

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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



ACCOUNTING & FINANCIAL
SOLUTIONS
CERTIFIED PUBLIC ACCOUNTANTS

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

OFFICIAL ROSTER
June 30, 2013

BOARD OF EDUCATION

Valerie C. Garcia	Board President
Owen G. McCulloch	Board Vice-President
Robert H. Potter	Board Secretary
Ronald L. Anderson	Board Member
Bret E. Wier	Board Member

SCHOOL OFFICIALS

James Gallegos	Superintendent
Lawana Whitten	Business Manager

AUDIT COMMITTEE

Valerie C. Garcia	Board President
Ronald Anderson	Board Vice-President
Donna Archuleta	Financial Professional
Lori Crowson	Parent
James Gallegos	Superintendent
Lawana Whitten	Business Manager

FINANCE COMMITTEE

Ronald Anderson	Board Vice-President
Owen G. McCulloch	Board Member
Donna Archuleta	Financial Professional
James Gallegos	Superintendent
Lawana Whitten	Business Manager

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FINANCIAL SECTION

FISCAL YEAR 2013

JULY 1, 2012 THROUGH JUNE 30, 2013

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INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Cimarron Municipal School District No. 3

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Cimarron Municipal School District No. 3, as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise Cimarron Municipal School District No. 3's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Cimarron Municipal School District No. 3's nonmajor governmental and the budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Cimarron Municipal School District No. 3's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Cimarron Municipal School District No. 3, as of June 30, 2013, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental of Cimarron Municipal School District No. 3 as of June 30, 2013, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project funds, debt service fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Cimarron Municipal School District No. 3

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cimarron Municipal School District No. 3's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the other schedules required by 2.2.2.NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 7, 2013 on our consideration of the Cimarron Municipal School District No. 3's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Cimarron Municipal School District No. 3's internal control over financial reporting and compliance.

Accounting & Financial Solutions, LLC
Farmington, NM
October 7, 2013

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

STATEMENT OF NET POSITION
 June 30, 2013

	Primary Government	Component Units
	Governmental Activities	Moreno Valley High School
ASSETS		
Cash and cash equivalents	\$ 3,018,946	\$ 282,253
Receivables:		
Delinquent property taxes receivable	157,183	-
Grant	70,578	1,018
Due from other governments	21,041	6,418
USDA commodities inventory	737	-
Food inventory	275	-
Non-current:		
Non-depreciable assets	1,041,046	300,000
Depreciable capital assets, net	15,597,977	2,004,326
Total assets	19,907,783	2,594,015
LIABILITIES		
Accounts payable	61,982	3,765
Accrued salaries	-	7,387
Accrued interest	5,410	-
Due to charter school	6,418	-
Noncurrent liabilities:		
Due within one year	350,000	-
Due in more than one year	1,051,784	-
Total liabilities	1,475,594	11,152
Deferred inflows of resources:		
Advances of federal, state, and local grants	17,220	4,632
Total liabilities and deferred inflows of resources	1,492,814	15,784
NET POSITION		
Net Investment in capital assets	15,368,273	2,304,326
Restricted for:		
Inventories	1,012	-
Special revenue funds	49,756	1,881
Capital projects	2,273,533	72,527
Debt service	430,653	-
Unrestricted	291,742	199,497
Total net position	\$ 18,414,969	\$ 2,578,231

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

STATEMENT OF ACTIVITIES
 Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
Primary government:						
Governmental activities:						
Instruction	\$ 2,740,959	\$ 9,782	\$ 283,720	\$ 10,242	\$ (2,437,215)	\$ (592,809)
Support Services - Students	723,734	9,208	74,915	2,704	(636,907)	(1,741)
Support Services - Instruction	96,656	-	10,005	361	(86,290)	(3,688)
Support Services - General Administration	247,660	-	25,636	925	(221,099)	(65,992)
Support Services - School Administration	327,872	-	33,939	1,225	(292,708)	(112,142)
Central Services	1,301,590	-	134,730	-	(1,166,860)	(49,795)
Operations & Maintenance of Plant	590,082	-	61,080	-	(529,002)	(157,452)
Student Transportation	450,605	-	394,142	-	(56,463)	-
Food Services	244,204	26,739	185,386	-	(32,079)	-
Bond interest paid	<u>26,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,206)</u>	<u>-</u>
Total governmental activities	<u>\$ 6,749,568</u>	<u>\$ 45,729</u>	<u>\$ 1,203,553</u>	<u>\$ 15,457</u>	<u>(5,484,829)</u>	
Componenet units:						
Moreno Valley High School	<u>\$ 1,134,698</u>	<u>\$ 67,879</u>	<u>\$ 20,132</u>	<u>\$ 63,068</u>	<u>-</u>	<u>(983,619)</u>
General revenues:						
Property Taxes:						
					157,971	-
					256,154	-
					801,038	-
					3,486,251	886,717
					<u>1,059</u>	<u>-</u>
					<u>4,702,473</u>	<u>886,717</u>
Total general revenues						
					<u>(17,219)</u>	<u>-</u>
Loss on asset disposal						
					<u>(799,575)</u>	<u>(96,902)</u>
Change in net position						
					19,267,015	2,675,133
					<u>(52,471)</u>	<u>-</u>
					<u>19,214,544</u>	<u>2,675,133</u>
					<u>\$ 18,414,969</u>	<u>\$ 2,578,231</u>

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2013

	General Fund	Entitlement IDEA-B Fund #24106	Capital Improvements HB-33 Fund #31600	Capital Improvements SB-9 Fund #31700
ASSETS				
Pooled cash and investments	\$ 225,475	\$ 3,359	\$ 655,054	\$ 763,154
Receivables:				
Property taxes	12,902	-	38,928	63,009
Grant	-	47,781	-	-
Due from other governments	2,716	-	1,386	12,345
Due from other funds	73,308	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 314,401</u>	<u>\$ 51,140</u>	<u>\$ 695,368</u>	<u>\$ 838,508</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 12,689	\$ -	\$ -	\$ 48,606
Due to other funds	-	44,722	-	-
Due to charter school	-	6,418	-	-
	<u>-</u>	<u>6,418</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>12,689</u>	<u>51,140</u>	<u>-</u>	<u>48,606</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	9,970	-	38,714	49,902
	<u>9,970</u>	<u>-</u>	<u>38,714</u>	<u>49,902</u>
Total deferred inflows of resources	<u>9,970</u>	<u>-</u>	<u>38,714</u>	<u>49,902</u>
Total liabilities and deferred inflows of resources	<u>22,659</u>	<u>51,140</u>	<u>38,714</u>	<u>98,508</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	656,654	740,000
Debt service	-	-	-	-
Unassigned	291,742	-	-	-
	<u>291,742</u>	<u>-</u>	<u>656,654</u>	<u>740,000</u>
Total fund balance	<u>291,742</u>	<u>-</u>	<u>656,654</u>	<u>740,000</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 314,401</u>	<u>\$ 51,140</u>	<u>\$ 695,368</u>	<u>\$ 838,508</u>

(cont'd; 1 of 2)

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2013

	Ed Technology Equipment Act <u>Fund #31900</u>	Education Technology Debt Service <u>Fund #43000</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
ASSETS				
Pooled cash and investments	\$ 876,981	\$ 417,555	\$ 77,368	\$ 3,018,946
Receivables:				
Property taxes	-	40,671	1,673	157,183
Grant	-	-	22,797	70,578
Due from other governments	-	4,590	4	21,041
Due from other funds	-	-	-	73,308
USDA commodities inventory	-	-	737	737
Food inventory	<u>-</u>	<u>-</u>	<u>275</u>	<u>275</u>
 Total assets	 <u>\$ 876,981</u>	 <u>\$ 462,816</u>	 <u>\$ 102,854</u>	 <u>\$ 3,342,068</u>
 LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 102	\$ -	\$ 585	\$ 61,982
Due to other funds	-	-	28,586	73,308
Due to other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,418</u>
 Total liabilities	 <u>102</u>	 <u>-</u>	 <u>29,171</u>	 <u>141,708</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	17,220	17,220
Delinquent property taxes	<u>-</u>	<u>36,185</u>	<u>1,673</u>	<u>136,444</u>
 Total deferred inflows of resources	 <u>-</u>	 <u>36,185</u>	 <u>18,893</u>	 <u>153,664</u>
 Total liabilities and deferred inflows of resources	 <u>102</u>	 <u>36,185</u>	 <u>48,064</u>	 <u>295,372</u>
 Fund balance:				
Non-spendable:				
Inventories	-	-	1,012	1,012
Restricted for:				
Special revenue funds	-	-	49,756	49,756
Capital projects funds	876,879	-	-	2,273,533
Debt service	-	426,631	4,022	430,653
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>291,742</u>
 Total fund balance	 <u>876,879</u>	 <u>426,631</u>	 <u>54,790</u>	 <u>3,046,696</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 876,981</u>	 <u>\$ 462,816</u>	 <u>\$ 102,854</u>	 <u>\$ 3,342,068</u>

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

RECONCILIATION OF THE BALANCE SHEET - ALL GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2013

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

Fund balances - total governmental funds	\$ 3,046,696
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets	26,594,589
Accumulated depreciation	(9,955,566)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Property taxes receivable	136,444
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	
Bonds payable	(1,400,000)
Accrued interest payable	(5,410)
Bond premiums	<u>(1,784)</u>
Net position of governmental activities	\$ <u>18,414,969</u>

