

STATE OF NEW MEXICO  
**CIMARRON**  
**MUNICIPAL SCHOOL DISTRICT NO. 3**

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COMPREHENSIVE FINANCIAL ANNUAL REPORT  
AND  
SUPPLEMENTAL INFORMATION  
YEAR ENDED JUNE 30, 2015  
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, 2015

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BOARD OF EDUCATION

Valerie C. Garcia	Board President
Ronald L. Anderson	Board Vice-President
Bret E. Wier	Board Secretary
Annie Lindsey	Board Member
Ryan W. Gates	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

FINANCE COMMITTEE

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

**MORENO VALLEY HIGH SCHOOL**

GOVERNING BOARD

Kelly Orndorff	President
Tammy DeVine	Vice President
Deborah Coscia	Secretary
Trini Bradley	Treasurer
Kathy Westlund	Member
Jeff Weeks	Member

SCHOOL OFFICIALS

Doug Wine	Director
Amy Trevino	Business Administrator

**MORENO VALLEY EDUCATION FOUNDATION**

BOARD OF DIRECTORS

Carl Nelson	President
Johnese Turri	Board Vice-President
Samatha Weeks	Board Secretary
Joyce Burke	Treasurer

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FINANCIAL SECTION

FISCAL YEAR 2015

JULY 1, 2014 THROUGH JUNE 30, 2015

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## INDEPENDENT AUDITORS' REPORT

Tim Keller, 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, aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of Cimarron Municipal School District No. 3, as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise Cimarron Municipal School District No. 3 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 nonmajor governmental funds and the budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, 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, 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, 2015, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental of Cimarron Municipal School District No. 3 as of June 30, 2015, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project funds, debt service fund, all nonmajor funds, and the discretely presented component unit, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Tim Keller, State Auditor,  
The Board of Education, and  
The Audit Committee of Cimarron Municipal School District No. 3

### ***Emphasis of Matter***

As discussed in Note I.C and Note IV. G, during the year ended June 30, 2015 Cimarron Municipal School District No. 3 adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

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

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated October 7, 2015 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.

  
Farmington, New Mexico  
October 7, 2015

## BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

STATEMENT OF NET POSITION  
**June 30, 2015**

	Primary Government	Component Units
	Governmental Activities	Moreno Valley High School
<b>Assets</b>		
Cash and cash equivalents	\$ 7,213,324	\$ 199,991
Receivables:		
Delinquent property taxes receivable	291,733	-
Grant	54,910	23,177
Due from other governments	74,148	-
USDA commodities inventory	177	-
Food inventory	335	-
Non-current:		
Non-depreciable assets	1,166,244	278,571
Depreciable capital assets, net	<u>14,623,735</u>	<u>1,647,748</u>
<b>Total Assets</b>	<u>23,424,606</u>	<u>2,149,487</u>
<b>Deferred Outflows of Resources:</b>		
Contributions to pension subsequent to the measurement date	363,803	74,975
Change in proportionate share of pension liability	<u>-</u>	<u>52,175</u>
<b>Total Deferred Outflows of Resources</b>	<u>363,803</u>	<u>127,150</u>
<b>Liabilities</b>		
Accounts payable	27,440	1,197
Accrued interest	27,089	7,247
Long-term liabilities other than pensions:		
Due within one year	980,000	-
Due in more than one year	3,829,581	-
Aggregate net pension liability	<u>5,334,279</u>	<u>1,171,949</u>
<b>Total Liabilities</b>	<u>10,198,389</u>	<u>1,180,393</u>
<b>Deferred Inflows of Resources</b>		
Advances of federal, state, and local grants	43,820	-
Difference between expected and actual experience	79,466	17,461
Net difference between projected and actual investment earnings on plan investments	484,935	106,554
Change in proportionate share of pension liability	<u>31,690</u>	<u>-</u>
<b>Total Deferred Inflows of Resources</b>	<u>639,911</u>	<u>124,015</u>
<b>Net Position</b>		
Net investment in capital assets	11,218,648	1,926,319
Restricted for:		
Inventories	512	-
Special revenue funds	118,465	1,881
Capital projects	5,791,206	-
Debt service	1,041,141	-
Unrestricted	<u>(5,219,863)</u>	<u>(955,971)</u>
<b>Total Net Position</b>	<u>\$ 12,950,109</u>	<u>\$ 972,229</u>

