

STATE OF NEW MEXICO
CIMARRON
MUNICIPAL SCHOOL DISTRICT NO. 3

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2014
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

OFFICIAL ROSTER
June 30, 2014

BOARD OF EDUCATION

| | |
|--------------------|----------------------|
| Valerie C. Garcia | Board President |
| Ronald L. Anderson | Board Vice-President |
| Bret E. Wier | Board Secretary |
| Annie Lindsey | Board Member |
| Misty Ogata | Board Member |

SCHOOL OFFICIALS

| | |
|----------------|------------------|
| Adan Estrada | Superintendent |
| Lawana Whitten | Business Manager |

AUDIT COMMITTEE

| | |
|-----------------|--------------------------|
| Ronald Anderson | Board President |
| Bret Wier | Board Secretary |
| Donna Archuleta | Financial Professional |
| Lori Crowson | Parent |
| Adan Estrada | Superintendent |
| Lawana Whitten | Business Manager |
| Amber Archuleta | School Business Official |

FINANCE COMMITTEE

| | |
|-----------------|--------------------------|
| Ronald Anderson | Board President |
| Bret Wier | Board Secretary |
| Donna Archuleta | Financial Professional |
| Lori Crowson | Parent |
| Adan Estrada | Superintendent |
| Lawana Whitten | Business Manager |
| Amber Archuleta | School Business Official |

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FINANCIAL SECTION

FISCAL YEAR 2014

JULY 1, 2013 THROUGH JUNE 30, 2014

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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, 2014, 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 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, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2014, 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, 2014, 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 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 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 November 4, 2014 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, New Mexico
November 4, 2014

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

STATEMENT OF NET POSITION
 June 30, 2014

| | <u>Primary Government</u> | <u>Component Unit</u> |
|--|------------------------------------|--------------------------------------|
| | <u>Governmental Activities</u> | <u>Moreno Valley High School</u> |
| ASSETS | | |
| Cash and cash equivalents | \$ 2,441,198 | \$ 250,467 |
| Receivables: | | |
| Delinquent property taxes receivable | 203,644 | - |
| Grant | 121,671 | 23,177 |
| Due from other governments | 41,644 | - |
| USDA commodities inventory | 1,236 | - |
| Food inventory | 194 | - |
| Non-current: | | |
| Non-depreciable assets | 1,041,046 | 300,000 |
| Depreciable capital assets, net | 15,435,926 | 2,036,423 |
| Total assets | 19,286,559 | 2,610,067 |
| LIABILITIES | | |
| Accounts payable | 23,514 | 740 |
| Accrued salaries | - | 8,196 |
| Accrued interest | 4,185 | - |
| Noncurrent liabilities: | | |
| Due within one year | 350,000 | - |
| Due in more than one year | 701,338 | - |
| Total liabilities | 1,079,037 | 8,936 |
| Deferred inflows of resources: | | |
| Advances of federal, state, and local grants | 32,676 | - |
| NET POSITION | | |
| Net investment in capital assets | 15,590,884 | 2,336,423 |
| Restricted for: | | |
| Inventories | 1,430 | - |
| Special revenue funds | 98,529 | 1,881 |
| Capital projects | 1,793,095 | 49,478 |
| Debt service | 419,605 | - |
| Unrestricted | 271,303 | 213,349 |
| Total net position | \$ 18,174,846 | \$ 2,601,131 |

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, 2014

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | |
|---|---------------------|-------------------------|---------------------------------------|-------------------------------------|--|---------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Governmental Activities | Component Units |
| Primary government: | | | | | | |
| Governmental activities: | | | | | | |
| Instruction | \$ 2,949,828 | \$ 5,242 | \$ 235,395 | \$ 16,107 | \$ (2,693,084) | \$ - |
| Support Services - Students | 740,522 | 12,898 | 59,093 | 4,043 | (664,488) | - |
| Support Services - Instruction | 76,958 | - | 6,141 | 420 | (70,397) | - |
| Support Services - General Administration | 258,316 | - | 20,613 | 1,410 | (236,293) | - |
| Support Services - School Administration | 315,770 | - | 25,198 | 1,724 | (288,848) | - |
| Central Services | 129,766 | - | 10,355 | - | (119,411) | - |
| Operations & Maintenance of Plant | 1,420,257 | - | 113,336 | - | (1,306,921) | - |
| Student Transportation | 469,921 | - | 407,651 | - | (62,270) | - |
| Other Support Services | 1,861 | - | 149 | - | (1,712) | - |
| Food Services | 268,246 | 30,347 | 207,121 | - | (30,778) | - |
| Bond interest paid | 15,225 | - | - | - | (15,225) | - |
| Total governmental activities | <u>\$ 6,646,670</u> | <u>\$ 48,487</u> | <u>\$ 1,085,052</u> | <u>\$ 23,704</u> | <u>(5,489,427)</u> | <u>-</u> |
| Component units: | | | | | | |
| Moreno Valley High School | <u>\$ 1,170,006</u> | <u>\$ 74,352</u> | <u>\$ 32,942</u> | <u>\$ 47,906</u> | <u>-</u> | <u>(1,014,806)</u> |
| General revenues: | | | | | | |
| Property Taxes: | | | | | | |
| | | | | | 171,358 | - |
| | | | | | 367,453 | - |
| | | | | | 948,697 | - |
| | | | | | 3,761,899 | 894,704 |
| | | | | | 718 | - |
| | | | | | <u>5,250,125</u> | <u>894,704</u> |
| | | | | | (821) | - |
| | | | | | <u>(240,123)</u> | <u>(120,102)</u> |
| | | | | | 18,414,969 | 2,578,231 |
| | | | | | - | 143,002 |
| | | | | | <u>18,414,969</u> | <u>2,721,233</u> |
| | | | | | <u>\$ 18,174,846</u> | <u>\$ 2,601,131</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, 2014

| | General Fund | Entitlement IDEA-B Fund #24106 | Capital Improvements SB-9 Fund #31700 | Ed Technology Equipment Act Fund #31900 |
|---|----------------------|--------------------------------------|--|---|
| ASSETS | | | | |
| Pooled cash and investments | \$ 145,664 | \$ 31 | \$ 1,153,212 | \$ 546,153 |
| Receivables: | | | | |
| Property taxes | 4,592 | - | 116,071 | - |
| Grant | - | 76,569 | - | - |
| Due from other governments | 5,791 | - | 25,793 | - |
| Due from other funds | 122,906 | - | - | - |
| USDA commodities inventory | - | - | - | - |
| Food inventory | - | - | - | - |
| | <u> -</u> | <u> -</u> | <u> -</u> | <u> -</u> |
| Total assets | <u>\$ 278,953</u> | <u>\$ 76,600</u> | <u>\$ 1,295,076</u> | <u>\$ 546,153</u> |
| LIABILITIES AND FUND BALANCE | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 7,650 | \$ - | \$ 4,034 | \$ 108 |
| Due to other funds | <u> -</u> | <u> 76,600</u> | <u> -</u> | <u> -</u> |
| Total liabilities | <u> 7,650</u> | <u> 76,600</u> | <u> 4,034</u> | <u> 108</u> |
| Deferred inflows of resources: | | | | |
| Advances of federal, state, and local grants | - | - | - | - |
| Delinquent property taxes | <u> -</u> | <u> -</u> | <u> 95,104</u> | <u> -</u> |
| Total deferred inflows of resources | <u> -</u> | <u> -</u> | <u> 95,104</u> | <u> -</u> |
| Total liabilities and deferred inflows of resources | <u> 7,650</u> | <u> 76,600</u> | <u> 99,138</u> | <u> 108</u> |
| Fund balance: | | | | |
| Non-spendable: | | | | |
| Inventories | - | - | - | - |
| Restricted for: | | | | |
| Special revenue funds | - | - | - | - |
| Capital projects funds | - | - | 1,195,938 | 546,045 |
| Debt service | - | - | - | - |
| Unassigned | <u> 271,303</u> | <u> -</u> | <u> -</u> | <u> -</u> |
| Total fund balance | <u> 271,303</u> | <u> -</u> | <u> 1,195,938</u> | <u> 546,045</u> |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 278,953</u> | <u>\$ 76,600</u> | <u>\$ 1,295,076</u> | <u>\$ 546,153</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, 2014

| | Education Technology Debt Service Fund #43000 | Other Governmental Funds | Total Governmental Funds |
|---|--|--------------------------------|--------------------------------|
| ASSETS | | | |
| Pooled cash and investments | \$ 397,375 | \$ 198,763 | \$ 2,441,198 |
| Receivables: | | | |
| Property taxes | 55,168 | 27,813 | 203,644 |
| Grant | - | 45,102 | 121,671 |
| Due from other governments | 9,966 | 94 | 41,644 |
| Due from other funds | - | - | 122,906 |
| USDA commodities inventory | - | 1,236 | 1,236 |
| Food inventory | - | 194 | 194 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total assets | <u>\$ 462,509</u> | <u>\$ 273,202</u> | <u>\$ 2,932,493</u> |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts payable | \$ - | \$ 11,722 | \$ 23,514 |
| Due to other funds | - | 46,306 | 122,906 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities | <u>-</u> | <u>58,028</u> | <u>146,420</u> |
| Deferred inflows of resources: | | | |
| Advances of federal, state, and local grants | - | 32,676 | 32,676 |
| Delinquent property taxes | 46,966 | 27,365 | 169,435 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total deferred inflows of resources | <u>46,966</u> | <u>60,041</u> | <u>202,111</u> |
| Total liabilities and deferred inflows of resources | <u>46,966</u> | <u>118,069</u> | <u>348,531</u> |
| Fund balance: | | | |
| Non-spendable: | | | |
| Inventories | - | 1,430 | 1,430 |
| Restricted for: | | | |
| Special revenue funds | - | 98,529 | 98,529 |
| Capital projects funds | - | 51,112 | 1,793,095 |
| Debt service | 415,543 | 4,062 | 419,605 |
| Unassigned | - | - | 271,303 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total fund balance | <u>415,543</u> | <u>155,133</u> | <u>2,583,962</u> |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 462,509</u> | <u>\$ 273,202</u> | <u>\$ 2,932,493</u> |

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

June 30, 2014

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

| | |
|---|----------------------|
| Fund balances - total governmental funds | \$ 2,583,962 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | |
| Capital assets | 27,304,206 |
| Accumulated depreciation | (10,827,234) |
| Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | |
| Property taxes receivable | 169,435 |
| 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 | (1,050,000) |
| Accrued interest payable | (4,185) |
| Bond premiums | <u>(1,338)</u> |
| Net position of governmental activities | <u>\$ 18,174,846</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, 2014

| | General Fund | Entitlement IDEA-B Fund #24106 | Capital Improvements SB-9 Fund #31700 | Ed Technology Equipment Act Fund #31900 |
|--|-----------------|--------------------------------------|---|---|
| Revenues: | | | | |
| Federal sources: | | | | |
| Forest reserve | \$ 8,150 | \$ - | \$ - | \$ - |
| Federal flowthrough grants | 11,430 | 104,895 | - | - |
| Federal direct grants | - | - | - | - |
| Food and milk reimbursements | - | - | - | - |
| USDA Commodities | - | - | - | - |
| State sources: | | | | |
| State equalization guarantee | 3,752,392 | - | - | - |
| Transportation | 407,651 | - | - | - |
| State instructional material | 44,870 | - | - | - |
| State grant | - | - | 22,337 | - |
| Local sources: | | | | |
| Grant | - | - | - | - |
| District school tax levy | 181,328 | - | 902,425 | - |
| Fees and activities | 5,242 | - | - | - |
| Earnings from investments | 624 | - | 806 | 247 |
| Miscellaneous | - | - | 1,257 | - |
| Total revenue | 4,411,687 | 104,895 | 926,825 | 247 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 2,291,356 | 58,003 | - | - |
| Support Services: | | | | |
| Students | 607,307 | 24,432 | - | - |
| Instruction | 18,736 | - | - | - |
| General Administration | 209,644 | - | 7,901 | - |
| School Administration | 268,060 | - | - | - |
| Central Services | 90,090 | 22,460 | - | - |
| Operation & Maintenance of Plant | 538,169 | - | 409,235 | 284,433 |
| Student Transportation | 407,578 | - | - | - |
| Other Support Services | 1,614 | - | - | - |
| Food Services Operations | - | - | - | - |
| Capital outlay | - | - | 53,751 | 46,648 |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Bond interest paid | - | - | - | - |
| Total expenditures | 4,432,554 | 104,895 | 470,887 | 331,081 |
| Excess (deficiency) of revenues over expenditures | (20,867) | - | 455,938 | (330,834) |
| Other financing sources and financing uses: | | | | |
| Transfers in | 428 | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources and financing uses | 428 | - | - | - |
| Net change in fund balance | (20,439) | - | 455,938 | (330,834) |
| Fund balance at beginning of the year | 291,742 | - | 740,000 | 876,879 |
| Fund balance at end of the year | \$ 271,303 | \$ - | \$ 1,195,938 | \$ 546,045 |