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	General Fund	Entitlement IDEA-B Fund #24106	Capital Improvements HB-33 Fund #31600	Capital Improvements SB-9 Fund #31700
Revenues:				
Federal sources:				
Forest reserve	\$ 6,850	\$ -	\$ -	\$ -
Federal flowthrough grants	-	173,364	-	-
Federal direct grants	2,375	-	-	-
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State equalization guarantee	3,462,240	-	-	-
Transportation	394,812	-	-	-
State instructional material	18,976	-	-	-
State grant	205,430	-	-	11,137
Local sources:				
Grant	-	-	-	-
District school tax levy	168,399	-	25,036	855,917
Fees and activities	9,782	-	-	-
Earnings from investments	953	-	1,201	1,683
Miscellaneous	-	-	-	17,161
Total revenue	<u>4,269,817</u>	<u>173,364</u>	<u>26,237</u>	<u>885,898</u>
Expenditures:				
Current:				
Instruction	2,220,789	58,351	-	-
Support Services:				
Students	592,876	25,071	-	-
Instruction	18,546	-	-	-
General Administration	206,676	-	281	7,769
School Administration	240,437	22,316	-	-
Central Services	76,340	67,626	-	675,393
Operation & Maintenance of Plant	517,898	-	-	-
Student Transportation	395,483	-	-	-
Food Services Operations	-	-	-	-
Capital outlay	-	-	373,961	1,199,383
Debt service:				
Principal retirement	-	-	-	-
Bond interest paid	-	-	-	-
Total expenditures	<u>4,269,045</u>	<u>173,364</u>	<u>374,242</u>	<u>1,882,545</u>
Excess (deficiency) of revenues over expenditures	772	-	(348,005)	(996,647)
Other financing uses:				
Refunds	<u>(670)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	102	-	(348,005)	(996,647)
Fund balance at beginning of the year	<u>291,640</u>	<u>-</u>	<u>1,004,659</u>	<u>1,736,647</u>
Fund balance at end of the year	<u>\$ 291,742</u>	<u>\$ -</u>	<u>\$ 656,654</u>	<u>\$ 740,000</u>

(cont'd; 1 of 2)

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Ed Technology Equipment Act <u>Fund #31900</u>	Education Technology Debt Service <u>Fund #43000</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:				
Federal sources:				
Forest reserve	\$ -	\$ -	\$ -	\$ 6,850
Federal flowthrough grants	-	-	114,622	287,986
Federal direct grants	-	-	74,426	76,801
Food and milk reimbursements	-	-	176,981	176,981
USDA Commodities	-	-	8,405	8,405
State sources:				
State equalization guarantee	-	-	-	3,462,240
Transportation	-	-	-	394,812
State instructional material	-	-	-	18,976
State grant	-	-	10,862	227,429
Local sources:				
Grant	-	-	23,000	23,000
District school tax levy	-	288,566	105	1,338,023
Fees and activities	-	-	35,947	45,729
Earnings from investments	1,436	524	106	5,903
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,161</u>
Total revenue	<u>1,436</u>	<u>289,090</u>	<u>444,454</u>	<u>6,090,296</u>
Expenditures:				
Current:				
Instruction	-	-	126,522	2,405,662
Support Services:				
Students	-	-	17,254	635,201
Instruction	-	-	66,286	84,832
General Administration	-	2,637	1	217,364
School Administration	-	-	25,011	287,764
Central Services	323,010	-	-	1,142,369
Operation & Maintenance of Plant	-	-	-	517,898
Student Transportation	-	-	-	395,483
Food Services Operations	-	-	214,331	214,331
Capital outlay	-	-	-	1,573,344
Debt service:				
Principal retirement	-	350,000	-	350,000
Bond interest paid	<u>-</u>	<u>36,925</u>	<u>-</u>	<u>36,925</u>
Total expenditures	<u>323,010</u>	<u>389,562</u>	<u>449,405</u>	<u>7,861,173</u>
Excess (deficiency) of revenues over expenditures	(321,574)	(100,472)	(4,951)	(1,770,877)
Other financing uses:				
Refunds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(670)</u>
Net change in fund balance	(321,574)	(100,472)	(4,951)	(1,771,547)
Fund balance at beginning of the year	<u>1,198,453</u>	<u>527,103</u>	<u>59,741</u>	<u>4,818,243</u>
Fund balance at end of the year	<u>\$ 876,879</u>	<u>\$ 426,631</u>	<u>\$ 54,790</u>	<u>\$ 3,046,696</u>

(2 of 2)

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

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

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

Net change in fund balance - total governmental funds	\$ (1,771,547)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year</p>	
Capital outlay	1,573,344
Depreciation	(822,458)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
<p>Deferred property taxes at:</p>	
June 30, 2012	(259,304)
June 30, 2013	136,444
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, and similar, items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Current year principal payments	350,000
Bond premium amortization	446
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
<p>Accrued interest at:</p>	
June 30, 2012	16,129
June 30, 2013	(5,410)
Loss on asset disposal	<u>(17,219)</u>
Change in net position of governmental activities	<u>\$ (799,575)</u>

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Forest reserve	\$ -	\$ 6,850	\$ 6,850	\$ -
Federal direct grant	-	-	2,375	2,375
State sources:				
State equalization guarantee	3,323,323	3,458,507	3,462,240	3,733
Transportation	369,196	394,812	394,812	-
State instructional material	18,976	18,976	18,976	-
State grant	454,331	178,440	211,848	33,408
Local sources:				
District school tax levy	170,003	170,003	167,089	(2,914)
Fees and activities	9,000	9,000	9,782	782
Earnings from investments	140	140	953	813
Total revenues	4,344,969	4,236,728	4,274,925	38,197
Expenditures:				
Current:				
Instruction	2,339,851	2,249,001	2,218,548	30,453
Support Services:				
Students	595,220	595,505	592,876	2,629
Instruction	18,588	18,591	18,546	45
General Administration	206,785	219,752	207,002	12,750
School Administration	245,057	242,521	240,437	2,084
Central Services	76,857	76,346	76,340	6
Operation & Maintenance of Plant	584,413	547,783	519,551	28,232
Student Transportation	369,196	395,483	395,483	-
Other Support Services	18,112	18,112	-	18,112
Total expenditures	4,454,079	4,363,094	4,268,783	94,311
Excess (deficiency) of revenues over expenditures	(109,110)	(126,366)	6,142	132,508
Other financing uses:				
Refunds	-	-	(670)	(670)
Net change in fund balance	(109,110)	(126,366)	5,472	131,838
Beginning cash balance budgeted	109,110	126,366	-	(126,366)
Fund balance at beginning of the year	-	-	291,640	291,640
Fund balance at end of the year	\$ -	\$ -	297,112	\$ 297,112
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(9,310)	
Change in due from other governments			192	
Change in payables			(6,680)	
Change in deferred property taxes			10,428	
			\$ 291,742	

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 133,330	\$ 94,251	\$ (39,079)
 Expenditures:				
Current:				
Instruction	-	66,620	58,351	8,269
Support Services:				
Students	-	29,275	25,071	4,204
School Administration	-	24,093	22,316	1,777
Central Services	-	13,342	11,556	1,786
Total expenditures	-	133,330	117,294	16,036
 Excess (deficiency) of revenues over expenditures	-	-	(23,043)	(23,043)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(23,043)	\$ (23,043)
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			23,043	
			\$ -	

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

ASSETS

Pooled cash and investments	<u>\$ 100,539</u>
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LIABILITIES

Deposits held for others	<u>\$ 100,539</u>
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The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The District's financial statements include all entities over which the Board of Education exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

As required by GAAP, these financial statements present the District (primary government) and its component units. The component units discussed below are included in the District's reporting because of the significance of their operational or financial relationships with the District in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity and GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14.

Blended Component Units

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

Discretely Presented Component Units

The District has one component unit reported as a discretely presented component unit. Moreno Valley High School is closely related to Cimarron Municipal Schools and is the financial responsibility of Cimarron Municipal Schools. The component unit has a separately issued report which can be obtained at:

Moreno Valley High School
56 Camino Grande
P.O. Box 1037
Angel Fire, NM 87710

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of inter-fund activity has been removed from these statements.

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

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

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

During fiscal year 2013, Cimarron Municipal School District No. 3 adopted the following GASB Statements:

- GASB 60, Accounting and Financial Reporting for Service Concession Arrangements, improves financial reporting by addressing uses related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This Statement establishes recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators.
- GASB 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34, is effective for the District beginning with its year ending June 30, 2013. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity
- GASB 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, is effective for the District beginning with its year ending June 30, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position.
- GASB 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions — an Amendment to GASB Statement No. 53, which had no impact on the current year financial statements. The objective of this statement is to enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced.
- GASB 65, Items Previously Reported as Assets and Liabilities, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement resulted in a restatement of the financial statements which is detailed in Note IV.F on page 37.

Other accounting standards that Cimarron Municipal School District No. 3 is currently reviewing for applicability and potential impact on the financial statements include:

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

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

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

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

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

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund – The general fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

Capital Improvements HB-33 Capital Projects Fund – This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 5 mill property tax levy and interest earned on investments, under House Bill 33.

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

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

Ed Technology Equipment Act Capital Projects Fund – This fund is used to account for the revenues and expenditures associated with Education Technology Bonds in the purchasing of equipment used in the educational process.

Education Technology Debt Service Fund – Used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest, and related costs associated with the Education Technology bond issues.

Additionally, the government reports the following fund types:

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

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

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

Similar to private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

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

D. Assets, Liabilities, and Net Position or Equity

1. *Deposits and investments*

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

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

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the school district. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

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

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

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

2. *Receivables and payables*

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

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

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

3. *Inventories*

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

4. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2005, the threshold for defining Capital assets by the government was raised from \$1,000 to assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	25-50
Building improvements	7-20
Vehides	5
Office equipment	5
Computer equipment	5

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

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

5. *Compensated absences*

The District policy to permit employees to accumulate earned but unused vacation. Accumulated sick leave is not payable upon termination and is recorded as expenditures when it is paid.

6. *Long-term obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

7. *Fund balance*

a. Non-Spendable

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

b. Restricted

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

c. Committed

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

d. Assigned

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

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

e. Unassigned

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

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

8. *Net position*

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

a. Invested in capital assets, net of related debt

This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in restricted for capital projects.

b. Restricted net position

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

c. Unrestricted net position

Unrestricted net position consists of net position that does not meet the definition of "invested in capital assets, net of related debt" or "restricted."