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, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>			
<u>Primary government:</u>		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>	<u>Component Units</u>		
<b>Governmental activities:</b>								
Instruction	\$ 2,934,341	\$ 60,124	\$ 224,115	\$ 10,383	\$ (2,639,719)			
Support Services - Students	788,179	14,645	60,199	-	(713,335)			
Support Services - Instruction	78,224	-	5,975	-	(72,249)			
Support Services - General Administration	256,631	-	19,601	-	(237,030)			
Support Services - School Administration	351,074	-	26,814	764	(323,496)			
Central Services	659,520	-	50,372	-	(609,148)			
Operations & Maintenance of Plant	1,158,991	-	88,520	38,769	(1,031,702)			
Student Transportation	541,677	-	474,144	42,499	(25,034)			
Other Support Services	2,622	-	200	-	(2,422)			
Food Services	274,272	32,086	213,395	-	(28,791)			
Bond interest paid	34,979	-	-	-	(34,979)			
<b>Total governmental activities</b>	<b><u>\$ 7,080,510</u></b>	<b><u>\$ 106,855</u></b>	<b><u>\$ 1,163,335</u></b>	<b><u>\$ 92,415</u></b>	<b>(5,717,905)</b>			
<b>Component units:</b>								
Moreno Valley High School	<u>\$ 1,115,652</u>	<u>\$ 790</u>	<u>\$ 45,529</u>	<u>\$ 77,435</u>		\$ (991,898)		
General revenues:								
Taxes:								
Property Taxes:								
General purposes							176,045	-
Capital projects							727,046	-
Debt service							1,040,058	-
Oil and gas							179,323	-
State equalization							3,803,331	822,639
Grants and contributions not restricted							60,000	-
Unrestricted donations							-	59,976
Miscellaneous income							8,226	21,849
Transfers							71,429	(71,429)
Refunds to state							(36)	-
Loss on asset disposal							(236)	(319,116)
<i>Change in net position</i>							<u>347,281</u>	<u>(477,979)</u>
<b>Net position - beginning</b>							18,174,846	2,594,713
Restatement							<u>(5,572,018)</u>	<u>(1,144,505)</u>
Net position - beginning as restated							<u>12,602,828</u>	<u>1,450,208</u>
<b>Net position - ending</b>							<b><u>\$ 12,950,109</u></b>	<b><u>\$ 972,229</u></b>

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, 2015**

	General <u>Fund</u>	Title I <u>Fund #24101</u>	Bond Building <u>Fund #31100</u>	Capital Improvements HB-33 <u>Fund #31600</u>	Capital Improvements SB-9 <u>Fund #31700</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 288,291	\$ 40,496	\$ 3,832,367	\$ 54,059	\$ 1,527,420
Receivables:					
Property taxes	27,157	-	-	57,451	126,913
Grant	-	-	-	-	-
Due from other governments	7,256	-	-	153	30,763
Due from other funds	55,779	-	-	-	-
USDA commodities inventory	-	-	-	-	-
Food inventory	-	-	-	-	-
<b>Total assets</b>	<u>\$ 378,483</u>	<u>\$ 40,496</u>	<u>\$ 3,832,367</u>	<u>\$ 111,663</u>	<u>\$ 1,685,096</u>
 <b>Liabilities, deferred inflows, and fund balance</b>					
Liabilities:					
Accounts payable	\$ 7,115	\$ -	\$ -	\$ -	\$ 2,911
Due to other funds	-	-	-	-	-
Total liabilities	<u>7,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,911</u>
Deferred inflows of resources:					
Advances of federal, state, and local grants	-	40,496	-	-	-
Delinquent property taxes	<u>24,664</u>	<u>-</u>	<u>-</u>	<u>56,793</u>	<u>115,362</u>
Total deferred inflows of resources	<u>24,664</u>	<u>40,496</u>	<u>-</u>	<u>56,793</u>	<u>115,362</u>
Fund balance:					
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	3,832,367	54,870	1,566,823
Debt service	-	-	-	-	-
Unassigned	<u>346,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>346,704</u>	<u>-</u>	<u>3,832,367</u>	<u>54,870</u>	<u>1,566,823</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 378,483</u>	<u>\$ 40,496</u>	<u>\$ 3,832,367</u>	<u>\$ 111,663</u>	<u>\$ 1,685,096</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, 2015**

