York Mellon
	Total Wells Fargo Bank			<u>9,710,972</u>	
Carlsbad National Bank					
	FH 3814B A	6/26/2019	3137A6KT8	1,800,000	Federal Home Loan Bank, Irvine, TX
	FNCJ AJ7712	12/01/2026	3138E0SA8	2,000,000	Federal Home Loan Bank, Irvine, TX
	GNMA REMIC GNR	7/30/2019	38377GKX6	2,000,000	Federal Home Loan Bank, Irvine, TX
	GNMA 2010-70 LC	06/20/2040	31345RS62	774,743	Federal Home Loan Bank, Irvine, TX
	FHLMC 3814A	10/15/2023	31345AQ22	683,895	Federal Home Loan Bank, Irvine, TX
	FNCJ AJ77212 3.0	12/02/2026	31532BG26	1,008,200	Federal Home Loan Bank, Irvine, TX
	Total Carlsbad National Bank			<u>8,266,838</u>	
	Total Primary Government Pledged Collateral			<u>\$ 30,808,555</u>	

See independent auditors' report

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Schedule of Memorandums of Understanding
 For the Year Ended June 30, 2014

Participants	Responsible Party	Description
Public Educational Institutions within the State of NM and CMS Department of Finance and Administration	DFA	The purpose of this agreement is to pool efforts and resources in order to bring additional, necessary educational services and items of tangible personal property to the respective institutions at an affordable cost
Project Lead the Way Inc. Carlsbad Municipal School (CMS)	CMS	The purpose of this agreement is to provide a high school and middle school engineering and technology curriculum
Region 4 Educated Solutions Carlsbad Municipal Schools	Region 4 TCPN	The purpose of this agreement is to provide procurement services to local school districts
Carlsbad AWARE Program Carlsbad Municipal Schools	CMS	To provide childcare services for children of students enrolled in CMS district

Term	Total Estimated Amount of Project	Portion Applicable to Agency	Amount Agency Contributed	Audit Responsibility	Reporting Responsibility
4/10/12-Indefinite	Undetermined	-	-	None	N/A
12/19/08-Indefinite	Undetermined	-	-	None	N/A
7/15/08-Indefinite	\$ 550,000	\$ 550,000	\$ 550,000	None	CMS
7/15/08-Indefinite	Undetermined	-	-	None	N/A

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STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Schedule of Changes in Fiduciary Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2014

Schedule V

Clubs:	Balance 6/30/13	Additions	Deletions	Balance 6/30/14
Art Club	\$ 270	\$ 100	\$ -	\$ 370
Baseball Booster Club	40	-	-	40
Biology Club	2,875	-	925	1,950
BPA Club	5,931	17,707	17,926	5,712
Central Office Employee Fund	1,600	-	-	1,600
Chemistry Club	3,996	-	-	3,996
CHS Spirit Committee	-	3,745	2,995	750
Computer Club	323	-	-	323
DECA Club	570	-	-	570
Elementary PTA	3,404	-	-	3,404
FCCLA Club	5,565	1,535	5,500	1,600
Fellowship of High School Students	256	-	-	256
FFA Club	538	49,281	44,583	5,236
Football Booster Club	427	-	-	427
French Club	81	755	341	495
Golf Booster Club	194	-	-	194
Honor Society	3,445	1,922	2,522	2,845
HOSA Club	1,980	2,876	3,291	1,565
JAG-Phoenix (Wellman)	434	-	-	434
Key Club	4,667	3,482	3,695	4,454
Rodeo Booster Club	489	-	-	489
Softball Booster Club	140	-	-	140
Spanish Club	46	-	46	-
Spirit Team-Cheerleading Booster Club	3,147	7,687	7,245	3,589
Tennis Booster Club	164	-	-	164
Theatre Club	1,989	2,900	1,898	2,991
Track-Boys Booster Club	1,419	360	-	1,779
Track-Girls Booster Club	518	-	-	518
VICA Club	7,298	29,342	20,850	15,790
Web Development Club	191	-	191	-
Wrestling Booster Club	126	-	-	126
TOTAL	\$ 52,122	\$ 121,692	\$ 112,008	\$ 61,806

See independent auditors' report

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COMPLIANCE SECTION



Accounting & Consulting Group.LLP
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Carlsbad Municipal School District No. 20
Carlsbad, New Mexico

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information and the , the budgetary comparisons of the General Fund and Major Special Revenue Fund of Carlsbad Municipal School District No. 20 (the "District"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District presented as supplementary information, and have issued our report thereon dated November 3, 2014.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that 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. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items FS 2014-001, and CU FS 2014-001.