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

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

9. *Indirect Costs*

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

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

10. *Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

11. *Revenues*

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$3,462,240 in state equalization guarantee distributions during the year ended June 30, 2013.

Transportation Distribution: School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$394,812 in transportation distributions during the year ended June 30, 2013.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not exceed the budget on a line item basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

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

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

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

A. Budgetary Information (cont'd)

2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.
6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

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

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 4,454,079	\$ 4,363,094
Special Revenue Fund	342,411	675,842
Capital Projects Fund	4,526,740	4,538,073
Debt Service Fund	881,986	881,986
Totals	<u>\$ 10,205,216</u>	<u>\$ 10,458,995</u>

B. Budgetary Violations

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

C. Deficit Fund Equity

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

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2013, the carrying amount of the District's deposits was \$3,119,485 and the bank balance was \$3,511,198 with the difference consisting of outstanding checks. Of this balance \$500,000 was covered by federal depository insurance and \$2,036,455 was covered by collateral held in joint safekeeping by a third party.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

A. Cash and Temporary Investments (cont'd)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2013, \$974,743 of the District's bank balance of \$3,511,198 was exposed to custodial risk as follows:

	<u>International Bank</u>	<u>Bank of Albuquerque</u>	<u>Total</u>
Uninsured and uncollateralized	\$ 974,743	\$ -	\$ 974,743
Excess of pledged collateral	-	-	-
Uninsured and collateral held by pledging bank's trust dept not in the District's name	1,410,847	625,608	2,036,455
Total uninsured	2,385,590	625,608	3,011,198
Insured (FDIC)	250,000	250,000	500,000
Total deposits	\$ 2,635,590	\$ 875,608	\$ 3,511,198
State of New Mexico collateral requirement:			
50% of uninsured public fund bank deposits	\$ 1,192,795	\$ 437,804	\$ 1,630,599
Pledged security	1,410,847	625,608	2,036,455
Over collateralization	\$ 218,052	\$ 187,804	\$ 405,856

The collateral pledged is listed on Page 96 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

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

B. Receivables

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

	Receivables		Due from Other	
	Delinquent Property Taxes	Grant	Governments	Funds
Major Funds:				
General	\$ 12,902	\$ -	\$ 2,716	\$ 73,308
Entitlement IDEA-B	-	47,781	-	-
Capital Improvements HB - 33	38,928	-	1,386	-
Capital Improvements SB - 9	63,009	-	12,345	-
Ed Technology Equipment Debt Service	40,671	-	4,590	-
Other Governmental Funds	1,673	22,797	4	-
Total	\$ 157,183	\$ 70,578	\$ 21,041	\$ 73,308

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

B. Receivables (cont'd)

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

	<u>Unavailable</u>	<u>Unearned</u>	
Grant drawdowns prior to meeting all eligibility requirements			
Other Governmental Funds	\$ -	\$ 17,220	
Delinquent property taxes			
General Fund	9,970	-	
Capital Improvements HB - 33	38,714	-	
Capital Improvements SB - 9	49,902	-	
Ed Technology Equipment Debt Service	36,185	-	
Other Governmental Funds	<u>1,673</u>	<u>-</u>	
Total deferred/unearned revenue for governmental funds	<u>\$ 136,444</u>	<u>\$ 17,220</u>	

C. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,041,046	\$ -	\$ -	\$ -	\$ 1,041,046
Collections of works of art	-	-	-	-	-
Construction in progress	<u>415,933</u>	<u>-</u>	<u>-</u>	<u>(415,933)</u>	<u>-</u>
Total capital assets not being depreciated	<u>1,456,979</u>	<u>-</u>	<u>-</u>	<u>(415,933)</u>	<u>1,041,046</u>
Capital assets being depreciated:					
Land improvements	986,509	-	-	-	986,509
Buildings and improvements	19,179,063	883,222	-	415,933	20,478,218
Furniture, fixtures, and equipment	<u>3,541,004</u>	<u>690,122</u>	<u>(142,310)</u>	<u>-</u>	<u>4,088,816</u>
Total capital assets being depreciated	<u>23,706,576</u>	<u>1,573,344</u>	<u>(142,310)</u>	<u>415,933</u>	<u>25,553,543</u>
Less accumulated depreciation for:					
Land improvements	(162,733)	(53,204)	-	-	(215,937)
Buildings and improvements	(6,965,380)	(551,724)	-	-	(7,517,104)
Furniture, fixtures, and equipment	<u>(2,130,086)</u>	<u>(217,530)</u>	<u>125,091</u>	<u>-</u>	<u>(2,222,525)</u>
Total accumulated depreciation	<u>(9,258,199)</u>	<u>(822,458)</u>	<u>125,091</u>	<u>-</u>	<u>(9,955,566)</u>
Total capital assets being depreciated, net	<u>14,448,377</u>	<u>750,886</u>	<u>(17,219)</u>	<u>415,933</u>	<u>15,597,977</u>
Total capital assets, net	<u>\$15,905,356</u>	<u>\$ 750,886</u>	<u>\$ (17,219)</u>	<u>\$ -</u>	<u>\$16,639,023</u>

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

C. Capital Assets (cont'd)

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

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 338,454
Support Services - Students	89,367
Support Services - Instruction	11,935
Support Services - General Administration	30,581
Support Services - School Administration	40,486
Central Services	152,833
Operations & Maintenance of Plant	72,864
Student Transportation	55,641
Food Services	<u>30,297</u>
Total Depreciation Expense	<u>\$ 822,458</u>

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

Construction commitments

The District is involved in long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$2,273,533 in the capital projects fund designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

D. Inter-Fund Receivables and Payables

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

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 73,308	\$ -
Entitlement IDEA-B	-	44,722
Other Governmental Funds	<u>-</u>	<u>28,586</u>
Total	<u>\$ 73,308</u>	<u>\$ 73,308</u>

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

E. Inter-Fund Transfers

There was not any inter-fund transfers made during the year ended June 30, 2013.

F. Due to Charter School

The District received \$6,418 of IDEA-B Entitlement monies on June 28, 2013 that were to be transferred to Moreno Valley High School and were not transferred until after June 30, 2013.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

G. Long-Term Debt

General Obligation Bonds

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

<u>General Obligations Bonds</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2013</u>	<u>Amount Due Within One Year</u>
Series 2011	\$ <u>1,750,000</u>	1.20% to 2.60%	\$ <u>1,400,000</u>	\$ <u>350,000</u>
<u>Balance</u>				
			\$ 1,400,000	
			(350,000)	
			Unamortized:	
			Bond premiums	1,784
			<u>\$ 1,051,784</u>	

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

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

General Obligation Bonds			
Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2014	\$ 350,000	\$ 16,450	\$ 366,450
2015	350,000	12,075	362,075
2016	350,000	7,350	357,350
2017	<u>350,000</u>	<u>2,450</u>	<u>352,450</u>
Total	<u>\$ 1,400,000</u>	<u>\$ 38,325</u>	<u>\$ 1,438,325</u>

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Bonds payable	\$ <u>1,750,000</u>	\$ -	\$ <u>350,000</u>	\$ <u>1,400,000</u>	\$ <u>350,000</u>

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

IV. OTHER INFORMATION

A. Risk Management

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

B. Employee Retirement Plan

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

ERB
P.O. Box 26129
Santa Fe, New Mexico 87502-6129
www.nmerb.org

Funding Policy

Member Contributions

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

Employer Contributions

In fiscal year 2013, the Cimarron Municipal School District No. 3 was required to contribute 12.4% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 10.9% of the gross covered salary for employees whose annual salary is more than \$20,000. In the future, the District will contribute the following percentages of the gross covered salary of employees: 13.15% of gross covered salary in fiscal year 2014; and 13.9% of gross covered salary in fiscal year 2015. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2013, 2012, and 2011, were \$282,472, \$244,415, and \$327,205, respectively, which equal the amount of the required contributions for each fiscal year.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

IV. OTHER INFORMATION (cont'd)

C. Post-Retirement Health Care Benefits

Plan Description

Cimarron Municipal School District No. 3 contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are:

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to:

Retiree Health Care Authority
4308 Carlisle NE, Suite 104
Albuquerque, NM 87107

Funding Policy

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

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

IV. OTHER INFORMATION (cont'd)

C. Post-Retirement Health Care Benefits (cont'd)

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

The District's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$50,666, \$48,004, and \$43,109, respectively, which equal the required contributions for each year.

D. Contingent Liabilities

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

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

E. Joint Powers Agreement

Participants:	Cimarron Municipal School District No. 3 Village of Cimarron
Operation Responsibility:	Both parties.
Description:	For the purposes of constructing, maintaining, and operating a heliport for the public in Cimarron. Cimarron Municipal School District No. 3 is responsible for providing electricity, maintaining lighting, and mowing the grass. The Village of Cimarron will be the fiscal agent of the facility and will construct the facility and maintain the surrounding roads.
Period:	January 1, 2010 through December 31, 2039
Project Cost:	Cimarron Municipal Schools agrees to provide location and pay for electricity and maintenance of the grounds.
Association Contributions:	Annually: Undetermined.
Audit Responsibility:	Village of Cimarron
Reporting Responsibility:	Revenues are collected and recorded by the Village and are shared and recorded by both parties. Expenses are incurred and recorded by both parties.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

IV. OTHER INFORMATION (cont'd)

F. Restatement

There was a restatement of the financials for \$52,471 for the implementation of GASB65 which requires issuance costs associated with general obligation bond issues to be expensed in the year in which they are incurred.

G. Cash Flows

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

H. Subsequent Events

Subsequent events were evaluated through October 7, 2013, which is the date the financial statements were available to be issued.