	Debt Service Fund #41000	Ed Tech Debt Service Fund #43000	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 619,242	\$ 374,231	\$ 477,218	\$ 7,213,324
Receivables:				
Property taxes	54,230	25,982	-	291,733
Grant	-	-	54,910	54,910
Due from other governments	23,820	12,156	-	74,148
Due from other funds	-	-	-	55,779
USDA commodities inventory	-	-	177	177
Food inventory	-	-	335	335
<b>Total assets</b>	<u>\$ 697,292</u>	<u>\$ 412,369</u>	<u>\$ 532,640</u>	<u>\$ 7,690,406</u>
 <b>Liabilities, deferred inflows, and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 17,414	\$ 27,440
Due to other funds	-	-	55,779	55,779
Total liabilities	<u>-</u>	<u>-</u>	<u>73,193</u>	<u>83,219</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	3,324	43,820
Delinquent property taxes	47,282	21,238	-	265,339
Total deferred inflows of resources	<u>47,282</u>	<u>21,238</u>	<u>3,324</u>	<u>309,159</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	512	512
Restricted for:				
Special revenue funds	-	-	118,465	118,465
Capital projects funds	-	-	337,146	5,791,206
Debt service	650,010	391,131	-	1,041,141
Unassigned	-	-	-	346,704
Total fund balance	<u>650,010</u>	<u>391,131</u>	<u>456,123</u>	<u>7,298,028</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 697,292</u>	<u>\$ 412,369</u>	<u>\$ 532,640</u>	<u>\$ 7,690,406</u>

( 2 of 2 )

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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, 2015**

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

Fund balances - total governmental funds	\$	7,298,028
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		27,491,424
Accumulated depreciation		(11,701,445)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		265,339
Deferred inflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Contributions to pension subsequent to the measurement date		363,803
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		(4,700,000)
Accrued interest payable		(27,089)
Bond premiums		(109,581)
Net pension liability		(5,334,279)
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Difference between expected and actual experience		(79,466)
Net difference between projected and actual investment earnings on plan investments		(484,935)
Change in proportionate share of pension liability		<u>(31,690)</u>
Net position of governmental activities	\$	<u>12,950,109</u>

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, 2015**

	General Fund	Title I Fund #24101	Bond Building Fund #31100	Capital Improvements HB-33 Fund #31600	Capital Improvements SB-9 Fund #31700
<b>Revenues:</b>					
Taxes:					
Property	\$ 151,381	\$ -	\$ -	\$ 3,735	\$ 777,260
Oil and gas	20,355	-	-	-	81,420
Intergovernmental - federal grants	28,823	65,769	-	-	-
Intergovernmental - state grants	4,303,728	-	-	-	12,624
Contributions - private grants	-	-	-	-	-
Charges for services	60,124	-	-	-	-
Investment and interest income	843	-	75,730	58	2,405
Miscellaneous	<u>4,802</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,424</u>
<b>Total revenues</b>	<u>4,570,056</u>	<u>65,769</u>	<u>75,730</u>	<u>3,793</u>	<u>877,133</u>
<b>Expenditures:</b>					
Current:					
Instruction	2,278,223	11,851	-	-	-
Support services:					
Students	651,808	-	-	-	-
Instruction	17,660	50,815	-	-	-
General Administration	200,763	-	-	35	8,469
School Administration	257,414	3,103	-	-	-
Central Services	88,588	-	-	-	447,761
Operation & Maintenance of Plant	523,703	-	298,283	-	-
Student transportation	474,166	-	-	-	-
Other Support services	2,295	-	-	-	-
Food services operations	-	-	-	-	-
Capital outlay	-	-	53,769	-	50,018
Debt service:					
Principal retirement	-	-	-	-	-
Bond interest paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>4,494,620</u>	<u>65,769</u>	<u>352,052</u>	<u>35</u>	<u>506,248</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>75,436</u>	<u>-</u>	<u>(276,322)</u>	<u>3,758</u>	<u>370,885</u>
<b>Other financing sources and financing uses:</b>					
Sale of bonds	-	-	4,000,000	-	-
Bond premium	-	-	108,689	-	-
Transfers in	1	-	-	-	-
Transfers out	-	-	-	-	-
Refunds	<u>(36)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources and financing uses</b>	<u>(35)</u>	<u>-</u>	<u>4,108,689</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	75,401	-	3,832,367	3,758	370,885
<b>Fund balance at beginning of the year</b>	<u>271,303</u>	<u>-</u>	<u>-</u>	<u>51,112</u>	<u>1,195,938</u>
<b>Fund balance at end of the year</b>	<u>\$ 346,704</u>	<u>\$ -</u>	<u>\$ 3,832,367</u>	<u>\$ 54,870</u>	<u>\$ 1,566,823</u>