District's Responses to the Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
November 3, 2014

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FEDERAL FINANCIAL ASSISTANCE



Accounting & Consulting Group, LLP
Certified Public Accountants

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

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Board of Education
Office of Management and Budget
Carlsbad Municipal School District No. 20
Carlsbad, New Mexico

Report on Compliance for Each Major Federal Program

We have audited Carlsbad Municipal School District No. 20's (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
November 3, 2014

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2014

Federal Grantor/Pass Through Grantor/Program Title	Pass Thru Number	Federal C.F.D.A. Number		Expenditures
U.S. Department of Education				
<i>Passthrough - State of NM Public Education Department</i>				
Title I Grants to Local Educational Agencies	24101	84.010	(1)	\$ 950,597 M
Title I - IASA - Grants to Local Educational Agencies,	24162	84.010	(1)	13,325 M
Private School Share -IDEA B	24115	84.027	(2)	11,095 M
Entitlement Settlement-IDEA-B	24106	84.027	(2)	1,392,388 M
Preschool IDEA-B	24109	84.027	(2)	47,540 M
Early Intervention Services IDEA-B	24112	84.027	(2)	2,495 M
"Risk Pool" IDEA-B	24120	84.027	(2)	12,216 M
Education for Homeless Children and Youth	24113	84.196		7,998
Carl D Perkins Prior Year Unliquidated Obligations	24174	84.048	(4)	38,323
Carl D Perkins Secondary-PY Unliquidated Obligations	24175	84.048	(4)	626
Carl D Perkins Secondary -Redistribution	24176	84.367	(5)	6,933
Carl D Perkins HSTW Current	24180	84.048	(4)	48,705
Carl D Perkins HSTW Redistribution	24182	84.048	(4)	12,972
Improving Teacher Quality	24154	84.367	(5)	225,341
Total USDE Passthrough				<u>2,770,554</u>
U.S. Department of Agriculture				
<i>Federal Direct Grants</i>				
National School Lunch	21000	10.555	(3)	1,967,313 M
National School Breakfast	21000	10.553	(3)	1,685,515 M
Food Distribution Commodities	21000	10.553	(3)	206,404 M
Total USDA Direct				<u>3,859,232</u>
Total Federal Awards				<u>\$ 6,629,786</u>

M=Denotes major Federal financial assistance program
 () = Denotes cluster

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Carlsbad Municipal Schools, New Mexico (District) and is presented on the cash basis of accounting, which is a different basis as was used to prepare the fund financial statements. The information in the Schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Subrecipients

The District did not provide any federal awards to subrecipients during the year.

Non-Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2014 was \$206,404 and is reported in the Schedule of Expenditures of Federal Award under the Department of Agriculture Program, CFDA number 10.553

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 6,629,786
Total expenditures funded by other sources	<u>68,403,236</u>
Total expenditures per statement of revenues, expenditures and changes in fund balances	<u><u>\$ 75,033,022</u></u>

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2014

Schedule VII

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditors' report issued on compliance for major programs | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | No |
| 4. Identification of major programs: | |

CFDA Number

Federal Program

10.553, 10.555
 84.010
 84.027

Child Nutrition Cluster
 Title I IASA
 IDEA-B

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | No |

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

Schedule VII

B. FINDINGS-FINANCIAL STATEMENT AUDIT

Primary Government:

FS 2014-001 Uncollateralized Bank Deposits – (other matter)

Condition: During our review of pledged collateral we noted deposits at Carlsbad National Bank were under collateralized in accordance with State of New Mexico Statutes at June 30, 2014. The required collateral was \$8,538,328; however, the collateral provided by the bank was \$8,266,838, resulting in an under collateralization in the amount of \$271,490.

Criteria: Any bank designated a deposit of public money shall deliver pledged collateral with a value equal to one half the amount of the public money in excess of insurance, to a custodial bank and a joint safekeeping receipt issued by the custodial bank to the District (Section 6-10-17 NMSA 1978). Monitoring collateralization of the District's funds is essential in ensuring compliance with State of New Mexico Statutes.