GENERAL FUNDS
YEAR ENDED JUNE 30, 2013

OPERATING FUND

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

TRANSPORTATION FUND

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

INSTRUCTIONAL MATERIALS FUND

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUND
 Combining Balance Sheet
 June 30, 2013

	General Funds			Total General Funds
	<u>Operational Fund #11000</u>	<u>Transportation Fund #13000</u>	<u>Instructional Materials Fund #14000</u>	
ASSETS				
Pooled cash and investments	\$ 206,813	\$ -	\$ 18,662	\$ 225,475
Receivables:				
Property taxes	12,902	-	-	12,902
Due from other governments	2,716	-	-	2,716
Due from other funds	79,726	-	-	79,726
Total assets	\$ 302,157	\$ -	\$ 18,662	\$ 320,819
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 12,689	\$ -	\$ -	\$ 12,689
Due to other government	6,418	-	-	6,418
Total liabilities	19,107	-	-	19,107
Deferred inflows of resources:				
Delinquent property taxes	9,970	-	-	9,970
Total liabilities and deferred inflows of resources	29,077	-	-	29,077
Fund balance:				
Unassigned	273,080	-	18,662	291,742
Total liabilities, deferred inflows of resources, and fund balance	\$ 302,157	\$ -	\$ 18,662	\$ 320,819

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	General Funds			Total General Fund
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
Revenues:				
Federal sources:				
Forest reserve	\$ 6,850	\$ -	\$ -	\$ 6,850
Federal direct grants	2,375	-	-	2,375
State sources:				
State equalization guarantee	3,462,240	-	-	3,462,240
Transportation	-	394,812	-	394,812
State instructional material	-	-	18,976	18,976
State grant	205,430	-	-	205,430
Local sources:				
District school tax levy	168,399	-	-	168,399
Fees and activities	9,782	-	-	9,782
Earnings from investments	953	-	-	953
Total revenue	3,856,029	394,812	18,976	4,269,817
Expenditures:				
Current:				
Instruction	2,203,890	-	16,899	2,220,789
Support Services:				
Students	592,876	-	-	592,876
Instruction	18,546	-	-	18,546
General Administration	206,676	-	-	206,676
School Administration	240,437	-	-	240,437
Central Services	76,340	-	-	76,340
Operation & Maintenance of Plant	517,898	-	-	517,898
Student Transportation	-	395,483	-	395,483
Total expenditures	3,856,663	395,483	16,899	4,269,045
Excess (deficiency) of revenues over expenditures	(634)	(671)	2,077	772
Other financing uses:				
Refunds	-	(670)	-	(670)
Net change in fund balance	(634)	(1,341)	2,077	102
Fund balance at beginning of the year	273,714	1,341	16,585	291,640
Fund balance at end of the year	\$ 273,080	\$ -	\$ 18,662	\$ 291,742

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Federal sources:				
Forest reserve	\$ -	\$ 6,850	\$ 6,850	\$ -
Federal direct grant	-	-	2,375	2,375
State sources:				
State equalization guarantee	3,323,323	3,458,507	3,462,240	3,733
State grant	454,331	178,440	211,848	33,408
Local sources:				
District school tax levy	170,003	170,003	167,089	(2,914)
Fees and activities	9,000	9,000	9,782	782
Earnings from investments	<u>140</u>	<u>140</u>	<u>953</u>	<u>813</u>
Total revenues	<u>3,956,797</u>	<u>3,822,940</u>	<u>3,861,137</u>	<u>38,197</u>
Expenditures:				
Current:				
Instruction	2,320,875	2,213,440	2,201,649	11,791
Support Services:				
Students	595,220	595,505	592,876	2,629
Instruction	18,588	18,591	18,546	45
General Administration	206,785	219,752	207,002	12,750
School Administration	245,057	242,521	240,437	2,084
Central Services	76,857	76,346	76,340	6
Operation & Maintenance of Plant	584,413	547,783	519,551	28,232
Other Support Services	<u>18,112</u>	<u>18,112</u>	<u>-</u>	<u>18,112</u>
Total expenditures	<u>4,065,907</u>	<u>3,932,050</u>	<u>3,856,401</u>	<u>75,649</u>
Excess (deficiency) of revenues over expenditures	(109,110)	(109,110)	4,736	113,846
Beginning cash balance budgeted	109,110	109,110	-	(109,110)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>273,714</u>	<u>273,714</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>278,450</u>	<u>\$ 278,450</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(9,310)	
Change in due from other governments			192	
Change in payables			(6,680)	
Change in deferred property taxes			<u>10,428</u>	
			<u>\$ 273,080</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
Transportation	\$ 369,196	\$ 394,812	\$ 394,812	\$ -
 Expenditures:				
Current:				
Support Services:				
Student Transportation	<u>369,196</u>	<u>395,483</u>	<u>395,483</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	(671)	(671)	-
Other financing uses:				
Refunds	<u>-</u>	<u>-</u>	<u>(670)</u>	<u>(670)</u>
Net change in fund balance	-	(671)	(1,341)	(670)
Beginning cash balance budgeted	-	671	-	(671)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,341</u>	<u>1,341</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>\$ -</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u><u>\$ -</u></u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State instructional material	\$ 18,976	\$ 18,976	\$ 18,976	\$ -
 Expenditures:				
Current:				
Instruction	<u>18,976</u>	<u>35,561</u>	<u>16,899</u>	<u>18,662</u>
Excess (deficiency) of revenues over expenditures	-	(16,585)	2,077	18,662
Beginning cash balance budgeted	-	16,585	-	(16,585)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>16,585</u>	<u>16,585</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>18,662</u>	<u><u>\$ 18,662</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u><u>\$ 18,662</u></u>	

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Food Service Fund #21000	Athletics Fund #22000	Title I Fund #24101	Preschool IDEA-B Fund #24109
ASSETS				
Pooled cash and investments	\$ 5,483	\$ 1,689	\$ 16,740	\$ -
Receivables:				
Property taxes	-	-	-	-
Grant	-	-	-	3,682
Due from other governments	-	-	-	-
USDA commodities inventory	737	-	-	-
Food inventory	<u>275</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 6,495</u>	<u>\$ 1,689</u>	<u>\$ 16,740</u>	<u>\$ 3,682</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 85	\$ 123	\$ 165	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,682</u>
Total liabilities	<u>85</u>	<u>123</u>	<u>165</u>	<u>3,682</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	16,575	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>16,575</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>85</u>	<u>123</u>	<u>16,740</u>	<u>3,682</u>
Fund balance:				
Non-spendable:				
Inventories	1,012	-	-	-
Restricted for:				
Special revenue funds	5,398	1,566	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>6,410</u>	<u>1,566</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 6,495</u>	<u>\$ 1,689</u>	<u>\$ 16,740</u>	<u>\$ 3,682</u>

(cont'd; 1 of 6)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	IDEA-B "Risk Pool" <u>Fund #24120</u>	Title II Teacher Quality <u>Fund #24154</u>	Title XIX Medicaid <u>Fund #25153</u>	Teacher Quality Enhancement <u>Fund #25214</u>
ASSETS				
Pooled cash and investments	\$ -	\$ -	\$ 6,000	\$ 217
Receivables:				
Property taxes	-	-	-	-
Grant	-	5,803	-	-
Due from other governments	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 5,803</u>	<u>\$ 6,000</u>	<u>\$ 217</u>
 LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ 212	\$ -	\$ -
Due to other funds	<u>-</u>	<u>5,591</u>	<u>6,000</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>5,803</u>	<u>6,000</u>	<u>-</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	217
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>217</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>5,803</u>	<u>6,000</u>	<u>217</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ -</u>	<u>\$ 5,803</u>	<u>\$ 6,000</u>	<u>\$ 217</u>

(cont'd; 2 of 6)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Rural Education Achievement Fund #25233	ARRA - State Revitalization Fund #25250	Turner Foundation Fund #26156	A Plus for Energy Fund #26179
ASSETS				
Pooled cash and investments	\$ -	\$ 428	\$ 26,566	\$ 864
Receivables:				
Property taxes	-	-	-	-
Grant	9,131	-	-	-
Due from other governments	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
	-	-	-	-
Total assets	\$ 9,131	\$ 428	\$ 26,566	\$ 864
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	9,131	-	-	-
	9,131	-	-	-
Total liabilities	9,131	-	-	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	428	-	-
Delinquent property taxes	-	-	-	-
	-	-	-	-
Total deferred inflows of resources	-	428	-	-
Total liabilities and deferred inflows of resources	9,131	428	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	26,566	864
Debt service	-	-	-	-
	-	-	-	-
Total fund balance	-	-	26,566	864
Total liabilities, deferred inflows of resources, and fund balance	\$ 9,131	\$ 428	\$ 26,566	\$ 864

(cont'd; 3 of 6)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Dual Credit Instructional Materials <u>Fund #27103</u>	GO Bond Library <u>Fund #27105</u>	Libraries GO Bond 2010 <u>Fund #27106</u>	Writing to Read <u>Fund #27111</u>
ASSETS				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Property taxes	-	-	-	-
Grant	-	-	1,038	-
Due from other governments	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,038</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	1,038	-
	<u>-</u>	<u>-</u>	<u>1,038</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>1,038</u>	<u>-</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,038</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Debt service	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,038</u>	<u>\$ -</u>

(cont'd; 4 of 6)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Technology for Education <u>Fund #27117</u>	Incentives for School Improvement <u>Fund #27138</u>	Beginning Teacher Mentoring <u>Fund #27154</u>	GO Bonds Instructional Materials <u>Fund #27171</u>
ASSETS				
Pooled cash and investments	\$ -	\$ 5,532	\$ 1	\$ 1
Receivables:				
Property taxes	-	-	-	-
Grant	-	-	-	3,143
Due from other governments	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
	-	-	-	-
Total assets	\$ -	\$ 5,532	\$ 1	\$ 3,144
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	3,144
	-	-	-	3,144
Total liabilities	-	-	-	3,144
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	-	-	-	-
	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	-	-	-	3,144
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	5,532	1	-
Debt service	-	-	-	-
	-	-	-	-
Total fund balance	-	5,532	1	-
Total liabilities, deferred inflows of resources, and fund balance	\$ -	\$ 5,532	\$ 1	\$ 3,144