(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, 2014

| | Education Technology <u>Fund #43000</u> | Other Governmental <u>Funds</u> | Total Governmental <u>Funds</u> |
|--|---|---------------------------------------|---------------------------------------|
| Revenues: | | | |
| Federal sources: | | | |
| Forest reserve | \$ - | \$ - | \$ 8,150 |
| Federal flowthrough grants | - | 116,361 | 232,686 |
| Federal direct grants | - | 38,021 | 38,021 |
| Food and milk reimbursements | - | 199,918 | 199,918 |
| USDA Commodities | - | 7,203 | 7,203 |
| State sources: | | | |
| State equalization guarantee | - | - | 3,752,392 |
| Transportation | - | - | 407,651 |
| State instructional material | - | - | 44,870 |
| State grant | - | 74,762 | 97,099 |
| Local sources: | | | |
| Grant | - | 79,275 | 79,275 |
| District school tax levy | 358,304 | 12,460 | 1,454,517 |
| Fees and activities | - | 43,245 | 48,487 |
| Earnings from investments | 220 | 408 | 2,305 |
| Miscellaneous | <u>-</u> | <u>100</u> | <u>1,357</u> |
| Total revenue | <u>358,524</u> | <u>571,753</u> | <u>6,373,931</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction | - | 209,127 | 2,558,486 |
| Support Services: | | | |
| Students | - | 10,541 | 642,280 |
| Instruction | - | 48,012 | 66,748 |
| General Administration | 3,162 | 3,339 | 224,046 |
| School Administration | - | 5,818 | 273,878 |
| Central Services | - | - | 112,550 |
| Operation & Maintenance of Plant | - | - | 1,231,837 |
| Student Transportation | - | - | 407,578 |
| Other Support Services | - | - | 1,614 |
| Food Services Operations | - | 232,659 | 232,659 |
| Capital outlay | - | 618,140 | 718,539 |
| Debt service: | | | |
| Principal retirement | 350,000 | - | 350,000 |
| Bond interest paid | <u>16,450</u> | <u>-</u> | <u>16,450</u> |
| Total expenditures | <u>369,612</u> | <u>1,127,636</u> | <u>6,836,665</u> |
| Excess (deficiency) of revenues over expenditures | <u>(11,088)</u> | <u>(555,883)</u> | <u>(462,734)</u> |
| Other financing sources and financing uses: | | | |
| Transfers in | - | - | 428 |
| Transfers out | <u>-</u> | <u>(428)</u> | <u>(428)</u> |
| Total other financing sources and financing uses | <u>-</u> | <u>(428)</u> | <u>-</u> |
| Net change in fund balance | (11,088) | (556,311) | (462,734) |
| Fund balance at beginning of the year | <u>426,631</u> | <u>711,444</u> | <u>3,046,696</u> |
| Fund balance at end of the year | <u>\$ 415,543</u> | <u>\$ 155,133</u> | <u>\$ 2,583,962</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, 2014

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

| | | |
|--|----|-------------------------|
| Net change in fund balance - total governmental funds | \$ | (462,734) |
| <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 | | 718,539 |
| Depreciation | | (879,769) |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p> | | |
| <p style="padding-left: 20px;">Deferred property taxes at:</p> | | |
| June 30, 2013 | | (136,444) |
| June 30, 2014 | | 169,435 |
| <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 premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These differences in the treatment of long-term debt and related items consist of:</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 style="padding-left: 20px;">Accrued interest at:</p> | | |
| June 30, 2013 | | 5,410 |
| June 30, 2014 | | (4,185) |
| Loss on asset disposal | | <u>(821)</u> |
| Change in net position of governmental activities | \$ | <u><u>(240,123)</u></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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|-----------|-------------------|-------------------------------|
| | Original | Final | (Budgetary Basis) | Positive (Negative) |
| Revenues: | | | | |
| Federal sources: | | | | |
| Forest reserve | \$ - | \$ 8,150 | \$ 8,150 | \$ - |
| Federal grant | 5,375 | 5,375 | 11,430 | 6,055 |
| State sources: | | | | |
| State equalization guarantee | 3,773,723 | 3,751,211 | 3,752,393 | 1,182 |
| State flowthrough grant | 17,894 | 17,894 | 18,259 | 365 |
| Transportation | 370,452 | 407,651 | 407,651 | - |
| State instructional material | 18,276 | 18,276 | 26,611 | 8,335 |
| Local sources: | | | | |
| District school tax levy | 176,637 | 176,637 | 176,593 | (44) |
| Fees and activities | - | - | 142 | 142 |
| Earnings from investments | 500 | 500 | 624 | 124 |
| Miscellaneous | 6,000 | 6,000 | 5,100 | (900) |
| Total revenues | 4,368,857 | 4,391,694 | 4,406,953 | 15,259 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 2,349,901 | 2,302,669 | 2,293,494 | 9,175 |
| Support Services: | | | | |
| Students | 607,452 | 610,503 | 607,307 | 3,196 |
| Instruction | 19,068 | 18,868 | 18,736 | 132 |
| General Administration | 226,784 | 212,387 | 210,024 | 2,363 |
| School Administration | 252,427 | 268,269 | 268,060 | 209 |
| Central Services | 72,933 | 90,299 | 90,090 | 209 |
| Operation & Maintenance of Plant | 575,158 | 560,115 | 540,690 | 19,425 |
| Student Transportation | 370,452 | 407,651 | 407,578 | 73 |
| Other Support Services | 22,377 | 22,377 | 1,614 | 20,763 |
| Capital outlay: | | | | |
| Equipment | - | 52,671 | - | 52,671 |
| Total expenditures | 4,496,552 | 4,545,809 | 4,437,593 | 108,216 |
| Excess (deficiency) of revenues over expenditures | (127,695) | (154,115) | (30,640) | 123,475 |
| Other financing sources: | | | | |
| Transfers in | - | - | 428 | 428 |
| Net change in fund balance | (127,695) | (154,115) | (30,212) | 123,903 |
| Beginning cash balance budgeted | 127,695 | 154,115 | - | (154,115) |
| Fund balance at beginning of the year | - | - | 291,742 | 291,742 |
| Fund balance at end of the year | \$ - | \$ - | 261,530 | \$ 261,530 |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in property tax receivable | | | (8,310) | |
| Change in due from other governments | | | 3,074 | |
| Change in payables | | | 5,039 | |
| Change in deferred property taxes | | | 9,970 | |
| | | | \$ 271,303 | |

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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|------------------|------------|-------------------|------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Federal sources: | | | | |
| Federal grant | \$ - | \$ 136,268 | \$ 82,526 | \$ (53,742) |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | - | 66,969 | 64,422 | 2,547 |
| Support Services: | | | | |
| Students | - | 24,813 | 24,432 | 381 |
| School Administration | - | 22,721 | 22,460 | 261 |
| Central Services | - | 21,765 | - | 21,765 |
| Total expenditures | - | 136,268 | 111,314 | 24,954 |
| Excess (deficiency) of revenues over expenditures | - | - | (28,788) | (28,788) |
| Fund balance at beginning of the year | - | - | - | - |
| Fund balance at end of the year | \$ - | \$ - | (28,788) | \$ (28,788) |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in grant receivable | | | 28,788 | |
| | | | \$ - | |

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, 2014

ASSETS

| | | |
|-----------------------------|----|----------------|
| Pooled cash and investments | \$ | <u>107,199</u> |
|-----------------------------|----|----------------|

LIABILITIES

| | | |
|--------------------------|----|----------------|
| Deposits held for others | \$ | <u>107,199</u> |
|--------------------------|----|----------------|

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*.

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, 2014

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

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

During fiscal year 2014, Cimarron Municipal School District No. 3 adopted the following GASB Statements:

- 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 70, *Accounting and Financial Reporting for Nonexchange Financial*, 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.

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

- 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 requires the liability of defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. This Statement will be effective for the year ended June 30, 2015.
- GASB 69, *Government Combinations and Disposals of Government Operations*, which 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 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (Amendment to GASB 68)*, improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. This Statement will be effective at the implementation of GASB 68.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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

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

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 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.

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

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, 2014

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 |
| Vehicles | 5 |
| Office equipment | 5 |
| Computer equipment | 5 |

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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, 2014.

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, 2014.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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

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

8. *Net position*

Net position is 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.

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”.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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

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

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 \$3,752,392 in state equalization guarantee distributions during the year ended June 30, 2014.

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 \$407,651 in transportation distributions during the year ended June 30, 2014.

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.
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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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

A. Budgetary Information (cont'd)

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, 2014 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 | \$ 4,496,552 | \$ 4,545,809 |
| Special Revenue Fund | 414,737 | 768,039 |
| Capital Projects Fund | 2,959,265 | 2,970,339 |
| Debt Service Fund | 768,765 | 768,765 |
| Totals | \$ 8,639,319 | \$ 9,052,952 |

B. Budgetary Violations

The District did not have any budgetary violations during the year ended June 30, 2014.

C. Deficit Fund Equity

There were not any deficit fund balances as of June 30, 2014.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2014, the carrying amount of the District's deposits was \$2,548,397 and the bank balance was \$2,875,625 with the difference consisting of outstanding checks. Of this balance \$500,000 was covered by federal depository insurance and \$1,624,585 was covered by collateral held in joint safekeeping by a third party.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2014, \$751,040 of the District's bank balance of \$2,875,625 was exposed to custodial risk as follows:

| | <u>International Bank</u> | <u>Bank of Albuquerque</u> | <u>Total</u> |
|---|-------------------------------|--------------------------------|--------------|
| Uninsured and uncollateralized | \$ 751,040 | \$ - | \$ 751,040 |
| Uninsured and collateral held by pledging bank's trust dept not in the District's name | 1,331,922 | 292,663 | 1,624,585 |
| Total uninsured | 2,082,962 | 292,663 | 2,375,625 |
| Insured (FDIC) | 250,000 | 250,000 | 500,000 |
| Total deposits | \$ 2,332,962 | \$ 542,663 | \$ 2,875,625 |
| State of New Mexico collateral requirement: | | | |
| 50% of uninsured public fund bank deposits | \$ 1,041,481 | \$ 146,331 | \$ 1,187,812 |
| Pledged security | 1,331,922 | 292,663 | 1,624,585 |
| Over collateralization | \$ 290,441 | \$ 146,332 | \$ 436,773 |

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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

A. Cash and Temporary Investments (cont'd)

The collateral pledged is listed on Page 93 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

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

B. Receivables

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

| | Receivables | | Due from Other | |
|--------------------------------------|----------------|------------|----------------|------------|
| | Delinquent | | Governments | Funds |
| | Property Taxes | Grant | | |
| Major Funds: | | | | |
| General | \$ 4,592 | \$ - | \$ 5,791 | \$ 122,906 |
| Entitlement IDEA-B | - | 76,569 | - | - |
| Capital Improvements SB - 9 | 116,071 | - | 25,793 | - |
| Ed Technology Equipment Debt Service | 55,168 | - | 9,966 | - |
| Other Governmental Funds | 27,813 | 45,102 | 94 | - |
| Total | \$ 203,644 | \$ 121,671 | \$ 41,644 | \$ 122,906 |

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

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 | \$ - | \$ 32,676 |
| Delinquent property taxes | | |
| Capital Improvements SB - 9 | 95,104 | - |
| Ed Technology Equipment Debt Service | 46,966 | - |
| Other Governmental Funds | 27,365 | - |
| Total deferred/unearned revenue for governmental funds | \$ 169,435 | \$ 32,676 |

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

C. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</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 | - | - | - | - |
| Total capital assets not being depreciated | <u>1,041,046</u> | <u>-</u> | <u>-</u> | <u>1,041,046</u> |
| Capital assets being depreciated: | | | | |
| Land improvements | 986,509 | - | - | 986,509 |
| Buildings and improvements | 20,478,218 | 70,204 | - | 20,548,422 |
| Furniture, fixtures, and equipment | <u>4,088,816</u> | <u>648,335</u> | <u>(8,922)</u> | <u>4,728,229</u> |
| Total capital assets being depreciated | <u>25,553,543</u> | <u>718,539</u> | <u>(8,922)</u> | <u>26,263,160</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | (215,937) | (53,079) | - | (269,016) |
| Buildings and improvements | (7,517,104) | (562,501) | - | (8,079,605) |
| Furniture, fixtures, and equipment | <u>(2,222,525)</u> | <u>(264,189)</u> | <u>8,101</u> | <u>(2,478,613)</u> |
| Total accumulated depreciation | <u>(9,955,566)</u> | <u>(879,769)</u> | <u>8,101</u> | <u>(10,827,234)</u> |
| Total capital assets being depreciated, net | <u>15,597,977</u> | <u>(161,230)</u> | <u>(821)</u> | <u>15,435,926</u> |
| Total capital assets, net | <u>\$ 16,639,023</u> | <u>\$ (161,230)</u> | <u>\$ (821)</u> | <u>\$ 16,476,972</u> |

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

| <u>Depreciation Allocation to Functions</u> | |
|---|-------------------|
| Instruction | \$ 391,342 |
| Support Services - Students | 98,242 |
| Support Services - Instruction | 10,210 |
| Support Services - General Administration | 34,270 |
| Support Services - School Administration | 41,892 |
| Central Services | 17,216 |
| Operations & Maintenance of Plant | 188,420 |
| Student Transportation | 62,343 |
| Other Support Services | 247 |
| Food Services | <u>35,587</u> |
| Total Depreciation Expense | <u>\$ 879,769</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 in the capital projects funds designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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

D. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2014 were:

| | <u>Receivables</u> | <u>Payables</u> |
|--------------------------|--------------------|-----------------|
| General Fund | \$ 122,906 | \$ - |
| Entitlement IDEA-B | - | 76,600 |
| Other Governmental Funds | - | 46,306 |
| Total | \$ 122,906 | \$ 122,906 |

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

E. Inter-Fund Transfers

The inter-fund receivables and payables at June 30, 2014 were:

| | <u>Transfer In</u> | <u>Transfer Out</u> |
|--------------------------|--------------------|---------------------|
| General Fund | \$ 428 | \$ - |
| Other Governmental Funds | - | (428) |
| Total | \$ 428 | \$ (428) |

F. Long-Term Debt

General Obligation Bonds

General Obligation Bonds – The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the School District boundaries. The details of the bonds and notes as of June 30, 2014 are as follows:

| <u>General Obligations Bonds</u> | <u>Original Amount</u> | <u>Interest Rates</u> | <u>Balance June 30, 2014</u> | <u>Amount Due Within One Year</u> |
|----------------------------------|------------------------|-----------------------|-------------------------------|-----------------------------------|
| Series 2011 | \$ 1,750,000 | 1.20% to 2.60% | \$ 1,050,000 | \$ 350,000 |
| | | | <u>Balance</u> | |
| | | | \$ 1,050,000 | |
| | | | (350,000) | |
| | | | Unamortized: | |
| | | | Bond premiums | 1,338 |
| | | | Total non-current liabilities | \$ 701,338 |

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 | | | |
|--------------------------|------------------|-----------------|---------------------------|
| <u>Year Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Requirements</u> |
| <u>June 30,</u> | | | |
| 2015 | \$ 350,000 | \$ 12,075 | \$ 362,075 |
| 2016 | 350,000 | 7,350 | 357,350 |
| 2017 | 350,000 | 2,450 | 352,450 |
| Total | \$ 1,050,000 | \$ 21,875 | \$ 1,071,875 |

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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

F. Long-Term Debt (cont'd)

Changes in long term debt – During the year ended June 30, 2014 the following changes occurred in liabilities reported in the general obligation bonds account group:

| | Beginning <u>Balance</u> | <u>Additions</u> | <u>Retirements</u> | Ending <u>Balance</u> | Amount Due <u>Within One Year</u> |
|---------------|-----------------------------|------------------|--------------------|--------------------------|--------------------------------------|
| Bonds payable | \$ 1,400,000 | \$ - | \$ 350,000 | \$ 1,050,000 | \$ 350,000 |

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

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2014.