Effect: Lack of proper monitoring of pledged collateral could result in excessive loss of District's funds if the financial institutions encounter financial difficulties.

Cause: The amounts on deposit were not adequately monitored to ensure that balances were sufficiently collateralized.

Auditors' Recommendation: As part of a formal policy implemented by the District, an individual should be assigned the responsibilities of reviewing the monthly collateral reports, investigating differences, and resolving discrepancies.

Views of responsible officials and management's planned corrective actions: The \$30M sale of General Obligation Bonds closed in May, 2014. The proceeds from this sale were invested in Certificates of Deposit at two local banks. The pledged collateral limits were reviewed by District staff and found them to be sufficient for all checking accounts. The value of the Certificates of Deposit were not taken into consideration at the time.

The District will add all Certificates of Deposit and any other investment accounts that may be added in the future to the monthly analysis of pledged collateral. An analysis worksheet will be developed to test/verify the sufficiency of pledged collateral on a monthly basis. The worksheet will be completed by the Banking Specialist as part of their responsibilities in monitoring bank transactions. The worksheet will be reviewed and approved by the Director of Finance as part of the monthly review of bank account reconciliations.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

Schedule VII

B. FINDINGS-FINANCIAL STATEMENT AUDIT

Component Unit:

CU FS-2014-001 Uncollateralized Bank Deposits – (other matter)

Condition: During our review of pledged collateral we noted deposits at Wells Fargo Bank were under collateralized in accordance with State of New Mexico Statutes at June 30, 2014. The required collateral was \$32,353; however, there was no collateral provided by the bank, resulting in an under collateralization in the amount of \$32,353.

Criteria: Any bank designated a deposit of public money shall deliver pledged collateral with a value equal to one half the amount of the public money in excess of insurance, to a custodial bank and a joint safekeeping receipt issued by the custodial bank to the Academy (Section 6-10-17 NMSA 1978). Monitoring collateralization of the Academy's funds is essential in ensuring compliance with State of New Mexico Statutes.

Effect: Lack of proper monitoring of pledged collateral could result in excessive loss of Academy's funds if the financial institutions encounter financial difficulties.

Cause: The amounts on deposit were not adequately monitored to ensure that balances were sufficiently collateralized.

Auditors' Recommendation: As part of a formal policy implemented by the Academy, an individual should be assigned the responsibilities of reviewing the monthly collateral reports, investigating differences, and resolving discrepancies.

Views of responsible officials and management's planned corrective actions: The Academy initiated a depository pledge agreement with the bank on 10/30/2014. The agreement was forwarded to the bank's public funds department which is in the process of getting the collateral account set up at the Bank of New York Mellon.

C. FEDERAL FINDINGS

None

D. PRIOR YEAR AUDIT FINDINGS

Primary Government:

FS 2013-001 Student Eligibility for Free Lunch-Resolved

FS 2013-002 Approval of Journal Entries-Resolved

FS 2013-003 Capital Asset Inventory Not Certified by Board-Resolved

FS 2013-004 Information Technology-Resolved

Component Unit:

CU FS 2013-001 Capital Asset Inventory Not Certified by Board –Resolved

CU FS 2013-002 Budget Overages-Resolved

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Other Disclosures
For the Year Ended June 30, 2014

A. AUDITOR PREPARED FINANCIAL STATEMENTS

Accounting and Consulting, Group, LLP prepared the GAAP-basis financial statements and footnotes from the original books and records provided to them by the management of the District. The responsibility for the financial statements remains with the District.

B. EXIT CONFERENCE

The contents of this report were discussed on November 5, 2014. The following individuals were in attendance.

Carlsbad Schools Personnel

Gary Perkowski– Superintendent
Laura Garcia – Finance Director
Tammi Dutton – JMA Office Manager
Cindy Holguin – JMA Chief Executive Officer
Ron Singleton-Board Member
Kelli Barta, Assistant Superintendent
Don Owen, Director of Operations
Lavern Shan, Director of Elementary Education
Becky McMullan-Community Representative

Accounting & Consulting Group, LLP

Cindy Bryan, Audit Partner