(cont'd; 5 of 6)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds		Total	Debt Service	Total
	Gear Up	CS	Non-Major	Fund #41000	Non-Major
	Fund #28178	Foundation Fund #29102	Special Revenue Funds	Fund #41000	Governmental Funds
ASSETS					
Pooled cash and investments	\$ -	\$ 9,829	\$ 73,350	\$ 4,018	\$ 77,368
Receivables:					
Property taxes	-	-	-	1,673	1,673
Grant	-	-	22,797	-	22,797
Due from other governments	-	-	-	4	4
USDA commodities inventory	-	-	737	-	737
Food inventory	-	-	275	-	275
	<u>-</u>	<u>-</u>	<u>73,350</u>	<u>4,022</u>	<u>77,372</u>
Total assets	<u>\$ -</u>	<u>\$ 9,829</u>	<u>\$ 97,159</u>	<u>\$ 5,695</u>	<u>\$ 102,854</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 585	\$ -	\$ 585
Due to other funds	-	-	28,586	-	28,586
	<u>-</u>	<u>-</u>	<u>29,171</u>	<u>-</u>	<u>29,171</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>29,171</u>	<u>-</u>	<u>29,171</u>
Deferred inflows of resources:					
Advances of federal, state, and local grants	-	-	17,220	-	17,220
Delinquent property taxes	-	-	-	1,673	1,673
	<u>-</u>	<u>-</u>	<u>17,220</u>	<u>1,673</u>	<u>18,893</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>17,220</u>	<u>1,673</u>	<u>18,893</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>46,391</u>	<u>1,673</u>	<u>48,064</u>
Fund balance:					
Non-spendable:					
Inventories	-	-	1,012	-	1,012
Restricted for:					
Special revenue funds	-	9,829	49,756	-	49,756
Debt service	-	-	-	4,022	4,022
	<u>-</u>	<u>9,829</u>	<u>50,768</u>	<u>4,022</u>	<u>54,790</u>
Total fund balance	<u>-</u>	<u>9,829</u>	<u>50,768</u>	<u>4,022</u>	<u>54,790</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ -</u>	<u>\$ 9,829</u>	<u>\$ 97,159</u>	<u>\$ 5,695</u>	<u>\$ 102,854</u>

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Special Revenue Funds				
	<u>Food Service</u>	<u>Athletics</u>	<u>Title I</u>	<u>Preschool</u>	<u>IDEA-B "Risk</u>
	<u>Fund #21000</u>	<u>Fund #22000</u>	<u>Fund #24101</u>	<u>IDEA-B</u>	<u>Pool"</u>
				<u>Fund #24109</u>	<u>Fund #24120</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ 91,033	\$ 12,733	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	176,981	-	-	-	-
USDA Commodities	8,405	-	-	-	-
State sources:					
State grant	2,102	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	26,739	9,208	-	-	-
Earnings from investments	<u>28</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>214,255</u>	<u>9,214</u>	<u>91,033</u>	<u>12,733</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	-	8,658	40,808	12,733	-
Support Services:					
Students	-	-	-	-	-
Instruction	-	-	47,227	-	-
General Administration	-	-	-	-	-
School Administration	-	-	2,998	-	-
Food Services Operations	<u>214,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>214,331</u>	<u>8,658</u>	<u>91,033</u>	<u>12,733</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(76)	556	-	-	-
Fund balance at beginning of the year	<u>6,486</u>	<u>1,010</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 6,410</u>	<u>\$ 1,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 1 of 6)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Special Revenue Funds			
	Title II Teacher Quality <u>Fund #24154</u>	Title XIX Medicaid <u>Fund #25153</u>	Teacher Quality Enhancement <u>Fund #25214</u>	Rural Education Achievement <u>Fund #25233</u>
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 10,856	\$ -	\$ -	\$ -
Federal direct grants	-	34,095	-	40,331
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State grant	-	-	-	-
Local sources:				
Grant	-	-	-	-
District school tax levy	-	-	-	-
Fees and activities	-	-	-	-
Earnings from investments	-	-	-	-
Total revenue	<u>10,856</u>	<u>34,095</u>	<u>-</u>	<u>40,331</u>
Expenditures:				
Current:				
Instruction	10,856	363	-	23,518
Support Services:				
Students	-	11,719	-	2,410
Instruction	-	-	-	14,403
General Administration	-	-	-	-
School Administration	-	22,013	-	-
Food Services Operations	-	-	-	-
Total expenditures	<u>10,856</u>	<u>34,095</u>	<u>-</u>	<u>40,331</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 2 of 6)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Special Revenue Funds			
	ARRA - State Revitalization <u>Fund #25250</u>	Turner Foundation <u>Fund #26156</u>	A Plus for Energy <u>Fund #26179</u>	Dual Credit Instructional Materials <u>Fund #27103</u>
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State grant	-	-	-	1,453
Local sources:				
Grant	-	20,000	-	-
District school tax levy	-	-	-	-
Fees and activities	-	-	-	-
Earnings from investments	-	36	4	-
Total revenue	-	20,036	4	1,453
Expenditures:				
Current:				
Instruction	-	20,270	110	1,453
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Food Services Operations	-	-	-	-
Total expenditures	-	20,270	110	1,453
Excess (deficiency) of revenues over expenditures	-	(234)	(106)	-
Fund balance at beginning of the year	-	26,800	970	-
Fund balance at end of the year	\$ -	\$ 26,566	\$ 864	\$ -

(cont'd; 3 of 6)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Special Revenue Funds				
	GO Bond Library <u>Fund #27105</u>	Libraries GO Bond 2010 <u>Fund #27106</u>	Writing to Read <u>Fund #27111</u>	Technology for Education <u>Fund #27117</u>	Incentives for School Improvement <u>Fund #27138</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	1,038	3,125	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	6	15
Total revenue	-	1,038	3,125	6	15
Expenditures:					
Current:					
Instruction	-	-	-	-	1,876
Support Services:					
Students	-	-	3,125	-	-
Instruction	-	1,038	-	3,618	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Total expenditures	-	1,038	3,125	3,618	1,876
Excess (deficiency) of revenues over expenditures	-	-	-	(3,612)	(1,861)
Fund balance at beginning of the year	-	-	-	3,612	7,393
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -	\$ 5,532

(cont'd; 4 of 6)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Special Revenue Funds			
	Beginning Teacher Mentoring <u>Fund #27154</u>	GO Bonds Instructional Materials <u>Fund #27171</u>	Gear Up <u>Fund #28178</u>	CS Foundation <u>Fund #29102</u>
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State grant	-	3,144	-	-
Local sources:				
Grant	-	-	-	3,000
District school tax levy	-	-	-	-
Fees and activities	-	-	-	-
Earnings from investments	-	-	-	<u>11</u>
Total revenue	<u>-</u>	<u>3,144</u>	<u>-</u>	<u>3,011</u>
Expenditures:				
Current:				
Instruction	2,196	3,144	59	478
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Food Services Operations	-	-	-	-
Total expenditures	<u>2,196</u>	<u>3,144</u>	<u>59</u>	<u>478</u>
Excess (deficiency) of revenues over expenditures	(2,196)	-	(59)	2,533
Fund balance at beginning of the year	<u>2,197</u>	<u>-</u>	<u>59</u>	<u>7,296</u>
Fund balance at end of the year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,829</u>

(cont'd; 5 of 6)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Total Nonmajor Special Revenue <u>Funds</u>	Debt Service <u>Fund #41000</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:			
Federal sources:			
Federal flowthrough grants	\$ 114,622	\$ -	\$ 114,622
Federal direct grants	74,426	-	74,426
Food and milk reimbursements	176,981	-	176,981
USDA Commodities	8,405	-	8,405
State sources:			
State grant	10,862	-	10,862
Local sources:			
Grant	23,000	-	23,000
District school tax levy	-	105	105
Fees and activities	35,947	-	35,947
Earnings from investments	<u>106</u>	<u>-</u>	<u>106</u>
Total revenue	<u>444,349</u>	<u>105</u>	<u>444,454</u>
Expenditures:			
Current:			
Instruction	126,522	-	126,522
Support Services:			
Students	17,254	-	17,254
Instruction	66,286	-	66,286
General Administration	-	1	1
School Administration	25,011	-	25,011
Food Services Operations	<u>214,331</u>	<u>-</u>	<u>214,331</u>
Total expenditures	<u>449,404</u>	<u>1</u>	<u>449,405</u>
Excess (deficiency) of revenues over expenditures	(5,055)	104	(4,951)
Fund balance at beginning of the year	<u>55,823</u>	<u>3,918</u>	<u>59,741</u>
Fund balance at end of the year	<u>\$ 50,768</u>	<u>\$ 4,022</u>	<u>\$ 54,790</u>

(6 of 6)

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BUDGETARY PRESENTATION

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

FOOD SERVICES

This program provides financing for the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-12, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.

ATHLETICS

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

TITLE I

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

PRESCHOOL IDEA-B

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

IDEA-B “RISK POOL”

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

TITLE II TEACHER QUALITY

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

TITLE XIX MEDICAID

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

TEACHER QUALITY ENHANCEMENT

To improve student achievement; improve the quality of the current and future teaching force by improving the preparation of prospective teachers and enhancing professional development activities; hold institutions of higher education accountable for preparing teachers who have the necessary teaching skills and are highly competent in the academic content areas in which the teachers plan to teach, such as mathematics, science, English, foreign language, history, economics, art, civics, Government, and geography, including training in the effective uses of technology in the classroom; and recruit highly qualified individuals, including individuals from other occupations, into the teaching force. Authorization granted under Higher Education Act of 1965, Title II, Part A, Public Law 105-244.

RURAL EDUCATION ACHIEVEMENT PROGRAM

To account for funds received under the Small Rural School Achievement Program to enhance education.