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

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: 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

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

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, 2014, 2013, and 2012, were \$338,818, \$282,472, and \$244,415, respectively, which equal the amount of the required contributions for each fiscal year.

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, 2014

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, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$46,200, \$50,666, and \$48,004, 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, 2014

IV. OTHER INFORMATION (cont'd)

F. Restatement

There was a restatement of the financials for Moreno Valley High School in the amount of \$143,002 for the capital assets previously not recognized.

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 November 4, 2014, which is the date the financial statements were available to be issued.

Transfer of Assets

The District received land from Moreno Valley Education Foundation on July 15, 2014. The land was originally conveyed to Moreno Valley High School for the construction of an administration building. The conveyance should have been to the District and on June 11, 2014 the land originally valued at \$15,157 was transferred from Moreno Valley High School to Moreno Valley Education Foundation. The land was resurveyed and increased to five acres for the future construction of class rooms. An assessed value has not been placed on the land at the time of this report.

GENERAL FUNDS
YEAR ENDED JUNE 30, 2014

OPERATING FUND (Fund No. 11000)

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 (Fund No. 13000)

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 (Fund No. 14000)

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, 2014

| | 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 | \$ 118,085 | \$ 73 | \$ 27,506 | \$ 145,664 |
| Receivables: | | | | |
| Property taxes | 4,592 | - | - | 4,592 |
| Due from other governments | 5,791 | - | - | 5,791 |
| Due from other funds | <u>122,906</u> | <u>-</u> | <u>-</u> | <u>122,906</u> |
| Total assets | <u>\$ 251,374</u> | <u>\$ 73</u> | <u>\$ 27,506</u> | <u>\$ 278,953</u> |
| LIABILITIES AND FUND BALANCE | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 7,650 | \$ - | \$ - | \$ 7,650 |
| Fund balance: | | | | |
| Unassigned | <u>243,724</u> | <u>73</u> | <u>27,506</u> | <u>271,303</u> |
| Total liabilities and fund balance | <u>\$ 251,374</u> | <u>\$ 73</u> | <u>\$ 27,506</u> | <u>\$ 278,953</u> |

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, 2014

| | General Funds | | | Total General Fund |
|--|------------------------------------|---------------------------------------|--|-------------------------------|
| | <u>Operational Fund #11000</u> | <u>Transportation Fund #13000</u> | <u>Instructional Materials Fund #14000</u> | |
| Revenues: | | | | |
| Federal sources: | | | | |
| Forest reserve | \$ 8,150 | \$ - | \$ - | \$ 8,150 |
| Federal flowthrough grants | 11,430 | - | - | 11,430 |
| State sources: | | | | |
| State equalization guarantee | 3,752,392 | - | - | 3,752,392 |
| Transportation | - | 407,651 | - | 407,651 |
| State instructional material | 18,259 | - | 26,611 | 44,870 |
| Local sources: | | | | |
| District school tax levy | 181,328 | - | - | 181,328 |
| Fees and activities | 5,242 | - | - | 5,242 |
| Earnings from investments | 624 | - | - | 624 |
| Total revenue | 3,977,425 | 407,651 | 26,611 | 4,411,687 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 2,273,589 | - | 17,767 | 2,291,356 |
| Support Services: | | | | |
| Students | 607,307 | - | - | 607,307 |
| Instruction | 18,736 | - | - | 18,736 |
| General Administration | 209,644 | - | - | 209,644 |
| School Administration | 268,060 | - | - | 268,060 |
| Central Services | 90,090 | - | - | 90,090 |
| Operation & Maintenance of Plant | 538,169 | - | - | 538,169 |
| Student Transportation | - | 407,578 | - | 407,578 |
| Other Support Services | 1,614 | - | - | 1,614 |
| Total expenditures | 4,007,209 | 407,578 | 17,767 | 4,432,554 |
| Excess (deficiency) of revenues over expenditures | (29,784) | 73 | 8,844 | (20,867) |
| Other financing sources: | | | | |
| Transfers in | 428 | - | - | 428 |
| Net change in fund balance | (29,356) | 73 | 8,844 | (20,439) |
| Fund balance at beginning of the year | 273,080 | - | 18,662 | 291,742 |
| Fund balance at end of the year | \$ 243,724 | \$ 73 | \$ 27,506 | \$ 271,303 |

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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|------------------|-----------|-------------------|--|
| | Original | Final | (Budgetary Basis) | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Federal sources: | | | | |
| Forest reserve | \$ - | \$ 8,150 | \$ 8,150 | \$ - |
| Federal grant | 5,375 | 5,375 | 11,430 | 6,055 |
| State sources: | | | | |
| State equalization guarantee | 3,773,723 | 3,751,211 | 3,752,393 | 1,182 |
| State flowthrough grant | 17,894 | 17,894 | 18,259 | 365 |
| Local sources: | | | | |
| District school tax levy | 176,637 | 176,637 | 176,593 | (44) |
| Fees and activities | - | - | 142 | 142 |
| Earnings from investments | 500 | 500 | 624 | 124 |
| Miscellaneous | 6,000 | 6,000 | 5,100 | (900) |
| Total revenues | 3,980,129 | 3,965,767 | 3,972,691 | 6,924 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 2,331,625 | 2,284,393 | 2,275,727 | 8,666 |
| Support Services: | | | | |
| Students | 607,452 | 610,503 | 607,307 | 3,196 |
| Instruction | 19,068 | 4,671 | 18,736 | (14,065) |
| General Administration | 226,784 | 226,784 | 210,024 | 16,760 |
| School Administration | 252,427 | 268,269 | 268,060 | 209 |
| Central Services | 72,933 | 90,299 | 90,090 | 209 |
| Operation & Maintenance of Plant | 575,158 | 560,115 | 540,690 | 19,425 |
| Other Support Services | 22,377 | 22,377 | 1,614 | 20,763 |
| Capital outlay: | | | | |
| Equipment | - | 52,671 | - | 52,671 |
| Total expenditures | 4,107,824 | 4,120,082 | 4,012,248 | 107,834 |
| Excess (deficiency) of revenues over expenditures | (127,695) | (154,315) | (39,557) | 114,758 |
| Other financing sources: | | | | |
| Transfers in | - | - | 428 | 428 |
| Net change in fund balance | (127,695) | (154,315) | (39,129) | 115,186 |
| Beginning cash balance budgeted | 127,695 | 154,315 | - | (154,315) |
| Fund balance at beginning of the year | - | - | 273,080 | 273,080 |
| Fund balance at end of the year | \$ - | \$ - | 233,951 | \$ 233,951 |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in property tax receivable | | | (8,310) | |
| Change in due from other governments | | | 3,074 | |
| Change in payables | | | 5,039 | |
| Change in deferred property taxes | | | 9,970 | |
| | | | \$ 243,724 | |

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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---------------------------------------|------------------|----------------|-------------------|------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| State sources: | | | | |
| Transportation | \$ 370,452 | \$ 407,651 | \$ 407,651 | \$ - |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Student Transportation | <u>370,452</u> | <u>407,651</u> | <u>407,578</u> | <u>73</u> |
| Excess of revenues over expenditures | - | - | 73 | 73 |
| 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>73</u> | <u>\$ 73</u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in payables | | | <u>-</u> | |
| | | | <u>\$ 73</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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---------------------------------------|--------------------|--------------------|-------------------------|-------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| State sources: | | | | |
| State instructional material | \$ 18,276 | \$ 18,276 | \$ 26,611 | \$ 8,335 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | <u>18,276</u> | <u>18,276</u> | <u>17,767</u> | <u>509</u> |
| Excess of revenues over expenditures | - | - | 8,844 | 8,844 |
| Fund balance at beginning of the year | <u>-</u> | <u>-</u> | <u>18,662</u> | <u>18,662</u> |
| Fund balance at end of the year | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u>27,506</u> | <u><u>\$ 27,506</u></u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in payables | | | <u>-</u> | |
| | | | <u><u>\$ 27,506</u></u> | |

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

| | Special Revenue Funds | | | |
|---|------------------------------------|---------------------------------|-------------------------------|---|
| | Food Service <u>Fund #21000</u> | Athletics <u>Fund #22000</u> | Title I <u>Fund #24101</u> | Preschool IDEA-B <u>Fund #24109</u> |
| ASSETS | | | | |
| Pooled cash and investments | \$ 27,277 | \$ 3,460 | \$ 32,675 | \$ 1 |
| Receivables: | | | | |
| Property taxes | - | - | - | - |
| Grant | - | - | - | 2,706 |
| Due from other governments | - | - | - | - |
| USDA commodities inventory | 1,236 | - | - | - |
| Food inventory | <u>194</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total assets | <u>\$ 28,707</u> | <u>\$ 3,460</u> | <u>\$ 32,675</u> | <u>\$ 2,707</u> |
| LIABILITIES AND FUND BALANCE | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 11,689 | \$ - | \$ - | \$ - |
| Due to other funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,707</u> |
| Total liabilities | <u>11,689</u> | <u>-</u> | <u>-</u> | <u>2,707</u> |
| Deferred inflows of resources: | | | | |
| Advances of federal, state, and local grants | - | - | 32,675 | - |
| Delinquent property taxes | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>32,675</u> | <u>-</u> |
| Total liabilities and deferred inflows of resources | <u>11,689</u> | <u>-</u> | <u>32,675</u> | <u>2,707</u> |
| Fund balance: | | | | |
| Non-spendable: | | | | |
| Inventories | 1,430 | - | - | - |
| Restricted for: | | | | |
| Special revenue funds | 15,588 | 3,460 | - | - |
| Capital projects funds | - | - | - | - |
| Debt service | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balance | <u>17,018</u> | <u>3,460</u> | <u>-</u> | <u>-</u> |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 28,707</u> | <u>\$ 3,460</u> | <u>\$ 32,675</u> | <u>\$ 2,707</u> |

(cont'd; 1 of 7)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

| | Special Revenue Funds | | | |
|---|--|---|---|---|
| | Fresh Fruits and Vegetables <u>Fund #24118</u> | IDEA-B "Risk Pool" <u>Fund #24120</u> | Title II Teacher Quality <u>Fund #24154</u> | Title XIX Medicaid <u>Fund #25153</u> |
| ASSETS | | | | |
| Pooled cash and investments | \$ - | \$ 30 | \$ 1 | \$ - |
| Receivables: | | | | |
| Property taxes | - | - | - | - |
| Grant | - | 770 | 2,730 | - |
| Due from other governments | - | - | - | - |
| USDA commodities inventory | - | - | - | - |
| Food inventory | - | - | - | - |
| | ----- | ----- | ----- | ----- |
| Total assets | <u>\$ -</u> | <u>\$ 800</u> | <u>\$ 2,731</u> | <u>\$ -</u> |
| LIABILITIES AND FUND BALANCE | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | 800 | 2,731 | - |
| | ----- | ----- | ----- | ----- |
| Total liabilities | - | 800 | 2,731 | - |
| 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 | - | 800 | 2,731 | - |
| Fund balance: | | | | |
| Non-spendable: | | | | |
| Inventories | - | - | - | - |
| Restricted for: | | | | |
| Special revenue funds | - | - | - | - |
| Capital projects funds | - | - | - | - |
| Debt service | - | - | - | - |
| | ----- | ----- | ----- | ----- |
| Total fund balance | - | - | - | - |
| | ----- | ----- | ----- | ----- |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ -</u> | <u>\$ 800</u> | <u>\$ 2,731</u> | <u>\$ -</u> |