( cont'd; 1 of 2 )

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

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

GOVERNMENTAL FUNDS  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Year Ended June 30, 2015**

	Debt Service Fund #41000	Ed Tech Debt Service Fund #43000	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes:				
Property	\$ 606,829	\$ 308,040	\$ -	\$ 1,847,245
Oil and gas	44,953	32,149	-	178,877
Intergovernmental - federal grants	-	-	510,881	605,473
Intergovernmental - state grants	-	-	57,465	4,373,817
Contributions - private grants	-	-	60,000	60,000
Charges for services	-	-	46,731	106,855
Investment and interest income	-	533	222	79,791
Miscellaneous	-	-	-	8,226
<b>Total revenues</b>	<u>651,782</u>	<u>340,722</u>	<u>675,299</u>	<u>7,260,284</u>
<b>Expenditures:</b>				
Current:				
Instruction	-	-	284,002	2,574,076
Support services:				
Students	-	-	38,138	689,946
Instruction	-	-	-	68,475
General Administration	5,834	3,059	6,486	224,646
School Administration	-	-	46,802	307,319
Central Services	-	-	40,973	577,322
Operation & Maintenance of Plant	-	-	192,557	1,014,543
Student transportation	-	-	-	474,166
Other Support services	-	-	-	2,295
Food services operations	-	-	240,089	240,089
Capital outlay	-	-	16,132	119,919
Debt service:				
Principal retirement	-	350,000	-	350,000
Bond interest paid	-	12,075	-	12,075
<b>Total expenditures</b>	<u>5,834</u>	<u>365,134</u>	<u>865,179</u>	<u>6,654,871</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>645,948</u>	<u>(24,412)</u>	<u>(189,880)</u>	<u>605,413</u>
<b>Other financing sources and financing uses:</b>				
Sale of bonds	-	-	-	4,000,000
Bond premium	-	-	-	108,689
Transfers in	-	-	-	1
Transfers out	-	-	(1)	(1)
Refunds	-	-	-	(36)
<b>Total other financing sources and financing uses</b>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>4,108,653</u>
<i>Net change in fund balance</i>	645,948	(24,412)	(189,881)	4,714,066
<b>Fund balance at beginning of the year</b>	<u>4,062</u>	<u>415,543</u>	<u>646,004</u>	<u>2,583,962</u>
<b>Fund balance at end of the year</b>	<u>\$ 650,010</u>	<u>\$ 391,131</u>	<u>\$ 456,123</u>	<u>\$ 7,298,028</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, 2015**

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

Net change in fund balance - total governmental funds	\$ 4,714,066
<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	191,348
Depreciation	(878,105)
<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, 2014	(169,435)
June 30, 2015	265,339
<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
Bonds sold	(4,000,000)
Current year bond premiums	(108,689)
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, 2014	4,185
June 30, 2015	(27,089)
Loss on asset disposal	(236)
Deferred contributions to pension plan	363,803
Pension expense	<u>(358,352)</u>
Change in net position of governmental activities	<u>\$ 347,281</u>