ARRA – STATE REVITALIZATION

To support and restore funding for elementary, secondary, and postsecondary education and, as applicable, early child hood education programs and services in States and local educational agencies. Authorization: American Recovery and Reinvestment Act of 2010 (ARRA), Division A, Title XIV, Public Law 111-5.

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

TURNER FOUNDATION

To enhance the curriculum by utilizing nontraditional teaching methods (real life learning).

A PLUS FOR ENERGY

To assist high school lab based science courses in the study of energy resources.

DUAL CREDIT INSTRUCTIONAL MATERIALS

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

GO BOND LIBRARY

To provide funds for improvement or acquisition and to acquire library books and library resources to support the library program.

LIBRARY GO BONDS 2010

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

WRITING TO READ

To purchase Discovery Education Assessment for English language arts and math in grades 4 through 10 for the school year 2012-2013.

TECHNOLOGY FOR EDUCATION

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

INCENTIVE FOR SCHOOL IMPROVEMENTS

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

BEGINNING TEACHER MENTORING

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

GO BONDS INSTRUCTIONAL MATERIALS

To be used for the purchase of textbooks for schools within the District.

GEAR UP

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

CS FOUNDATION

To assist the school in providing educational services.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 131,440	\$ 173,415	\$ 176,981	\$ 3,566
State sources:				
State grant	1,450	1,450	2,103	653
Local sources:				
Fees and activities	27,000	27,000	26,739	(261)
Earnings from investments	12	12	28	16
Total revenues	159,902	201,877	205,851	3,974
Expenditures:				
Current:				
Food Services Operations	161,709	203,684	203,679	5
Excess (deficiency) of revenues over expenditures	(1,807)	(1,807)	2,172	3,979
Beginning cash balance budgeted	1,807	1,807	-	(1,807)
Fund balance at beginning of the year	-	-	6,486	6,486
Fund balance at end of the year	\$ -	\$ -	8,658	\$ 8,658
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(2,163)	
Change in payables			(85)	
			\$ 6,410	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Fees and activities	\$ 9,200	\$ 9,200	\$ 9,208	\$ 8
Earnings from investments	2	2	6	4
Total revenues	9,202	9,202	9,214	12
 Expenditures:				
Current:				
Instruction	10,045	10,045	8,535	1,510
Excess (deficiency) of revenues over expenditures	(843)	(843)	679	1,522
Beginning cash balance budgeted	843	843	-	(843)
Fund balance at beginning of the year	-	-	1,010	1,010
Fund balance at end of the year	\$ -	\$ -	1,689	\$ 1,689
 RECONCILIATION TO GAAP BASIS:				
Change in payables			(123)	
			\$ 1,566	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 74,084	\$ 102,567	\$ 89,354	\$ (13,213)
Expenditures:				
Current:				
Instruction	29,143	52,086	40,643	11,443
Support Services:				
Instruction	41,927	47,467	47,227	240
School Administration	3,014	3,014	2,998	16
Total expenditures	74,084	102,567	90,868	11,699
Excess (deficiency) of revenues over expenditures	-	-	(1,514)	(1,514)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(1,514)	\$ (1,514)
RECONCILIATION TO GAAP BASIS:				
Change in payables			(165)	
Change in deferred revenue			1,679	
			\$ -	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 15,965	\$ 13,711	\$ (2,254)
 Expenditures:				
Current:				
Instruction	-	15,965	12,733	3,232
Excess of revenues over expenditures	-	-	978	978
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	978	<u>\$ 978</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(978)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 16,968	\$ 25,279	\$ 16,117	\$ (9,162)
 Expenditures:				
Current:				
Instruction	16,968	25,279	10,644	14,635
Excess of revenues over expenditures	-	-	5,473	5,473
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	5,473	\$ 5,473
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(5,261)	
Change in payables			(212)	
			\$ -	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 34,300	\$ 34,300	\$ 34,095	\$ (205)
Expenditures:				
Current:				
Instruction	526	526	363	163
Support Services:				
Students	11,681	11,739	11,719	20
School Administration	22,093	22,035	22,013	22
Total expenditures	34,300	34,300	34,095	205
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ -	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TEACHER QUALITY ENHANCEMENT FUND - NO. 25214
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	218	-	218
Excess (deficiency) of revenues over expenditures	-	(218)	-	218
Beginning cash balance budgeted	-	218	-	(218)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ -	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

RURAL EDUCATION ACHIEVEMENT FUND - NO. 25233
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 26,897	\$ 31,200	\$ 4,303
Expenditures:				
Current:				
Instruction	-	25,739	23,518	2,221
Support Services:				
Students	-	2,412	2,410	2
Instruction	-	22,929	14,403	8,526
Total expenditures	-	51,080	40,331	10,749
Excess (deficiency) of revenues over expenditures	-	(24,183)	(9,131)	15,052
Beginning cash balance budgeted	-	24,183	-	(24,183)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(9,131)	\$ (9,131)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			9,131	
			\$ -	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ARRA - STATE REVITALIZATION FUND - NO. 25250
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TURNER FOUNDATION FUND - NO. 26156
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ 20,000	\$ 20,000	\$ -
Earnings from investments	32	32	36	4
Total revenues	32	20,032	20,036	4
 Expenditures:				
Current:				
Instruction	26,966	46,966	20,270	26,696
Excess (deficiency) of revenues over expenditures	(26,934)	(26,934)	(234)	26,700
Beginning cash balance budgeted	26,934	26,934	-	(26,934)
Fund balance at beginning of the year	-	-	26,800	26,800
Fund balance at end of the year	\$ -	\$ -	26,566	\$ 26,566
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ 26,566	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

A PLUS FOR ENERGY FUND - NO. 26179
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Local sources:				
Earnings from investments	\$ -	\$ -	\$ 4	\$ 4
 Expenditures:				
Current:				
Instruction	<u>969</u>	<u>969</u>	<u>110</u>	<u>859</u>
Excess (deficiency) of revenues over expenditures	(969)	(969)	(106)	863
Beginning cash balance budgeted	969	969	-	(969)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>970</u>	<u>970</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>864</u>	<u><u>\$ 864</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u><u>\$ 864</u></u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 1,453	\$ 2,308	\$ 855
 Expenditures:				
Current:				
Instruction	-	1,453	1,453	-
Excess of revenues over expenditures	-	-	855	855
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	855	<u>\$ 855</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(855)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GO BOND LIBRARY FUND - NO. 27105
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 4,635	\$ 4,635
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	4,635	4,635
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	4,635	<u>\$ 4,635</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(4,635)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ 10,085	\$ 10,085	\$ -	\$ (10,085)
 Expenditures:				
Current:				
Support Services:				
Instruction	<u>10,085</u>	<u>10,085</u>	<u>1,038</u>	<u>9,047</u>
Excess (deficiency) of revenues over expenditures	-	-	(1,038)	(1,038)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1,038)	<u>\$ (1,038)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>1,038</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

WRITING TO READ FUND - NO. 27111
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 3,125	\$ 3,125	\$ -
 Expenditures:				
Current:				
Support Services:				
Students	-	3,125	3,125	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ -	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Local sources:				
Earnings from investments	\$ -	\$ -	\$ 6	\$ 6
 Expenditures:				
Current:				
Support Services:				
Instruction	-	3,618	3,618	-
Excess (deficiency) of revenues over expenditures	-	(3,618)	(3,612)	6
Beginning cash balance budgeted	-	3,618	-	(3,618)
Fund balance at beginning of the year	-	-	3,612	3,612
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Local sources:				
Earnings from investments	\$ -	\$ -	\$ 15	\$ 15
 Expenditures:				
Current:				
Instruction	-	7,393	1,876	5,517
Excess (deficiency) of revenues over expenditures	-	(7,393)	(1,861)	5,532
Beginning cash balance budgeted	-	7,393	-	(7,393)
Fund balance at beginning of the year	-	-	7,393	7,393
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	5,532	<u>\$ 5,532</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 5,532</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	2,198	2,196	2
Excess (deficiency) of revenues over expenditures	-	(2,198)	(2,196)	2
Beginning cash balance budgeted	-	2,198	-	(2,198)
Fund balance at beginning of the year	-	-	2,197	2,197
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1	<u>\$ 1</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 1</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GO BONDS INSTRUCTIONAL MATERIALS FUND - NO. 27171
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 13,223	\$ -	\$ (13,223)
Expenditures:				
Current:				
Instruction	-	13,223	3,143	10,080
Excess (deficiency) of revenues over expenditures	-	-	(3,143)	(3,143)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(3,143)	<u>\$ (3,143)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			3,143	
			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	59	59	-
Excess (deficiency) of revenues over expenditures	-	(59)	(59)	-
Beginning cash balance budgeted	-	59	-	(59)
Fund balance at beginning of the year	-	-	59	59
Fund balance at end of the year	\$ -	\$ -	-	\$ -
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ -	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ 3,000	\$ 3,000	\$ -
Earnings from investments	<u>-</u>	<u>-</u>	<u>11</u>	<u>11</u>
Total revenues	-	3,000	3,011	11
 Expenditures:				
Current:				
Instruction	<u>7,285</u>	<u>10,285</u>	<u>478</u>	<u>9,807</u>
Excess (deficiency) of revenues over expenditures	(7,285)	(7,285)	2,533	9,818
Beginning cash balance budgeted	7,285	7,285	-	(7,285)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>7,296</u>	<u>7,296</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>9,829</u>	<u>\$ 9,829</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 9,829</u>	

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CAPITAL PROJECTS FUNDS

YEAR ENDED JUNE 30, 2013

CAPITAL IMPROVEMENTS HB – 33

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 5 mill property tax levy and interest earned on investments, under House Bill 33.