(cont'd; 2 of 7)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

| | Special Revenue Funds | | | |
|---|---|--|--|--|
| | Teacher Quality Enhancement <u>Fund #25214</u> | Rural Education Achievement <u>Fund #25233</u> | ARRA - State Revitalization <u>Fund #25250</u> | Turner Foundation <u>Fund #26156</u> |
| ASSETS | | | | |
| Pooled cash and investments | \$ 1 | \$ 3,324 | \$ - | \$ 19,961 |
| Receivables: | | | | |
| Property taxes | - | - | - | - |
| Grant | - | - | - | - |
| Due from other governments | - | - | - | - |
| USDA commodities inventory | - | - | - | - |
| Food inventory | - | - | - | - |
| | - | - | - | - |
| Total assets | <u>\$ 1</u> | <u>\$ 3,324</u> | <u>\$ -</u> | <u>\$ 19,961</u> |
| LIABILITIES AND FUND BALANCE | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | - | - | - |
| | - | - | - | - |
| Total liabilities | - | - | - | - |
| Deferred inflows of resources: | | | | |
| Advances of federal, state, and local grants | 1 | - | - | - |
| Delinquent property taxes | - | - | - | - |
| | - | - | - | - |
| Total deferred inflows of resources | <u>1</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities and deferred inflows of resources | <u>1</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance: | | | | |
| Non-spendable: | | | | |
| Inventories | - | - | - | - |
| Restricted for: | | | | |
| Special revenue funds | - | 3,324 | - | 19,961 |
| Capital projects funds | - | - | - | - |
| Debt service | - | - | - | - |
| | - | - | - | - |
| Total fund balance | <u>-</u> | <u>3,324</u> | <u>-</u> | <u>19,961</u> |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 1</u> | <u>\$ 3,324</u> | <u>\$ -</u> | <u>\$ 19,961</u> |

(cont'd; 3 of 7)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

| | Special Revenue Funds | | | |
|---|----------------------------------|--|--|--|
| | A Plus for Energy Fund #26179 | Dual Credit Instructional Materials Fund #27103 | Libraries GO Bond 2010 Fund #27106 | Libraries GO Bond 2012 Fund #27107 |
| ASSETS | | | | |
| Pooled cash and investments | \$ 867 | \$ - | \$ 91 | \$ - |
| Receivables: | | | | |
| Property taxes | - | - | - | - |
| Grant | - | 168 | 2,009 | - |
| Due from other governments | - | - | - | - |
| USDA commodities inventory | - | - | - | - |
| Food inventory | - | - | - | - |
| | - | - | - | - |
| Total assets | \$ 867 | \$ 168 | \$ 2,100 | \$ - |
| LIABILITIES AND FUND BALANCE | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | 168 | 2,100 | - |
| | - | 168 | 2,100 | - |
| Total liabilities | - | 168 | 2,100 | - |
| 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 | - | 168 | 2,100 | - |
| Fund balance: | | | | |
| Non-spendable: | | | | |
| Inventories | - | - | - | - |
| Restricted for: | | | | |
| Special revenue funds | 867 | - | - | - |
| Capital projects funds | - | - | - | - |
| Debt service | - | - | - | - |
| | - | - | - | - |
| Total fund balance | 867 | - | - | - |
| Total liabilities, deferred inflows of resources, and fund balance | \$ 867 | \$ 168 | \$ 2,100 | \$ - |

(cont'd; 4 of 7)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

| | Special Revenue Funds | | | |
|---|------------------------------|--|--|---|
| | Reads to Lead Fund #27114 | Incentives for School Improvement Fund #27138 | Beginning Teacher Mentoring Fund #27154 | GO Bonds Instructional Materials Fund #27171 |
| ASSETS | | | | |
| Pooled cash and investments | \$ 977 | \$ 4,417 | \$ 1 | \$ 98 |
| Receivables: | | | | |
| Property taxes | - | - | - | - |
| Grant | 22,023 | - | - | 9,702 |
| Due from other governments | - | - | - | - |
| USDA commodities inventory | - | - | - | - |
| Food inventory | - | - | - | - |
| | - | - | - | - |
| Total assets | \$ 23,000 | \$ 4,417 | \$ 1 | \$ 9,800 |
| LIABILITIES AND FUND BALANCE | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | 23,000 | - | - | 9,800 |
| | - | - | - | - |
| Total liabilities | 23,000 | - | - | 9,800 |
| 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 | 23,000 | - | - | 9,800 |
| Fund balance: | | | | |
| Non-spendable: | | | | |
| Inventories | - | - | - | - |
| Restricted for: | | | | |
| Special revenue funds | - | 4,417 | 1 | - |
| Capital projects funds | - | - | - | - |
| Debt service | - | - | - | - |
| | - | - | - | - |
| Total fund balance | - | 4,417 | 1 | - |
| Total liabilities, deferred inflows of resources, and fund balance | \$ 23,000 | \$ 4,417 | \$ 1 | \$ 9,800 |

(cont'd; 5 of 7)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

| | Special Revenue Funds | | | Total |
|---|--|---|-------------------------------------|---------------------------------------|
| | STEM Teacher Initiative <u>Fund #27181</u> | New Mexico Grown <u>Fund #27183</u> | CS Foundation <u>Fund #29102</u> | Non-Major Special Revenue Funds |
| ASSETS | | | | |
| Pooled cash and investments | \$ 6 | \$ - | \$ 50,944 | \$ 144,131 |
| Receivables: | | | | |
| Property taxes | - | - | - | - |
| Grant | 4,994 | - | - | 45,102 |
| Due from other governments | - | - | - | - |
| USDA commodities inventory | - | - | - | 1,236 |
| Food inventory | - | - | - | <u>194</u> |
| Total assets | <u>\$ 5,000</u> | <u>\$ -</u> | <u>\$ 50,944</u> | <u>\$ 190,663</u> |
| LIABILITIES AND FUND BALANCE | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ 33 | \$ 11,722 |
| Due to other funds | <u>5,000</u> | <u>-</u> | <u>-</u> | <u>46,306</u> |
| Total liabilities | <u>5,000</u> | <u>-</u> | <u>33</u> | <u>58,028</u> |
| Deferred inflows of resources: | | | | |
| Advances of federal, state, and local grants | - | - | - | 32,676 |
| Delinquent property taxes | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>32,676</u> |
| Total liabilities and deferred inflows of resources | <u>5,000</u> | <u>-</u> | <u>33</u> | <u>90,704</u> |
| Fund balance: | | | | |
| Non-spendable: | | | | |
| Inventories | - | - | - | 1,430 |
| Restricted for: | | | | |
| Special revenue funds | - | - | 50,911 | 98,529 |
| Capital projects funds | - | - | - | - |
| Debt service | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balance | <u>-</u> | <u>-</u> | <u>50,911</u> | <u>99,959</u> |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 5,000</u> | <u>\$ -</u> | <u>\$ 50,944</u> | <u>\$ 190,663</u> |

(cont'd; 6 of 7)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

| | Capital Improvements HB-33 <u>Fund #31600</u> | Debt Service <u>Fund #41000</u> | Total Nonmajor Governmental Funds |
|---|--|------------------------------------|---|
| ASSETS | | | |
| Pooled cash and investments | \$ 50,570 | \$ 4,062 | \$ 198,763 |
| Receivables: | | | |
| Property taxes | 27,813 | - | 27,813 |
| Grant | - | - | 45,102 |
| Due from other governments | 94 | - | 94 |
| USDA commodities inventory | - | - | 1,236 |
| Food inventory | <u>-</u> | <u>-</u> | <u>194</u> |
| Total assets | <u>\$ 78,477</u> | <u>\$ 4,062</u> | <u>\$ 273,202</u> |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts payable | \$ - | \$ - | \$ 11,722 |
| Due to other funds | <u>-</u> | <u>-</u> | <u>46,306</u> |
| Total liabilities | <u>-</u> | <u>-</u> | <u>58,028</u> |
| Deferred inflows of resources: | | | |
| Advances of federal, state, and local grants | - | - | 32,676 |
| Delinquent property taxes | <u>27,365</u> | <u>-</u> | <u>27,365</u> |
| Total deferred inflows of resources | <u>27,365</u> | <u>-</u> | <u>60,041</u> |
| Total liabilities and deferred inflows of resources | <u>27,365</u> | <u>-</u> | <u>118,069</u> |
| Fund balance: | | | |
| Non-spendable: | | | |
| Inventories | - | - | 1,430 |
| Restricted for: | | | |
| Special revenue funds | - | - | 98,529 |
| Capital projects funds | 51,112 | - | 51,112 |
| Debt service | <u>-</u> | <u>4,062</u> | <u>4,062</u> |
| Total fund balance | <u>51,112</u> | <u>4,062</u> | <u>155,133</u> |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 78,477</u> | <u>\$ 4,062</u> | <u>\$ 273,202</u> |

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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, 2014

| | Special Revenue Funds | | | | |
|--|------------------------------|--------------------------|------------------------|------------------------------------|---|
| | Food Service Fund #21000 | Athletics Fund #22000 | Title I Fund #24101 | Preschool IDEA-B Fund #24109 | Fresh Fruits and Vegetables Fund #24118 |
| Revenues: | | | | | |
| Federal sources: | | | | | |
| Federal flowthrough grants | \$ - | \$ - | \$ 79,099 | \$ 12,994 | \$ 4,149 |
| Federal direct grants | - | - | - | - | - |
| Food and milk reimbursements | 199,918 | - | - | - | - |
| USDA Commodities | 7,203 | - | - | - | - |
| State sources: | | | | | |
| State grant | 1,630 | - | - | - | - |
| Local sources: | | | | | |
| Grant | - | - | - | - | - |
| District school tax levy | - | - | - | - | - |
| Fees and activities | 30,347 | 12,898 | - | - | - |
| Earnings from investments | 20 | 6 | - | - | - |
| Miscellaneous | - | 100 | - | - | - |
| Total revenue | 239,118 | 13,004 | 79,099 | 12,994 | 4,149 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction | - | 11,110 | 37,228 | 12,994 | - |
| Support Services: | | | | | |
| Students | - | - | - | - | - |
| Instruction | - | - | 39,134 | - | - |
| General Administration | - | - | - | - | - |
| School Administration | - | - | 2,737 | - | - |
| Food Services Operations | 228,510 | - | - | - | 4,149 |
| Capital outlay | - | - | - | - | - |
| Total expenditures | 228,510 | 11,110 | 79,099 | 12,994 | 4,149 |
| Excess (deficiency) of revenues over expenditures | 10,608 | 1,894 | - | - | - |
| Other financing uses: | | | | | |
| Transfers out | - | - | - | - | - |
| Net change in fund balance | 10,608 | 1,894 | - | - | - |
| Fund balance at beginning of the year | 6,410 | 1,566 | - | - | - |
| Fund balance at end of the year | \$ 17,018 | \$ 3,460 | \$ - | \$ - | \$ - |

(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, 2014

| | 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> |
| Revenues: | | | | |
| Federal sources: | | | | |
| Federal flowthrough grants | \$ 770 | \$ 19,349 | \$ - | \$ - |
| Federal direct grants | - | - | 11,171 | 216 |
| Food and milk reimbursements | - | - | - | - |
| USDA Commodities | - | - | - | - |
| State sources: | | | | |
| State grant | - | - | - | - |
| Local sources: | | | | |
| Grant | - | - | - | - |
| District school tax levy | - | - | - | - |
| Fees and activities | - | - | - | - |
| Earnings from investments | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenue | 770 | 19,349 | 11,171 | 216 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 770 | 19,349 | - | 216 |
| Support Services: | | | | |
| Students | - | - | 8,091 | - |
| Instruction | - | - | - | - |
| General Administration | - | - | - | - |
| School Administration | - | - | 3,080 | - |
| Food Services Operations | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | 770 | 19,349 | 11,171 | 216 |
| Excess (deficiency) of revenues over expenditures | - | - | - | - |
| Other financing uses: | | | | |
| Transfers out | - | - | - | - |
| Net change in fund balance | - | - | - | - |
| Fund balance at beginning of the year | - | - | - | - |
| Fund balance at end of the year | \$ - | \$ - | \$ - | \$ - |

(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, 2014

| | Special Revenue Funds | | | | |
|--|--|---|-------------------------------------|-------------------------------------|--|
| | Rural Education Achievement Fund #25233 | ARRA - State Revitalization Fund #25250 | Turner Foundation Fund #26156 | A Plus for Energy Fund #26179 | Dual Credit Instructional Materials Fund #27103 |
| Revenues: | | | | | |
| Federal sources: | | | | | |
| Federal flowthrough grants | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal direct grants | 26,206 | 428 | - | - | - |
| Food and milk reimbursements | - | - | - | - | - |
| USDA Commodities | - | - | - | - | - |
| State sources: | | | | | |
| State grant | - | - | - | - | 1,122 |
| Local sources: | | | | | |
| Grant | - | - | 20,000 | - | - |
| District school tax levy | - | - | - | - | - |
| Fees and activities | - | - | - | - | - |
| Earnings from investments | - | - | 16 | 3 | - |
| Miscellaneous | - | - | - | - | - |
| Total revenue | <u>26,206</u> | <u>428</u> | <u>20,016</u> | <u>3</u> | <u>1,122</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction | 20,432 | - | 26,621 | - | 1,122 |
| Support Services: | | | | | |
| Students | 2,450 | - | - | - | - |
| Instruction | - | - | - | - | - |
| General Administration | - | - | - | - | - |
| School Administration | - | - | - | - | - |
| Food Services Operations | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Total expenditures | <u>22,882</u> | <u>-</u> | <u>26,621</u> | <u>-</u> | <u>1,122</u> |
| Excess (deficiency) of revenues over expenditures | 3,324 | 428 | (6,605) | 3 | - |
| Other financing uses: | | | | | |
| Transfers out | <u>-</u> | <u>(428)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | 3,324 | - | (6,605) | 3 | - |
| Fund balance at beginning of the year | <u>-</u> | <u>-</u> | <u>26,566</u> | <u>864</u> | <u>-</u> |
| Fund balance at end of the year | <u>\$ 3,324</u> | <u>\$ -</u> | <u>\$ 19,961</u> | <u>\$ 867</u> | <u>\$ -</u> |