CAPITAL IMPROVEMENTS SB – 9

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

ED TECHNOLOGY EQUIPMENT ACT

This fund is used to account for the revenues and expenditures associated with Education Technology Bonds in the purchasing of equipment used in the educational process.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CAPITAL IMPROVEMENTS HB-33 FUND - NO. 31600
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ -	\$ -	\$ 28,086	\$ 28,086
Earnings from investments	<u>-</u>	<u>-</u>	<u>1,201</u>	<u>1,201</u>
Total revenues	<u>-</u>	<u>-</u>	<u>29,287</u>	<u>29,287</u>
 Expenditures:				
Current:				
Support Services:				
General Administration	500	500	281	219
Capital outlay:				
Equipment	20,000	20,000	15,515	4,485
Construction in progress	<u>1,109,686</u>	<u>1,109,686</u>	<u>358,446</u>	<u>751,240</u>
Total expenditures	<u>1,130,186</u>	<u>1,130,186</u>	<u>374,242</u>	<u>755,944</u>
Excess (deficiency) of revenues over expenditures	(1,130,186)	(1,130,186)	(344,955)	785,231
Beginning cash balance budgeted	1,130,186	1,130,186	-	(1,130,186)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,004,659</u>	<u>1,004,659</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	659,704	<u>\$ 659,704</u>
 RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(26,987)	
Change in due from other governments			(1,096)	
Change in deferred property taxes			<u>25,033</u>	
			<u>\$ 656,654</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 11,333	\$ 11,137	\$ (196)
Local sources:				
District school tax levy	894,160	894,160	851,612	(42,548)
Fees and activities	-	-	17,161	17,161
Earnings from investments	<u>2,000</u>	<u>2,000</u>	<u>1,683</u>	<u>(317)</u>
Total revenues	<u>896,160</u>	<u>907,493</u>	<u>881,593</u>	<u>(25,900)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	10,832	10,832	7,769	3,063
Operation & Maintenance of Plant	600,000	930,000	705,747	224,253
Capital outlay:				
Equipment	200,000	465,812	453,596	12,216
Construction in progress	<u>1,370,335</u>	<u>785,856</u>	<u>668,168</u>	<u>117,688</u>
Total expenditures	<u>2,181,167</u>	<u>2,192,500</u>	<u>1,835,280</u>	<u>357,220</u>
Excess (deficiency) of revenues over expenditures	(1,285,007)	(1,285,007)	(953,687)	331,320
Beginning cash balance budgeted	1,285,007	1,285,007	-	(1,285,007)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,736,647</u>	<u>1,736,647</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>782,960</u>	<u>\$ 782,960</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(50,589)	
Change in due from other governments			11	
Change in payables			(47,264)	
Change in deferred property taxes			<u>54,882</u>	
			<u>\$ 740,000</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ED TECHNOLOGY EQUIPMENT ACT FUND - NO. 31900
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Local sources:				
Earnings from investments	\$ 300	\$ 300	\$ 1,436	\$ 1,136
 Expenditures:				
Current:				
Support Services:				
Operation & Maintenance of Plant	1,115,387	1,115,387	341,246	774,141
Capital outlay:				
Equipment	100,000	100,000	-	100,000
Total expenditures	1,215,387	1,215,387	341,246	874,141
Excess (deficiency) of revenues over expenditures	(1,215,087)	(1,215,087)	(339,810)	875,277
Beginning cash balance budgeted	1,215,087	1,215,087	-	(1,215,087)
Fund balance at beginning of the year	-	-	1,198,453	1,198,453
Fund balance at end of the year	\$ -	\$ -	858,643	\$ 858,643
 RECONCILIATION TO GAAP BASIS:				
Change in payables			18,236	
			\$ 876,879	

DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2013

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

EDUCATION TECHNOLOGY DEBT SERVICE FUND

Used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest, and related costs associated with the Education Technology bond issues.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ 180	\$ 180	\$ 103	\$ (77)
Expenditures:				
Current:				
Support Services:				
General Administration	100	100	-	100
Debt service:				
Reserves	<u>3,996</u>	<u>3,996</u>	-	<u>3,996</u>
Total expenditures	<u>4,096</u>	<u>4,096</u>	-	<u>4,096</u>
Excess (deficiency) of revenues over expenditures	(3,916)	(3,916)	103	4,019
Beginning cash balance budgeted	3,916	3,916	-	(3,916)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>3,918</u>	<u>3,918</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>4,021</u>	<u>\$ 4,021</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(372)	
Change in due from other governments			4	
Change in deferred property taxes			<u>369</u>	
			<u>\$ 4,022</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

EDUCATION TECHNOLOGY DEBT SERVICE FUND - NO. 43000
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ 386,925	\$ 386,925	\$ 290,572	\$ (96,353)
Earnings from investments	<u>50</u>	<u>50</u>	<u>524</u>	<u>474</u>
Total revenues	<u>386,975</u>	<u>386,975</u>	<u>291,096</u>	<u>(95,879)</u>
Expenditures:				
Current:				
Support Services:				
Central Services	3,789	3,789	2,637	1,152
Debt service:				
Principal retirement	350,000	350,000	350,000	-
Bond interest paid	36,925	36,925	36,925	-
Reserves	<u>487,176</u>	<u>487,176</u>	<u>-</u>	<u>487,176</u>
Total expenditures	<u>877,890</u>	<u>877,890</u>	<u>389,562</u>	<u>488,328</u>
Excess (deficiency) of revenues over expenditures	(490,915)	(490,915)	(98,466)	392,449
Beginning cash balance budgeted	490,915	490,915	-	(490,915)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>527,103</u>	<u>527,103</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	428,637	<u>\$ 428,637</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(32,346)	
Change in due from other governments			(1,808)	
Change in deferred property taxes			<u>32,148</u>	
			<u>\$ 426,631</u>	

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OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

Activity		Balance				Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2013</u>
100	Pay Pal E-Store	\$ 551	\$ 1	\$ -		\$ 552
400	Annual Yearbook	1,537	468	125		1,880
402	High School Art	1,465	3	-		1,468
403	Booster Club	17,271	12,772	17,987		12,056
405	Juan Martinez Scholarship	22,850	38	1,000		21,888
406	CHS Cheerleaders	1,855	3	-		1,858
407	High School Photography	93	73	-		166
408	Elementary MOP	3,234	190	3,424		-
409	Elementary Yearbook	835	1,004	1,142		697
410	Elementary Principal	682	1,701	1,773		610
411	Elementary Art	323	547	610		260
412	PeeWee Basketball	2,088	3	170		1,921
413	Elementary Athletics	-	800	735		65
414	Elementary Reading	180	-	-		180
415	Class of 2012	1,576	-	1,576		-
416	District Nurse	363	790	426		727
417	Class of 2010	2,102	861	-		2,963
419	Class of 2011	-	2,436	1,080		1,356
420	Class of 2013	5,019	180	3,122		2,077
421	Class of 2014	1,019	6,423	4,169		3,273
424	CMS Student Council	621	1	-		622
426	ENEMS Principal	2,415	3,484	4,228		1,671
427	MS Admin	470	703	938		235
428	MS Barn Fund	7,067	2,983	3,191		6,859
429	Universal Classroom	27	-	-		27
430	MS Art	259	-	171		88
431	MS Yearbook	3,284	3,353	4,989		1,648
434	MS Student Council	37	93	122		8
438	MS Spanish Club	140	-	-		140
440	HS Principal	1,633	5,379	6,348		664
442	HS Student Council	645	128	427		346
445		-	288	-		288
446	Band-Music	2,754	15,072	16,708		1,118
449	HS Exploratory	\$ -	\$ 13,232	\$ 11,682		\$ 1,550

(cont'd; 1 of 2)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

Activity		Balance			Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2013</u>
450	HS National Honor Society	\$ 371	\$ 465	\$ 626	\$ 210
451	Ram's Horn	3,714	4	1,184	2,534
452	RHOR	555	1	-	556
454	CHS Shop	256	1	-	257
455	HS Laser Shop/Business	1,670	1,737	1,554	1,853
458	Elementary VIP's	461	2,470	1,284	1,647
460	Zane Scholarship	12,370	532	500	12,402
461	100 Years of Excellence	-	500	250	250
463	ENEMS Library	501	680	-	1,181
464	ENEMS K-2 Teachers	1,624	5,775	6,001	1,398
465	ENEMS 3-4 Teachers	1,441	13,549	14,082	908
476	HS FCA	1,211	2	-	1,213
479	HS Graphic Art	216	75	-	291
481	CHS Rams E-Store	1,251	-	-	1,251
482	CHS Broadcast	2,460	625	-	3,085
483	Culinary Arts	<u>387</u>	<u>809</u>	<u>74</u>	<u>1,122</u>
	Pooled cash and investments	<u>\$ 111,597</u>	<u>\$ 101,295</u>	<u>\$ 112,353</u>	<u>\$ 100,539</u>
	LIABILITIES				
	Deposits held for others	<u>\$ 111,597</u>	<u>\$ 101,295</u>	<u>\$ 112,353</u>	<u>\$ 100,539</u>

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF PLEDGED COLLATERAL
 June 30, 2013

	International <u>Bank</u>	Bank of <u>Albuquerque</u>	<u>Total</u>
Cash on deposit at June 30, 2013	\$ 2,635,590	\$ 875,608	\$ 3,511,198
Less FDIC coverage	<u>250,000</u>	<u>250,000</u>	<u>500,000</u>
Uninsured funds	<u>\$ 2,385,590</u>	<u>\$ 625,608</u>	<u>\$ 3,011,198</u>
50% collateral requirement	\$ 1,192,795	\$ 312,804	\$ 1,505,599
Pledged collateral	<u>1,410,847</u>	<u>643,120</u>	<u>2,053,967</u>
Excess (deficiency) of pledged collateral	<u>\$ 218,052</u>	<u>\$ 330,316</u>	<u>\$ 548,368</u>

Pledged collateral of financial institutions consists of the following at June 30, 2013:

<u>International Bank:</u>	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
FHLB	12/12/2013	3133T1MU2	\$ 691,300
FHLMC	6/13/2014	3133XKTV7	52,245
FHLB	9/12/2014	313370JS8	405,288
FNMA	12/20/2018	3136G12K4	96,079
FHLB	12/13/2019	313381DN2	47,410
FHLB	12/13/2019	313381DN2	<u>118,525</u>
			<u>\$ 1,410,847</u>

The above securities are held at Federal Reserve Bank in Denver, CO.