(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, 2014

| | Special Revenue Funds | | | | |
|--|---|---|-------------------------------------|---|---|
| | Libraries GO Bond 2010 <u>Fund #27106</u> | Libraries GO Bond 2012 <u>Fund #27107</u> | Reads to Lead <u>Fund #27114</u> | Incentives for School Improvement <u>Fund #27138</u> | Beginning Teacher Mentoring <u>Fund #27154</u> |
| Revenues: | | | | | |
| Federal sources: | | | | | |
| Federal flowthrough grants | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal direct grants | - | - | - | - | - |
| Food and milk reimbursements | - | - | - | - | - |
| USDA Commodities | - | - | - | - | - |
| State sources: | | | | | |
| State grant | 8,878 | - | 43,436 | - | - |
| Local sources: | | | | | |
| Grant | - | - | - | - | - |
| District school tax levy | - | - | - | - | - |
| Fees and activities | - | - | - | - | - |
| Earnings from investments | - | - | - | 9 | - |
| Miscellaneous | - | - | - | - | - |
| Total revenue | <u>8,878</u> | <u>-</u> | <u>43,436</u> | <u>9</u> | <u>-</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction | - | - | 43,436 | 1,124 | - |
| Support Services: | | | | | |
| Students | - | - | - | - | - |
| Instruction | 8,878 | - | - | - | - |
| General Administration | - | - | - | - | - |
| School Administration | - | - | - | - | - |
| Food Services Operations | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Total expenditures | <u>8,878</u> | <u>-</u> | <u>43,436</u> | <u>1,124</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | - | - | - | (1,115) | - |
| Other financing uses: | | | | | |
| Transfers out | - | - | - | - | - |
| Net change in fund balance | - | - | - | (1,115) | - |
| Fund balance at beginning of the year | - | - | - | 5,532 | 1 |
| Fund balance at end of the year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,417</u> | <u>\$ 1</u> |

(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, 2014

| | Special Revenue Funds | | | |
|--|--|--|---|-------------------------------------|
| | GO Bonds Instructional Materials <u>Fund #27171</u> | STEM Teacher Initiative <u>Fund #27181</u> | New Mexico Grown <u>Fund #27183</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 | 9,702 | 9,994 | - | - |
| Local sources: | | | | |
| Grant | - | - | - | 59,275 |
| District school tax levy | - | - | - | - |
| Fees and activities | - | - | - | - |
| Earnings from investments | - | - | - | 40 |
| Miscellaneous | - | - | - | - |
| Total revenue | 9,702 | 9,994 | - | 59,315 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 9,702 | 9,994 | - | 15,029 |
| Support Services: | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General Administration | - | - | - | 3,204 |
| School Administration | - | - | - | - |
| Food Services Operations | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | 9,702 | 9,994 | - | 18,233 |
| Excess (deficiency) of revenues over expenditures | - | - | - | 41,082 |
| Other financing uses: | | | | |
| Transfers out | - | - | - | - |
| Net change in fund balance | - | - | - | 41,082 |
| Fund balance at beginning of the year | - | - | - | 9,829 |
| Fund balance at end of the year | \$ - | \$ - | \$ - | \$ 50,911 |

(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, 2014

| | Total Nonmajor Special Revenue <u>Funds</u> | Capital Improvements HB-33 <u>Fund #31600</u> | Debt Service <u>Fund #41000</u> | Total Nonmajor Governmental <u>Funds</u> |
|--|---|--|------------------------------------|--|
| Revenues: | | | | |
| Federal sources: | | | | |
| Federal flowthrough grants | \$ 116,361 | \$ - | \$ - | \$ 116,361 |
| Federal direct grants | 38,021 | - | - | 38,021 |
| Food and milk reimbursements | 199,918 | - | - | 199,918 |
| USDA Commodities | 7,203 | - | - | 7,203 |
| State sources: | | | | |
| State grant | 74,762 | - | - | 74,762 |
| Local sources: | | | | |
| Grant | 79,275 | - | - | 79,275 |
| District school tax levy | - | 12,419 | 41 | 12,460 |
| Fees and activities | 43,245 | - | - | 43,245 |
| Earnings from investments | 94 | 314 | - | 408 |
| Miscellaneous | <u>100</u> | <u>-</u> | <u>-</u> | <u>100</u> |
| Total revenue | <u>558,979</u> | <u>12,733</u> | <u>41</u> | <u>571,753</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 209,127 | - | - | 209,127 |
| Support Services: | | | | |
| Students | 10,541 | - | - | 10,541 |
| Instruction | 48,012 | - | - | 48,012 |
| General Administration | 3,204 | 135 | - | 3,339 |
| School Administration | 5,817 | - | 1 | 5,818 |
| Food Services Operations | 232,659 | - | - | 232,659 |
| Capital outlay | <u>-</u> | <u>618,140</u> | <u>-</u> | <u>618,140</u> |
| Total expenditures | <u>509,360</u> | <u>618,275</u> | <u>1</u> | <u>1,127,636</u> |
| Excess (deficiency) of revenues over expenditures | 49,619 | (605,542) | 40 | (555,883) |
| Other financing uses: | | | | |
| Transfers out | <u>(428)</u> | <u>-</u> | <u>-</u> | <u>(428)</u> |
| Net change in fund balance | 49,191 | (605,542) | 40 | (556,311) |
| Fund balance at beginning of the year | <u>50,768</u> | <u>656,654</u> | <u>4,022</u> | <u>711,444</u> |
| Fund balance at end of the year | <u>\$ 99,959</u> | <u>\$ 51,112</u> | <u>\$ 4,062</u> | <u>\$ 155,133</u> |

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BUDGETARY PRESENTATION

NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

FOOD SERVICES (Fund No. 21000)

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 (Fund No. 22000)

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

TITLE I (Fund No. 24101)

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 (Fund No. 24109)

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.

FRESH FRUITS AND VEGETABLES (Fund No. 24118)

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

IDEA-B "RISK POOL" (Fund No. 24120)

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 (Fund No. 24154)

To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in 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 (Fund No. 25153)

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 (Fund No. 25214)

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 (Fund No. 25233)

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

NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2014

ARRA – STATE REVITALIZATION (Fund No. 25250)

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.

TURNER FOUNDATION (Fund No. 26156)

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

A PLUS FOR ENERGY (Fund No. 26179)

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

DUAL CREDIT INSTRUCTIONAL MATERIALS (Fund No. 27103)

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.

LIBRARY GO BONDS 2010 (Fund No. 27106)

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

LIBRARY GO BONDS 2012 (Fund No. 27107)

Funds to be used for library books and library resources for public school libraries statewide. Library resources include computers, software, projectors, televisions, other related hardware and software, shelving, desks, chairs, and book trucks/carts. Senate Bill 66, Laws of 2012, 2nd Session, Chapter 54, Section 10.B.(3).

READS TO LEAD (Fund No. 27114)

Provides an aligned approach for districts and schools to ensure that children can read by the end of third grade—giving them essential skills for future career and college success. It also provides regional and district reading coaches, supports for intervention, and professional development for parents, teachers, reading coaches, and administrators.

INCENTIVE FOR SCHOOL IMPROVEMENTS (Fund No. 27138)

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 (Fund No. 27154)

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 (Fund No. 27171)

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

STEM TEACHER INITIATIVE (Fund No. 27181)

The purpose of these funds is to provide a \$5,000 stipend per year to 125 highly effective STEM teachers to teach Science, Technology, Engineering, or Mathematics (grades 7-12) for two years to serve in hard to staff (low performing CD/F), rural, urban) schools.

NEW MEXICO GROWN (Fund No. 27183)

Funds under this award are to be used to purchase locally grown New Mexico fresh fruits and vegetables, to be made available at no charge to students. Funds have been received as appropriation through the General Appropriations Act to distribute to school districts and charter schools.

CS FOUNDATION (Fund No. 29102)

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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|------------|-------------------|-------------------------------|
| | Original | Final | (Budgetary Basis) | Positive (Negative) |
| Revenues: | | | | |
| Federal sources: | | | | |
| Food and milk reimbursements | \$ 176,939 | \$ 177,616 | \$ 199,918 | \$ 22,302 |
| State sources: | | | | |
| State grant | - | - | 1,630 | 1,630 |
| Local sources: | | | | |
| Fees and activities | 25,500 | 25,500 | 30,347 | 4,847 |
| Earnings from investments | 26 | 26 | 20 | (6) |
| Total revenues | 202,465 | 203,142 | 231,915 | 28,773 |
| Expenditures: | | | | |
| Current: | | | | |
| Food Services Operations | 209,445 | 210,122 | 210,121 | 1 |
| Excess (deficiency) of revenues over expenditures | (6,980) | (6,980) | 21,794 | 28,774 |
| Beginning cash balance budgeted | 6,980 | 6,980 | - | (6,980) |
| Fund balance at beginning of the year | - | - | 6,410 | 6,410 |
| Fund balance at end of the year | \$ - | \$ - | 28,204 | \$ 28,204 |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in inventory | | | 418 | |
| Change in payables | | | (11,604) | |
| | | | \$ 17,018 | |

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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------|-------------------|-------------------------------|
| | Original | Final | (Budgetary Basis) | Positive (Negative) |
| Revenues: | | | | |
| Local sources: | | | | |
| Fees and activities | \$ 9,200 | \$ 9,200 | \$ 12,898 | \$ 3,698 |
| Earnings from investments | 4 | 4 | 6 | 2 |
| Miscellaneous | - | - | 100 | 100 |
| Total revenues | 9,204 | 9,204 | 13,004 | 3,800 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 11,618 | 11,618 | 11,233 | 385 |
| Excess (deficiency) of revenues over expenditures | (2,414) | (2,414) | 1,771 | 4,185 |
| Beginning cash balance budgeted | 2,414 | 2,414 | - | (2,414) |
| Fund balance at beginning of the year | - | - | 1,566 | 1,566 |
| Fund balance at end of the year | \$ - | \$ - | 3,337 | \$ 3,337 |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in payables | | | 123 | |
| | | | \$ 3,460 | |

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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---------------------------------------|------------------|-----------|-------------------|-------------------------------|
| | Original | Final | (Budgetary Basis) | Positive (Negative) |
| Revenues: | | | | |
| Federal sources: | | | | |
| Federal grant | \$ 63,673 | \$ 79,280 | \$ 95,198 | \$ 15,918 |
| | | | | |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 26,781 | 37,400 | 37,392 | 8 |
| Support Services: | | | | |
| Instruction | 33,822 | 39,140 | 39,135 | 5 |
| School Administration | 3,070 | 2,740 | 2,736 | 4 |
| Total expenditures | 63,673 | 79,280 | 79,263 | 17 |
| | | | | |
| Excess of revenues over expenditures | - | - | 15,935 | 15,935 |
| | | | | |
| Fund balance at beginning of the year | - | - | - | - |
| Fund balance at end of the year | \$ - | \$ - | 15,935 | \$ 15,935 |
| | | | | |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in payables | | | 164 | |
| Change in deferred revenue | | | (16,099) | |
| | | | \$ - | |

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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---------------------------------------|------------------|-------------|-------------------|-------------------------------|
| | Original | Final | (Budgetary Basis) | Positive (Negative) |
| Revenues: | | | | |
| Federal sources: | | | | |
| Federal grant | \$ - | \$ 15,354 | \$ 13,970 | \$ (1,384) |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | - | 15,354 | 12,995 | 2,359 |
| Excess of revenues over expenditures | - | - | 975 | 975 |
| Fund balance at beginning of the year | - | - | - | - |
| Fund balance at end of the year | <u>\$ -</u> | <u>\$ -</u> | 975 | <u>\$ 975</u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in grant receivable | | | (975) | |
| | | | <u>\$ -</u> | |

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

FRESH FRUITS AND VEGETABLES FUND - NO. 24118
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---------------------------------------|------------------|-------------|-------------------|-------------------------------|
| | Original | Final | (Budgetary Basis) | Positive (Negative) |
| Revenues: | | | | |
| Federal sources: | | | | |
| Federal grant | \$ - | \$ 4,150 | \$ 4,149 | \$ (1) |
| Expenditures: | | | | |
| Current: | | | | |
| Food Services Operations | - | 4,150 | 4,149 | 1 |
| 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

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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|------------------|-------------|-------------------|-----------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Revenues: | | | | |
| Federal sources: | | | | |
| Federal grant | \$ - | \$ 886 | \$ - | \$ (886) |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | - | 886 | 770 | 116 |
| Excess (deficiency) of revenues over expenditures | - | - | (770) | (770) |
| Fund balance at beginning of the year | - | - | - | - |
| Fund balance at end of the year | <u>\$ -</u> | <u>\$ -</u> | (770) | <u>\$ (770)</u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in grant receivable | | | 770 | |
| | | | <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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---------------------------------------|------------------|-----------|-------------------|---------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Revenues: | | | | |
| Federal sources: | | | | |
| Federal grant | \$ 16,554 | \$ 32,536 | \$ 22,422 | \$ (10,114) |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 16,554 | 32,486 | 19,562 | 12,924 |
| Support Services: | | | | |
| Students | - | 50 | - | 50 |
| Total expenditures | 16,554 | 32,536 | 19,562 | 12,974 |
| Excess of revenues over expenditures | - | - | 2,860 | 2,860 |
| Fund balance at beginning of the year | - | - | - | - |
| Fund balance at end of the year | \$ - | \$ - | 2,860 | \$ 2,860 |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in due to other funds | | | (2,860) | |
| | | | \$ - | |

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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---------------------------------------|------------------|-----------|-------------------|---------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Revenues: | | | | |
| Federal sources: | | | | |
| Federal direct grant | \$ 34,955 | \$ 34,955 | \$ 11,171 | \$ (23,784) |
| | | | | |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 200 | 200 | - | 200 |
| Support Services: | | | | |
| Students | 12,147 | 12,146 | 8,091 | 4,055 |
| School Administration | 22,608 | 22,609 | 3,080 | 19,529 |
| Total expenditures | 34,955 | 34,955 | 11,171 | 23,784 |
| | | | | |
| 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, 2014

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|--|------------------|-------|-------------------------------------|---|
| | Original | Final | | (Negative) |
| Revenues: | | | | |
| Federal sources: | | | | |
| Federal grant | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | - | 218 | 216 | 2 |
| Excess (deficiency) of revenues over expenditures | - | (218) | (216) | 2 |
| Beginning cash balance budgeted | - | 218 | 216 | (2) |
| 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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|-----------|-------------------|-------------------------------|
| | Original | Final | (Budgetary Basis) | Positive (Negative) |
| Revenues: | | | | |
| Federal sources: | | | | |
| Federal direct grant | \$ - | \$ 37,126 | \$ 35,337 | \$ (1,789) |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 3,000 | 21,894 | 20,432 | 1,462 |
| Support Services: | | | | |
| Students | 2,412 | 7,811 | 2,450 | 5,361 |
| Instruction | 4,588 | 7,421 | - | 7,421 |
| Total expenditures | 10,000 | 37,126 | 22,882 | 14,244 |
| Excess (deficiency) of revenues over expenditures | (10,000) | - | 12,455 | 12,455 |
| Beginning cash balance budgeted | 10,000 | - | - | - |
| Fund balance at beginning of the year | - | - | - | - |
| Fund balance at end of the year | \$ - | \$ - | 12,455 | \$ 12,455 |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in grant receivable | | | (9,131) | |
| | | | \$ 3,324 | |

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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---------------------------------------|------------------|-------------|-------------------|-----------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Revenues: | | | | |
| Federal sources: | | | | |
| Federal grant | \$ - | \$ - | \$ - | \$ - |
| | | | | |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | - | - | - | - |
| | | | | |
| Excess of revenues over expenditures | - | - | - | - |
| | | | | |
| Other financing uses: | | | | |
| Transfers out | - | - | (428) | (428) |
| | | | | |
| Net change in fund balance | - | - | (428) | (428) |
| | | | | |
| Fund balance at beginning of the year | - | - | - | - |
| Fund balance at end of the year | <u>\$ -</u> | <u>\$ -</u> | (428) | <u>\$ (428)</u> |
| | | | | |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in deferred revenue | | | <u>428</u> | |
| | | | <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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|---------------|-------------------|-------------------------------|
| | Original | Final | (Budgetary Basis) | Positive (Negative) |
| Revenues: | | | | |
| Local sources: | | | | |
| Grant | \$ - | \$ 20,000 | \$ 20,000 | \$ - |
| Earnings from investments | <u>-</u> | <u>-</u> | <u>16</u> | <u>16</u> |
| Total revenues | - | 20,000 | 20,016 | 16 |
| | | | | |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | <u>20,000</u> | <u>40,000</u> | <u>26,621</u> | <u>13,379</u> |
| Excess (deficiency) of revenues over expenditures | (20,000) | (20,000) | (6,605) | 13,395 |
| Beginning cash balance budgeted | 20,000 | 20,000 | - | (20,000) |
| Fund balance at beginning of the year | <u>-</u> | <u>-</u> | <u>26,566</u> | <u>26,566</u> |
| Fund balance at end of the year | <u>\$ -</u> | <u>\$ -</u> | <u>19,961</u> | <u>\$ 19,961</u> |
| | | | | |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in payables | | | <u>-</u> | |
| | | | <u>\$ 19,961</u> | |

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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|--------------------|--------------------|----------------------|-------------------------------|
| | Original | Final | (Budgetary Basis) | Positive (Negative) |
| Revenues: | | | | |
| Local sources: | | | | |
| Earnings from investments | \$ - | \$ - | \$ 3 | \$ 3 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | <u>969</u> | <u>969</u> | - | <u>969</u> |
| Excess (deficiency) of revenues over expenditures | (969) | (969) | 3 | 972 |
| Beginning cash balance budgeted | 969 | 969 | - | (969) |
| Fund balance at beginning of the year | <u>-</u> | <u>-</u> | <u>864</u> | <u>864</u> |
| Fund balance at end of the year | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u>867</u> | <u><u>\$ 867</u></u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in payables | | | <u>-</u> | |
| | | | <u><u>\$ 867</u></u> | |

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

DUAL CREDIT INSTRUCTIONAL MATERIALS FUND - NO. 27103
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|-------------|-------------------|-------------------------------|
| | Original | Final | (Budgetary Basis) | Positive (Negative) |
| Revenues: | | | | |
| State sources: | | | | |
| State grant | \$ - | \$ 1,122 | \$ 954 | \$ (168) |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | - | 1,122 | 1,122 | - |
| Excess (deficiency) of revenues over expenditures | - | - | (168) | (168) |
| Fund balance at beginning of the year | - | - | - | - |
| Fund balance at end of the year | <u>\$ -</u> | <u>\$ -</u> | (168) | <u>\$ (168)</u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in grant receivable | | | 168 | |
| | | | <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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|--------------|-------------------|-------------------------------|
| | Original | Final | (Budgetary Basis) | Positive (Negative) |
| Revenues: | | | | |
| State sources: | | | | |
| State grant | \$ 9,261 | \$ 9,047 | \$ 7,908 | \$ (1,139) |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Instruction | <u>9,261</u> | <u>9,047</u> | <u>8,878</u> | <u>169</u> |
| Excess (deficiency) of revenues over expenditures | - | - | (970) | (970) |
| 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>(970)</u> | <u>\$ (970)</u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in grant receivable | | | <u>970</u> | |
| | | | <u>\$ -</u> | |

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

LIBRARIES GO BOND 2012 FUND - NO. 27107
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---------------------------------------|------------------|---------------|-------------------|---------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Revenues: | | | | |
| State sources: | | | | |
| State grant | \$ 15,397 | \$ 15,397 | \$ - | \$ (15,397) |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Instruction | <u>15,397</u> | <u>15,397</u> | <u>-</u> | <u>15,397</u> |
| Excess of revenues over expenditures | - | - | - | - |
| Fund balance at beginning of the year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of the year | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in payables | | | <u>-</u> | |
| | | | <u>\$ -</u> | |

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

READS TO LEAD FUND - NO. 27114
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|-------------|-------------------|-------------------------------|
| | Original | Final | (Budgetary Basis) | Positive (Negative) |
| Revenues: | | | | |
| State sources: | | | | |
| State grant | \$ - | \$ 43,568 | \$ 21,413 | \$ (22,155) |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | - | 43,568 | 43,436 | 132 |
| Excess (deficiency) of revenues over expenditures | - | - | (22,023) | (22,023) |
| Fund balance at beginning of the year | - | - | - | - |
| Fund balance at end of the year | <u>\$ -</u> | <u>\$ -</u> | (22,023) | <u>\$ (22,023)</u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in grant receivable | | | <u>22,023</u> | |
| | | | <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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|------------------|-------------|-------------------|------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Local sources: | | | | |
| Earnings from investments | \$ - | \$ - | \$ 9 | \$ 9 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | - | 5,532 | 1,124 | 4,408 |
| Excess (deficiency) of revenues over expenditures | - | (5,532) | (1,115) | 4,417 |
| Beginning cash balance budgeted | - | 5,532 | - | (5,532) |
| Fund balance at beginning of the year | - | - | 5,532 | 5,532 |
| Fund balance at end of the year | <u>\$ -</u> | <u>\$ -</u> | 4,417 | <u>\$ 4,417</u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in payables | | | - | |
| | | | <u>\$ 4,417</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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---------------------------------------|------------------|-------------|-------------------|-------------------------------|
| | Original | Final | (Budgetary Basis) | Positive (Negative) |
| Revenues: | | | | |
| State sources: | | | | |
| State grant | \$ - | \$ - | \$ - | \$ - |
| | | | | |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | - | - | - | - |
| | | | | |
| Excess of revenues over expenditures | - | - | - | - |
| | | | | |
| Fund balance at beginning of the year | - | - | 1 | 1 |
| 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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|------------------|---------------|-------------------|-------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Revenues: | | | | |
| State sources: | | | | |
| State grant | \$ 12,920 | \$ 10,080 | \$ 3,143 | \$ (6,937) |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | <u>12,920</u> | <u>10,080</u> | <u>9,702</u> | <u>378</u> |
| Excess (deficiency) of revenues over expenditures | - | - | (6,559) | (6,559) |
| 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> | (6,559) | <u>\$ (6,559)</u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in grant receivable | | | <u>6,559</u> | |
| | | | <u>\$ -</u> | |

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

STEM TEACHER INITIATIVE FUND - NO. 27181
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|--|------------------|-------------|-------------------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| State sources: | | | | |
| State grant | \$ - | \$ 10,000 | \$ 5,000 | \$ (5,000) |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | - | 10,000 | 9,994 | 6 |
| Excess (deficiency) of revenues over expenditures | - | - | (4,994) | (4,994) |
| Fund balance at beginning of the year | - | - | - | - |
| Fund balance at end of the year | <u>\$ -</u> | <u>\$ -</u> | (4,994) | <u>\$ (4,994)</u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in grant receivable | | | 4,994 | |
| | | | <u>\$ -</u> | |

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NEW MEXICO GROWN FUND - NO. 27183
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---------------------------------------|------------------|-------------|-------------------|-------------------------------|
| | Original | Final | (Budgetary Basis) | Positive (Negative) |
| Revenues: | | | | |
| State sources: | | | | |
| State grant | \$ - | \$ 591 | \$ - | \$ (591) |
| | | | | |
| Expenditures: | | | | |
| Current: | | | | |
| Food Services Operations | - | 591 | - | 591 |
| 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

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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|---------------|-------------------|-------------------------------|
| | Original | Final | (Budgetary Basis) | Positive (Negative) |
| Revenues: | | | | |
| Local sources: | | | | |
| Grant | \$ - | \$ 59,275 | \$ 59,275 | \$ - |
| Earnings from investments | <u>-</u> | <u>-</u> | <u>40</u> | <u>40</u> |
| Total revenues | <u>-</u> | <u>59,275</u> | <u>59,315</u> | <u>40</u> |
| | | | | |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 9,945 | 62,945 | 14,996 | 47,949 |
| Support Services: | | | | |
| General Administration | <u>-</u> | <u>6,275</u> | <u>3,204</u> | <u>3,071</u> |
| Total expenditures | <u>9,945</u> | <u>69,220</u> | <u>18,200</u> | <u>51,020</u> |
| | | | | |
| Excess (deficiency) of revenues over expenditures | (9,945) | (9,945) | 41,115 | 51,060 |
| Beginning cash balance budgeted | 9,945 | 9,945 | - | (9,945) |
| Fund balance at beginning of the year | <u>-</u> | <u>-</u> | <u>9,829</u> | <u>9,829</u> |
| Fund balance at end of the year | <u>\$ -</u> | <u>\$ -</u> | <u>50,944</u> | <u>\$ 50,944</u> |
| | | | | |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in payables | | | <u>(33)</u> | |
| | | | <u>\$ 50,911</u> | |

CAPITAL PROJECTS FUNDS

YEAR ENDED JUNE 30, 2014

CAPITAL IMPROVEMENTS HB – 33 (Fund No. 31600)

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 (Fund No. 31700)

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 (Fund No. 31900)