<u>Bank of Albuquerque</u>		<u>\$</u>
Bank of Albuquerque pooled government securities for trust accounts		<u>643,120</u>

The above securities are held at Albuquerque, NM

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CASH RECONCILIATION
 June 30, 2013

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 204,802	\$ 3,861,137	\$ (3,856,400)	\$ (2,726)	\$ 206,813	\$ -	\$ 206,813
Transportation	1,341	394,812	(396,153)	-	-	-	-
Instructional Materials	16,585	18,976	(16,899)	-	18,662	-	18,662
Food Services	3,311	205,850	(203,678)	-	5,483	-	5,483
Athletics	1,010	9,214	(8,535)	-	1,689	-	1,689
Federal Flowthrough Funds	42,786	213,440	(231,539)	(4,588)	20,099	-	20,099
Federal Direct Funds	12,645	65,295	(74,426)	3,131	6,645	-	6,645
Local Grants	27,770	20,041	(20,381)	-	27,430	-	27,430
State Flowthrough Funds	7,712	10,089	(16,450)	4,183	5,534	-	5,534
State Direct Funds	59	-	(59)	-	-	-	-
Local/State	7,296	3,011	(478)	-	9,829	-	9,829
Capital Improvements HB-33	1,000,009	29,288	(374,243)	-	655,054	-	655,054
Capital Improvements SB-9	1,716,840	881,594	(1,835,280)	-	763,154	-	763,154
Ed Technology Equipment Act	1,216,791	1,437	(341,247)	-	876,981	-	876,981
Debt Service	3,915	104	(1)	-	4,018	-	4,018
Education Technology Debt Service	516,021	291,096	(389,562)	-	417,555	-	417,555
Agency Funds	-	-	-	-	-	100,539	100,539
Total	\$ 4,778,893	\$ 6,005,384	\$ (7,765,331)	\$ -	\$ 3,018,946	\$ 100,539	\$ 3,119,485

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	Adjustments to report:	
Operational	Checking - Interest	International Bank	\$ 72,254	Agency funds	<u>\$ 100,539</u>
Cafeteria	Checking - Interest	International Bank	15,676		
Activities	Checking - Interest	International Bank	89,350	Adjustments to cash:	
Federal	Checking - Interest	International Bank	26,743	Bank Balance	\$ 3,511,198
HB 33	Checking - Interest	International Bank	782,212	Cash on hand	-
SB 9	Checking - Interest	International Bank	636,911	Outstanding deposits	-
Athletics	Checking - Interest	International Bank	1,730	Outstanding checks	<u>(393,912)</u>
CHS E Store	Checking - Interest	International Bank	552	Total adjustment to cash	<u>\$ 3,117,286</u>
State and Local	Checking - Interest	International Bank	47,834		
Ed Tech	Checking - Interest	International Bank	2,373		
Debt Service	Checking - Interest	International Bank	421,573		
Special Investment	Checking - Interest	International Bank	392,975		
SB 9 CD	CD	International Bank	133,506		
Zane Scholarship	CD	International Bank	11,901		
Ed Tech Bonds	Checking - Non-Interest	Bank of Albuquerque	875,608		
Payroll	Checking - Interest	International Bank	-		
Total			<u>\$ 3,511,198</u>		

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SINGLE AUDIT SECTION

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

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

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Cimarron Municipal School District No. 3

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the Cimarron Municipal School District No. 3 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Cimarron Municipal School District No. 3's basic financial statements, and the combining and individual funds and related budgetary comparisons of Cimarron Municipal School District No. 3, presented as supplemental information, and have issued our report thereon dated October 7, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered Cimarron Municipal School District No. 3'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 Cimarron Municipal School District No. 3's internal control. Accordingly, we do not express an opinion on the effectiveness of Cimarron Municipal School District No. 3'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 Cimarron Municipal School District No. 3's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other matters

As part of obtaining reasonable assurance about whether Cimarron Municipal School District No. 3's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and pursuant to Section 12-6-5 NMSA 1978.

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Cimarron Municipal School District No. 3

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Cimarron Municipal School District No. 3's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accounting & Financial Solutions, LLC
Farmington, NM
October 7, 2013



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

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

INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Cimarron Municipal School District No. 3

Report on Compliance for Each Major Federal Program

We have audited Cimarron Municipal School District No. 3's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Cimarron Municipal School District No. 3's major federal programs for the year ended June 30, 2013. Cimarron Municipal School District No. 3's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cimarron Municipal School District No. 3'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 Cimarron Municipal School District No. 3'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 Cimarron Municipal School District No. 3's compliance.

Opinion on Each Major Federal Program

In our opinion, Cimarron Municipal School District No. 3 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Cimarron Municipal School District No. 3

Report on Internal Control Over Compliance

Management of Cimarron Municipal School District No. 3 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 Cimarron Municipal School District No. 3'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 Cimarron Municipal School District No. 3's internal control over compliance.

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

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

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

Accounting & Financial Solutions, LLC
Farmington, NM
October 7, 2013

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2013

A. PRIOR YEAR AUDIT FINDINGS

CIMARRON MUNICIPAL SCHOOLS

No findings to report.

MORENO VALLEY HIGH SCHOOL

No findings to report.

MORENO VALLEY EDUCATION FOUNDATION

F2009 – 4 MISSTATEMENT OF CASH

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

F2012 – 1 FORM 1099 NOT ISSUED

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

F2012 – 3 BACKUP DOCUMENTATION MISSING

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2013

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Cimarron Municipal School District No. 3.
2. There were no significant deficiencies disclosed during the audit of the financial statements in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. There were no significant deficiencies considered to be material weaknesses.
3. There were no instances of noncompliance material to the financial statements of Cimarron Municipal School District No. 3 disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of the major federal awards program in the Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; And Report On The Schedule Of Expenditures Of Federal Awards Required By OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Cimarron Municipal School District No. 3 expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Cimarron Municipal School District No. 3 that are required to be reported in accordance with OMB Circular A-133.510(a).
7. The programs treated as major programs include:
 - USDA Child Nutrition Cluster CFDA# 10.555 and 10.553; and
 - Special Education (IDEA) Cluster CFDA# 84.027 and 84.173
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Cimarron Municipal School District No. 3 was determined to be a high-risk auditee.

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

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

CIMARRON MUNICIPAL SCHOOLS

No findings to report.

MORENO VALLEY HIGH SCHOOL

No findings to report.

MORENO VALLEY EDUCATION FOUNDATION

No findings to report.

C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.

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SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
Direct Program:				
Forest Reserve	10.670	11000		\$ <u>6,850</u>
Pass-Through Program From:				
New Mexico Department of Education:				
<u>Child Nutrition Cluster:</u>				
USDA National School Lunch Program	10.555	21000	106,698	
USDA School Breakfast Program	10.553	21000	<u>70,283</u>	
Total Child Nutrition Cluster				176,981
Pass-Through Program From:				
New Mexico Human Service Department:				
USDA Commodities Program	10.550	21000		<u>8,405</u>
Subtotal Pass-Through Programs				<u>185,386</u>
Total U.S. Department of Agriculture				<u>192,236</u>
 <u>U.S. Department of Education:</u>				
Direct Programs:				
Rural Education Achievement	84.358A	25233		<u>40,331</u>
 <u>U.S. Department of Education (continued):</u>				
Pass-Through Programs From:				
New Mexico Department of Education:				
<u>Special Education (IDEA) Cluster:</u>				
Entitlement IDEA-B	84.027	24106	173,364	
Preschool IDEA-B	84.173	24109	<u>12,733</u>	
Total Special Education (IDEA) Cluster				186,097
Title I	84.010	24101		91,033
Title II Teacher Quality	84.367	24154		<u>10,856</u>
Total U.S. Department of Education				<u>328,317</u>
 <u>U.S. Department of Health and Human Services:</u>				
Pass-Through Program From:				
New Mexico Department of Health:				
Title XIX Medicaid	93.778	25153		<u>34,095</u>
Total Expenditures of Federal Awards				<u>\$ 554,648</u>
 Charter School Awards:				
Moreno Valley High School				
Entitlement IDEA-B	84.027	24106		<u>\$ 67,626</u>

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

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

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

All federal grant operations of Cimarron Municipal School District No. 3 (the “School District”) are included in the scope of the Office of management and Budget (“OMB”) Circular A-133 audit (the “Single Audit”). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised March 2013 the “Compliance Supplement”). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal 2013 cash and non-cash expenditures to ensure coverage of at least 50% (HIGH risk auditee) of federally granted funds. Actual coverage is approximately 65% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$546,243 and all non-cash expenditures amounted to \$8,405.

<u>Major Federal Award Program Description</u>	<u>Fiscal 2013 Expenditure</u>
Cash assistance:	
USDA Child Nutrition	\$ 176,981
Special Education (IDEA) Cluster	<u>186,097</u>
Total	<u><u>\$ 363,078</u></u>

The District did not have any federal programs that were considered high risk Type A programs for the 2013.

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

2. Summary of significant accounting policies

Basis of presentation

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

Accrued and deferred reimbursements

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

3. Audits performed by other entities

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

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REQUIRED DISCLOSURE

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REQUIRED DISCLOSURES

Year Ended June 30, 2013

REQUIRED DISCLOSURE

The financial statements were prepared by the independent public accountants.

An exit conference was held October 7, 2013, during which the audit findings were discussed. The exit conference was attended by the following individuals:

CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Ronald L. Anderson	Board of Education / Audit Committee
Bret E. Wier	Board of Education / Audit Committee
Adán Estrada	Incoming Superintendent

MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL

Trini Bradley	Secretary, Governing Council / Audit Committee
Jacque Boyd	Director

MORENO VALLEY EDUCATION FOUNDATION

Carl Nelson	President, Board of Directors
Joyce Burke	Secretary, Board of Directors

ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Terry Ogle, CPA	Partner
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