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

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|------------------|----------------|-------------------|------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Local sources: | | | | |
| District school tax levy | \$ - | \$ - | \$ 13,476 | \$ 13,476 |
| Earnings from investments | <u>-</u> | <u>-</u> | <u>314</u> | <u>314</u> |
| Total revenues | <u>-</u> | <u>-</u> | <u>13,790</u> | <u>13,790</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| General Administration | 500 | 500 | 135 | 365 |
| Capital outlay: | | | | |
| Equipment | 30,000 | 30,000 | - | 30,000 |
| Construction in progress | <u>675,531</u> | <u>675,531</u> | <u>618,140</u> | <u>57,391</u> |
| Total expenditures | <u>706,031</u> | <u>706,031</u> | <u>618,275</u> | <u>87,756</u> |
| Excess (deficiency) of revenues over expenditures | (706,031) | (706,031) | (604,485) | 101,546 |
| Beginning cash balance budgeted | 706,031 | 706,031 | - | (706,031) |
| Fund balance at beginning of the year | <u>-</u> | <u>-</u> | <u>656,654</u> | <u>656,654</u> |
| Fund balance at end of the year | <u>\$ -</u> | <u>\$ -</u> | 52,169 | <u>\$ 52,169</u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in property tax receivable | | | (11,114) | |
| Change in due from other governments | | | (1,292) | |
| Change in deferred property taxes | | | <u>11,349</u> | |
| | | | <u>\$ 51,112</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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|------------------|------------------|---------------------|------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| State sources: | | | | |
| State grant | \$ - | \$ 11,004 | \$ 22,337 | \$ 11,333 |
| Local sources: | | | | |
| District school tax levy | 885,316 | 885,386 | 881,119 | (4,267) |
| Earnings from investments | 1,600 | 1,600 | 806 | (794) |
| Miscellaneous | <u>-</u> | <u>-</u> | <u>1,256</u> | <u>1,256</u> |
| Total revenues | <u>886,916</u> | <u>897,990</u> | <u>905,518</u> | <u>7,528</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| General Administration | 7,832 | 7,902 | 7,902 | - |
| Operation & Maintenance of Plant | 850,500 | 900,500 | 409,686 | 490,814 |
| Capital outlay: | | | | |
| Equipment | 300,000 | 300,000 | 38,596 | 261,404 |
| Construction in progress | <u>292,031</u> | <u>253,035</u> | <u>59,277</u> | <u>193,758</u> |
| Total expenditures | <u>1,450,363</u> | <u>1,461,437</u> | <u>515,461</u> | <u>945,976</u> |
| Excess (deficiency) of revenues over expenditures | (563,447) | (563,447) | 390,057 | 953,504 |
| Beginning cash balance budgeted | 563,447 | 563,447 | - | (563,447) |
| Fund balance at beginning of the year | <u>-</u> | <u>-</u> | <u>740,000</u> | <u>740,000</u> |
| Fund balance at end of the year | <u>\$ -</u> | <u>\$ -</u> | <u>1,130,057</u> | <u>\$ 1,130,057</u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in property tax receivable | | | 53,063 | |
| Change in due from other governments | | | 13,448 | |
| Change in payables | | | 44,572 | |
| Change in deferred property taxes | | | <u>(45,202)</u> | |
| | | | <u>\$ 1,195,938</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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|------------------|-----------|-------------------|---------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Revenues: | | | | |
| Local sources: | | | | |
| Earnings from investments | \$ 50 | \$ 50 | \$ 247 | \$ 197 |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Operation & Maintenance of Plant | 772,871 | 747,871 | 284,427 | 463,444 |
| Capital outlay: | | | | |
| Equipment | 30,000 | 55,000 | 46,648 | 8,352 |
| Total expenditures | 802,871 | 802,871 | 331,075 | 471,796 |
| Excess (deficiency) of revenues over expenditures | (802,821) | (802,821) | (330,828) | 471,993 |
| Beginning cash balance budgeted | 802,821 | 802,821 | - | (802,821) |
| Fund balance at beginning of the year | - | - | 876,879 | 876,879 |
| Fund balance at end of the year | \$ - | \$ - | 546,051 | \$ 546,051 |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in payables | | | (6) | |
| | | | \$ 546,045 | |

DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2014

DEBT SERVICE FUND (Fund No. 41000)

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 (Fund No. 43000)

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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|------------------|--------------|-------------------|------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Local sources: | | | | |
| District school tax levy | \$ 82 | \$ 82 | \$ 45 | \$ (37) |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| General Administration | 100 | 100 | 1 | 99 |
| Debt service: | | | | |
| Reserves | <u>3,969</u> | <u>3,969</u> | - | <u>3,969</u> |
| Total expenditures | <u>4,069</u> | <u>4,069</u> | <u>1</u> | <u>4,068</u> |
| Excess (deficiency) of revenues over expenditures | (3,987) | (3,987) | 44 | 4,031 |
| Beginning cash balance budgeted | 3,987 | 3,987 | - | (3,987) |
| Fund balance at beginning of the year | <u>-</u> | <u>-</u> | <u>4,022</u> | <u>4,022</u> |
| Fund balance at end of the year | <u>\$ -</u> | <u>\$ -</u> | 4,066 | <u>\$ 4,066</u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in receivables | | | (1,673) | |
| Change in due from other governments | | | (4) | |
| Change in deferred property taxes | | | <u>1,673</u> | |
| | | | <u>\$ 4,062</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, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|------------------|----------------|-------------------|------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Local sources: | | | | |
| District school tax levy | \$ 366,450 | \$ 366,450 | \$ 349,213 | \$ (17,237) |
| Earnings from investments | <u>450</u> | <u>450</u> | <u>220</u> | <u>(230)</u> |
| Total revenues | <u>366,900</u> | <u>366,900</u> | <u>349,433</u> | <u>(17,467)</u> |
| | | | | |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| General Administration | 3,273 | 3,273 | 3,162 | 111 |
| Debt service: | | | | |
| Principal retirement | 350,000 | 350,000 | 350,000 | - |
| Bond interest paid | 16,450 | 16,450 | 16,450 | - |
| Reserves | <u>394,973</u> | <u>394,973</u> | <u>-</u> | <u>394,973</u> |
| Total expenditures | <u>764,696</u> | <u>764,696</u> | <u>369,612</u> | <u>395,084</u> |
| Excess (deficiency) of revenues over expenditures | (397,796) | (397,796) | (20,179) | 377,617 |
| Beginning cash balance budgeted | 397,796 | 397,796 | - | (397,796) |
| Fund balance at beginning of the year | <u>-</u> | <u>-</u> | <u>426,631</u> | <u>426,631</u> |
| Fund balance at end of the year | <u>\$ -</u> | <u>\$ -</u> | <u>406,452</u> | <u>\$ 406,452</u> |
| | | | | |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Change in property tax receivable | | | 14,496 | |
| Change in due from other governments | | | 5,376 | |
| Change in deferred property taxes | | | <u>(10,781)</u> | |
| | | | <u>\$ 415,543</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, 2014

| Activity Fund | Balance June 30, 2013 | Receipts | Disbursements | Balance June 30, 2014 |
|-------------------------------|--------------------------|-------------------|-------------------|--------------------------|
| ASSETS | | | | |
| 100 Pay Pal E-Store | \$ 552 | \$ 1 | \$ - | \$ 553 |
| 400 Annual Yearbook | 1,880 | 1,318 | 1,880 | 1,318 |
| 402 High School Art | 1,468 | 168 | - | 1,636 |
| 403 Booster Club | 12,056 | 23,488 | 23,952 | 11,592 |
| 405 Juan Martínez Scholarship | 21,888 | 2,030 | 1,000 | 22,918 |
| 406 CHS Cheerleaders | 1,858 | 2 | - | 1,860 |
| 407 High School Photography | 166 | - | 166 | - |
| 408 Elementary MOP | - | 745 | - | 745 |
| 409 Elementary Yearbook | 697 | 924 | 1,166 | 455 |
| 410 Elementary Principal | 610 | 5,112 | 3,508 | 2,214 |
| 411 Elementary Art | 260 | 1,004 | - | 1,264 |
| 412 PeeWee Basketball | 1,921 | 2 | 714 | 1,209 |
| 413 Elementary Athletics | 65 | - | - | 65 |
| 414 Elementary Reading | 180 | - | 180 | - |
| 415 Class of 2012 | - | 3,413 | 2,697 | 716 |
| 416 District Nurse | 727 | 501 | 353 | 875 |
| 417 Class of 2010 | 2,963 | 1,271 | 1,290 | 2,944 |
| 419 Class of 2011 | 1,356 | 2 | 53 | 1,305 |
| 420 Class of 2013 | 2,077 | 220 | 2,297 | - |
| 421 Class of 2014 | 3,273 | 707 | 3,196 | 784 |
| 424 CMS Student Council | 622 | 139 | 95 | 666 |
| 426 ENEMS Principal | 1,671 | 5,706 | 4,464 | 2,913 |
| 427 MS Admin | 235 | 661 | 537 | 359 |
| 428 MS Barn Fund | 6,859 | 2,106 | 3,950 | 5,015 |
| 429 Universal Classroom | 27 | - | 27 | - |
| 430 MS Art | 88 | - | - | 88 |
| 431 MS Yearbook | 1,648 | 1,566 | 2,033 | 1,181 |
| 434 MS Student Council | 8 | 281 | - | 289 |
| 438 MS Spanish Club | 140 | - | 140 | - |
| 440 HS Principal | 664 | 9,057 | 5,788 | 3,933 |
| 442 HS Student Council | 346 | 1,143 | 596 | 893 |
| 445 HS Teachers | 288 | 68 | 188 | 168 |
| 446 Band-Music | 1,118 | 13,976 | 14,376 | 718 |
| 449 HS Exploratory | 1,550 | 7,299 | 8,417 | 432 |
| 450 HS National Honor Society | 210 | 141 | 191 | 160 |
| 451 Ram's Horn | 2,534 | 1 | 1,447 | 1,088 |
| 452 RHOR | 556 | 1 | 88 | 469 |
| 454 CHS Shop | 257 | - | - | 257 |
| 455 HS Laser Shop/Business | 1,853 | 2,326 | 8 | 4,171 |
| 458 Elementary VIP's | 1,647 | 2,324 | 1,786 | 2,185 |
| 460 Zane Scholarship | 12,402 | 513 | 500 | 12,415 |
| 461 100 Years of Excellence | 250 | 1 | - | 251 |
| 463 ENEMS Library | 1,181 | 2 | - | 1,183 |
| 464 ENEMS K-2 Teachers | 1,398 | 6,013 | 5,233 | 2,178 |
| 465 ENEMS 3-4 Teachers | 908 | 10,476 | 9,221 | 2,163 |
| 470 MS FCA | - | 4,254 | - | 4,254 |
| 476 HS FCA | 1,213 | 1 | - | 1,214 |
| 479 HS Graphic Art | 291 | 1 | - | 292 |
| 481 CHS Rams E-Store | 1,251 | - | - | 1,251 |
| 482 CHS Broadcast | 3,085 | 2 | - | 3,087 |
| 483 Culinary Arts | 1,122 | 2 | 74 | 1,050 |
| 485 ENEMS Beta Club | 723 | 1,007 | 1,687 | 43 |
| 487 WERC Environmental Design | 397 | 1 | 18 | 380 |
| | <u>\$ 100,539</u> | <u>\$ 109,976</u> | <u>\$ 103,316</u> | <u>\$ 107,199</u> |
| Pooled cash and investments | | | | |
| | <u>\$ 100,539</u> | <u>\$ 109,976</u> | <u>\$ 103,316</u> | <u>\$ 107,199</u> |
| LIABILITIES | | | | |
| Deposits held for others | | | | |
| | <u>\$ 100,539</u> | <u>\$ 109,976</u> | <u>\$ 103,316</u> | <u>\$ 107,199</u> |

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF PLEDGED COLLATERAL
 June 30, 2014

| | International <u>Bank</u> | Bank of <u>Albuquerque</u> | <u>Total</u> |
|---|------------------------------|-------------------------------|---------------------|
| Cash on deposit at June 30, 2014 | \$ 2,332,962 | \$ 542,663 | \$ 2,875,625 |
| Less FDIC coverage | <u>250,000</u> | <u>250,000</u> | <u>500,000</u> |
| Uninsured funds | <u>\$ 2,082,962</u> | <u>\$ 292,663</u> | <u>\$ 2,375,625</u> |
| 50% collateral requirement | \$ 1,041,481 | \$ 146,332 | \$ 1,187,813 |
| Pledged collateral | <u>1,331,922</u> | <u>292,663</u> | <u>1,624,585</u> |
| Excess (deficiency) of pledged collateral | <u>\$ 290,441</u> | <u>\$ 146,331</u> | <u>\$ 436,772</u> |

Pledged collateral of financial institutions consists of the following at June 30, 2014

| <u>International Bank:</u> | <u>Maturity</u> | <u>CUSIP #</u> | <u>Market Value</u> |
|----------------------------|-----------------|----------------|---------------------|
| FHLB | 9/12/2014 | 313370JS8 | \$ 401,079 |
| FNMA | 12/20/2018 | 3136G12K4 | 97,094 |
| FHLB | 12/13/2019 | 313381DN2 | 121,032 |
| FHLB | 12/13/2019 | 313381DN2 | 48,413 |
| FNMA | 3/28/2023 | 3136G1GE3 | <u>664,304</u> |
| | | | <u>\$ 1,331,922</u> |

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

Bank of Albuquerque

| | |
|---|-------------------|
| Bank of Albuquerque pooled government securities for trust accounts | <u>\$ 292,663</u> |
|---|-------------------|

The above securities are held at Albuquerque, NM

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CASH RECONCILIATION
 June 30, 2014

| | <u>Beginning Cash</u> | <u>Receipts</u> | <u>Distributions</u> | <u>Other</u> | <u>Net Cash End of Period</u> | <u>Adjustments to the report</u> | <u>Total Cash on Report</u> |
|-----------------------------------|-----------------------|---------------------|----------------------|-------------------|-------------------------------|----------------------------------|-----------------------------|
| Operations | \$ 206,813 | \$ 3,972,691 | \$ 4,012,248 | \$ (49,171) | \$ 118,085 | \$ - | \$ 118,085 |
| Transportation | - | 407,651 | 407,578 | - | 73 | - | 73 |
| Instructional Materials | 18,662 | 26,611 | 17,767 | - | 27,506 | - | 27,506 |
| Food Services | 5,483 | 231,915 | 210,121 | - | 27,277 | - | 27,277 |
| Athletics | 1,689 | 13,004 | 11,233 | - | 3,460 | - | 3,460 |
| Federal Flowthrough Funds | 20,099 | 218,265 | 228,053 | 22,427 | 32,738 | - | 32,738 |
| Federal Direct Funds | 6,645 | 46,508 | 34,269 | (15,559) | 3,325 | - | 3,325 |
| Local Grants | 27,430 | 20,019 | 26,621 | - | 20,828 | - | 20,828 |
| State Flowthrough Funds | 5,534 | 38,428 | 74,257 | 35,885 | 5,590 | - | 5,590 |
| Local/State | 9,829 | 59,315 | 18,200 | - | 50,944 | - | 50,944 |
| Capital Improvements HB-33 | 655,054 | 13,790 | 618,274 | - | 50,570 | - | 50,570 |
| Capital Improvements SB-9 | 763,154 | 905,519 | 515,461 | - | 1,153,212 | - | 1,153,212 |
| Ed Technology Equipment Act | 876,981 | 247 | 331,075 | - | 546,153 | - | 546,153 |
| Debt Service | 4,018 | 44 | - | - | 4,062 | - | 4,062 |
| Education Technology Debt Service | 417,555 | 349,433 | 369,613 | - | 397,375 | - | 397,375 |
| Agency Funds | - | - | - | - | - | 107,199 | 107,199 |
| Total | \$ 3,018,946 | \$ 6,303,440 | \$ 6,874,770 | \$ (6,418) | \$ 2,441,198 | \$ 107,199 | \$ 2,548,397 |

| <u>Account Name</u> | <u>Account Type</u> | <u>Bank Name</u> | <u>Bank Amount</u> | <u>Adjustments to report:</u> | |
|---------------------|-------------------------|---------------------|---------------------|-------------------------------|--------------|
| Operational | Checking - Interest | International Bank | \$ 72,047 | Agency funds | \$ 107,199 |
| Cafeteria | Checking - Interest | International Bank | 27,278 | | |
| Activities | Checking - Interest | International Bank | 97,128 | Adjustments to cash: | |
| Federal | Checking - Interest | International Bank | 32,308 | Bank Balance | \$ 2,875,625 |
| HB 33 | Checking - Interest | International Bank | 50,570 | Cash on hand | - |
| SB 9 | Checking - Interest | International Bank | 1,035,074 | Outstanding deposits | 3,838 |
| Athletics | Checking - Interest | International Bank | 3,460 | Outstanding checks | (331,066) |
| CHS E Store | Checking - Interest | International Bank | 553 | Total adjustment to cash | \$ 2,548,397 |
| State and Local | Checking - Interest | International Bank | 100,768 | | |
| Ed Tech | Checking - Interest | International Bank | 22,965 | | |
| Debt Service | Checking - Interest | International Bank | 401,437 | | |
| Special Investment | Checking - Interest | International Bank | 343,887 | | |
| SB 9 CD | CD | International Bank | 133,573 | | |
| Zane Scholarship | CD | International Bank | 11,914 | | |
| Ed Tech Bonds | Checking - Non-Interest | Bank of Albuquerque | 542,663 | | |
| Payroll | Checking - Interest | International Bank | - | | |
| Total | | | \$ 2,875,625 | | |

COMPLIANCE SECTION

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

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

Schedule of Findings and Responses

Summary Schedule of Prior Year Audit Findings

Required Disclosure

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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, 2014, 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 November 4, 2014.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses to be *material weaknesses*. Findings HS2014-001, EF2014-001, and EF2014-002.

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. We consider the deficiency described in the accompanying schedule of findings and responses to be significant deficiencies. Finding 2014-001.

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

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. We also noted certain other matters that are required to be reported pursuant to Government Auditing Standards and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings 2014-001, 2014-002, HS2014-001, EF2014-001, and EF2014-002..

Cimarron Municipal School District No. 3's Response to Findings

Cimarron Municipal School District No. 3 responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Cimarron Municipal School District No. 3's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the 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, New Mexico
November 4, 2014

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2014

I. SUMMARY OF AUDIT RESULTS

| | <u>Yes</u> | <u>No</u> | <u>Occurrences</u> |
|---|---------------|---------------|--------------------|
| FINANCIAL STATEMENTS: | | | |
| Type of auditor's report issued: <u>Unmodified</u> | | | |
| Internal control over financial reporting: | | | |
| Material weakness(es) identified? | <u> </u> | <u> ✓ </u> | <u> - </u> |
| Significant Deficiency(ies) identified? | <u> ✓ </u> | <u> </u> | <u> 1 </u> |
| Noncompliance material to financial statements noted? | <u> </u> | <u> ✓ </u> | <u> - </u> |
| COMPONENT UNIT: | | | |
| Internal control over financial reporting: | | | |
| Material weakness(es) identified? | <u> ✓ </u> | <u> </u> | <u> 3 </u> |
| Significant Deficiency(ies) identified? | <u> </u> | <u> ✓ </u> | <u> - </u> |
| Noncompliance material to financial statements noted? | <u> </u> | <u> ✓ </u> | <u> - </u> |

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2014

II. FINDINGS RELATED TO FINANCIAL STATEMENTS

CIMARRON MUNICIPAL SCHOOLS

2014 – 001 CONTROL OVER EMPLOYEE MASTER FILE

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

Condition: The District had errors within the employee master file that resulted in payroll errors. We reviewed thirty (30) employee files and found seven (7) employees that were paid in excess of the approved contracts. The overpayments amounted to \$3,022. Additionally, there was one of the thirty that was underpaid by \$300.

Criteria: According to NMAC 6-20-2, “The local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP.”

Cause: The employee master file was not correctly setup to ensure that employees are paid according to the approved contract. The District does not have a internal control system that requires the review and approval of the employee master file.

Effect of condition: The School has expenditures that have not been authorized and could potentially result in over expending the budgets and/or cash accounts.

Recommendation: A written policy should be implemented that requires the employee master file be reviewed by a second person to ensure that the files are accurate. The file should also be reviewed periodically throughout the year or when a file is changed due to pay change.

Management’s Response: Employees who did not match their 13-14 contracts were notified immediately via mail of the error. Employees also received a detailed explanation of the monies paid to them in 13-14. In order to rectify the situation, the amount will be deducted over the 14-15 contract year. Thirdly, all employees affected receive a detailed explanation at the end of each month so they know how much is deducted for last year's overpayment. Attached are samples of all 3 letters. We have currently implemented a checks-and-balance system between the Business Manager and the Payroll Office. Once new salaries are entered for the year, it is run against the budget. Any variances are immediately fixed before payroll is sent out. The business manager also prints a monthly report to make sure there are no variances. A copy of Cimarron Municipal Schools Internal Controls Manual is also attached. The error is addressed in current internal controls manual but due to new staff the controls were not followed.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2014

II. FINDINGS RELATED TO FINANCIAL STATEMENTS (cont'd)

CIMARRON MUNICIPAL SCHOOLS

2014 – 002 DISPOSAL OF CAPITAL ASSETS

Significant Deficiency?
No

Material Weakness?
No

Compliance or Other Matter?
Yes

Condition: The District did not notify the New Mexico State Auditor's Office before disposing capital assets in the amount of \$8,922.

Criteria: The New Mexico State Auditor has issued NMAC 2.2.2, Requirements for Contracting and Conducting Audits of Agencies, requiring school districts to give notification before disposing of any capital assets.

Cause: The District has new administration personnel and they were not aware of the requirement.

Effect of condition: The District is not in compliance with New Mexico Audit Rule NMAC 2.2.2.

Recommendation: Written notice should be given to the New Mexico State Auditor's Office after the approval from the Board of Education for the disposal of capital assets but before the actual disposition. The District needs to wait the 30 days after notifying the State Auditor.

Management's Response: Items had a delete date after being approved by the board, but they were mistakenly not sent to the NM State Auditor's Office. Since items were under the \$5000 threshold and were marked GF A from previous years, they were not included on the request for deletion. Once the error was found, we have followed procedure, and notified NM State Auditor's Office. We are currently trying to get old inventory items cleaned up that have been broken and deleted from previous years. These items are part of the cleanup and we are disposing of capital assets while following all state regulations.

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2014

II. FINDINGS RELATED TO FINANCIAL STATEMENTS (cont'd)

MORENO VALLEY HIGH SCHOOL (Component Unit)

HS2014 – 001 IMPRPROPER FUND ACCOUNTING

Significant Deficiency?
No

Material Weakness?
Yes

Compliance or Other Matter?
Yes

Condition: The School received \$6,418 in IDEA-B Special Education revenues. The revenue was not recorded in the special revenue fund designated for this program. It was recorded in the Operating Fund as state revenue when the revenue is actually federal monies.

Criteria: According to NMAC 6-20-2, "Every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP." It also states that "An internal control structure is required to demonstrate the school district's ability to record, process, summarize and report financial data consistent with the following financial statement assertions: (1) rights and ownership; (2) existence and occurrence; (3) valuation and allocations; (4) completeness; and, (5) presentation and disclosure."

Cause: The revenue was not properly verified and recorded correctly. The School does not have adequate controls to ensure the accurate recording of revenues.

Effect of condition: The School is not recording revenues in the correct funds as mandated by New Mexico Public Education Department.

Recommendation: The School needs to establish a process of reviewing revenues to be recorded prior to posting those revenues. All entries should be reviewed by a second person that has knowledge of the Schools programs, NMPED procedures, and federal requirements.

Management's Response: A process for reviewing revenues prior to them being posted to revenue accounts is place. All entries are reviewed by a second person that has knowledge of the Schools programs and NMPED procedures, however the posting of the \$6,418 for Maintenance of Effort was at the direction of NMPED budget department staff who also instructed us to use the money for special education purposes such as salaries or contractual services. All future deposits related to Maintenance of Effort will be credited to the appropriate federal program.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2014

II. FINDINGS RELATED TO FINANCIAL STATEMENTS (cont'd)

MORENO VALLEY EDUCATION FOUNDATION (Component Unit)

EF2014 – 001 NO INVENTORY OF CAPITAL ASSETS

Significant Deficiency?
No

Material Weakness?
Yes

Compliance or Other Matter?
Yes

Condition: The Foundation did not take a physical inventory of the capital assets as required by state law.

Criteria: According to Section 13-6-1 through 13-6-2 NMSA 1978 organizations are required to take a capital asset inventory at least once every year.

Cause: The Foundation is working to get the in compliance with the IRS 501 c (3) code, and in the process filed several back tax returns, and did not do an inventory of the capital assets, but brought old capital assets back on to the **books**. **The capital assets did not tie to the prior audit report in order but have not completed a capital asset physical inventory in the last two years.**

Effect of condition: The Foundation is working to locate and clean up the capital asset list with a physical inventory.

Recommendation: The Foundation should take a physical inventory once every year in order to determine if items have been lost, broken, or obsolete.

Management's response: We will implement a system of inventory control once a year to determine the status of our assets. We have already discussed with our CPA and will be making additional adjustments to our 2014 return regarding our capital assets. We will also address a new policy...an official system of controls over the capital asset file to regularly monitor any changes to the master file. We want to have an accurate system that can be consistently monitored.

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2014

II. FINDINGS RELATED TO FINANCIAL STATEMENTS (cont'd)

MORENO VALLEY EDUCATION FOUNDATION (Component Unit)

EF2014 – 002 CONTROLS OF CAPITAL ASSETS

Significant Deficiency?
No

Material Weakness?
Yes

Compliance or Other Matter?
Yes

Condition: Management does not have written policies and procedures for controlling the capital assets master file. There is not an approval process for making changes to the file.

Criteria: NMAC 2.20.1.8A states “Agencies should implement systematic and well-documented methods for accounting for their fixed assets. A computerized system is recommended, with appropriate controls on access and authorization of transactions.” A system of internal controls should be in place to provide reasonable assurance that the objectives to external reporting and compliance with laws and regulations as recommended by COSO.

Effect of condition: The capital asset master file is susceptible to unauthorized alterations, either intentional or accidental. The Organization is also at risk of not complying with laws and regulations in the event of an extended illness or other event that results in the position of maintaining the master file being vacated.

Cause: Management has not approved and implemented an official system of controls for maintaining and reviewing the capital assets master file.

Recommendation: An official system of controls over the capital assets master file should be developed, approved by the governing board, and implemented. The system should dictate the documenting and approval of changes to the master file. The system should also establish a regular monitoring of the master file to ensure it has not been altered and allows for consistent tracking and reporting.

Management’s Response: We will implement a system of inventory control once a year to determine the status of our assets. We have already discussed with our CPA and will be making additional adjustments to our 2014 return regarding our capital assets. We will also address a new policy....an official system of controls over the capital asset file to regularly monitor any changes to the master file. We want to have an accurate system that can be consistently monitored.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2014

I. CIMARRON MUNICIPAL SCHOOLS

A. Not Resolved

There were no findings to be reported from the prior year.

B. Resolved

There were no findings to be reported from the prior year.

II. MORENO VALLEY HIGH SCHOOL (Component Unit)

A. Not Resolved

There were no findings to be reported from the prior year.

B. Resolved

There were no findings to be reported from the prior year.

III. MORENO VALLEY EDUCATION FOUNDATION (Component Unit)

A. Not Resolved

There were no findings to be reported from the prior year.

B. Resolved

There were no findings to be reported from the prior year.

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REQUIRED DISCLOSURES

Year Ended June 30, 2014

The financial statements were prepared by the independent public accountants.

An exit conference was held November 3, 2014, during which the audit findings were discussed. The exit conference was attended by the following individuals:

CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

| | |
|-----------------|---|
| Ronald Anderson | President, Board of Education / Audit Committee |
| Bret Wier | Secretary, Board of Education / Audit Committee |
| Adán Estrada | Superintendent |

MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL

| | |
|----------------|--|
| Kelly Orndorff | Secretary, Governing Council / Audit Committee |
| Jacque Boyd | Director |

MORENO VALLEY EDUCATION FOUNDATION

| | |
|-------------|-------------------------------|
| Carl Nelson | President, Board of Directors |
|-------------|-------------------------------|

ACCOUNTING & FINANCIAL SOLUTIONS, LLC

| | |
|-----------------|---------|
| Terry Ogle, CPA | Partner |
|-----------------|---------|