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Property	\$ 154,878	\$ 154,878	\$ 149,856	\$ (5,022)
Oil and gas	17,160	17,160	22,513	5,353
Intergovernmental - federal grants	20,121	21,014	28,824	7,810
Intergovernmental - state grants	4,315,849	4,464,363	4,303,728	(160,635)
Charges for services	5,100	32,600	60,124	27,524
Investment and interest income	530	530	843	313
Miscellaneous	-	-	4,801	4,801
<b>Total revenues</b>	4,513,638	4,690,545	4,570,689	(119,856)
<b>Expenditures:</b>				
Current:				
Instruction	2,427,064	2,391,879	2,278,361	113,518
Support services:				
Students	586,305	655,794	651,808	3,986
Instruction	19,082	20,843	17,660	3,183
General Administration	226,389	218,680	200,236	18,444
School Administration	284,255	285,601	257,414	28,187
Central Services	89,462	89,974	88,588	1,386
Operation & Maintenance of Plant	566,166	598,238	524,653	73,585
Student transportation	420,842	474,180	474,166	14
Other Support services	21,302	110,127	2,295	107,832
<b>Total expenditures</b>	4,640,867	4,845,316	4,495,181	350,135
<i>Excess (deficiency) of revenues over expenditures</i>	(127,229)	(154,771)	75,508	230,279
<b>Other financing sources and financing uses:</b>				
Transfers in	-	-	2	2
Refunds	-	-	(36)	(36)
<b>Total other financing sources and financing uses</b>	-	-	(34)	(34)
<i>Net change in fund balance</i>	(127,229)	(154,771)	75,474	230,245
<i>Beginning cash balance budgeted</i>	127,229	154,771	-	(154,771)
<b>Fund balance at beginning of the year</b>	-	-	271,303	271,303
<b>Fund balance at end of the year</b>	\$ -	\$ -	346,777	\$ 346,777
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			22,565	
Change in due from other governments			1,465	
Change in payables			561	
Change in deferred property taxes			(24,664)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 346,704	

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

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

TITLE I FUND - NO. 24101  
**Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 66,919	\$ 66,935	\$ 73,590	\$ 6,655
<b>Expenditures:</b>				
Current:				
Instruction	12,336	12,352	11,851	501
Support services:				
Instruction	50,982	50,987	50,815	172
School Administration	3,601	3,596	3,103	493
<b>Total expenditures</b>	<u>66,919</u>	<u>66,935</u>	<u>65,769</u>	<u>1,166</u>
<i>Excess of revenues over expenditures</i>	-	-	7,821	7,821
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>7,821</u>	<u>\$ 7,821</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in deferred revenue			(7,821)	
<b>Fund balance at end of the year (GAAP basis)</b>			<u>\$ -</u>	

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

AGENCY FUNDS  
Statement of Fiduciary Assets and Liabilities  
June 30, 2015

ASSETS

Pooled cash and investments	\$	<u>112,924</u>
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LIABILITIES

Deposits held for others	\$	<u>112,924</u>
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The notes to the financial statements are an integral part of this statement.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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## 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

**Moreno Valley High School Charter School** (Charter School) was chartered under the District and is financially dependent on the District. Additionally the Charter School represents a financial burden for the District in the event of closure. The District does not appoint the Charter School's governing council. The Charter School does not have a separately issued report for the year ended June 30, 2015.

**Moreno Valley Education Foundation** (Foundation) was created for the purpose of providing financial support to Moreno Valley High School and is reported as a component unit of the Charter School. Neither the District nor the Charter School appoint the Board of Directors of the Foundation. However, the Foundation's board of directors will have sitting members that are employees of the Charter School or are members of the Charter School's governing council. The Foundation does not have a separately issued report for the year ended June 30, 2015.

Significant disclosures for the component units can be found in the financial footnotes Note IV and the governmental financial statements are in the Component Units section of the report.

During fiscal year 2015, Cimarron Municipal School District No. 3 adopted the following GASB Statements:

- 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.
- 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.
- 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.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

### A. Reporting Entity (cont'd)

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

- GASB 72, *Fair Value Measurement and Application*, This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement will be effective for the year ended June 30, 2016.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, this Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. This Statement will be effective for the year ended June 30, 2016.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. This Statement will be effective for the year ended June 30, 2017.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, this Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement will be effective for the year ended June 30, 2018.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement will be effective for the year ended June 30, 2016.

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.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

### 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.

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

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

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

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

The government reports the following major governmental funds:

#### ➤ General Fund

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

#### ➤ Title I Special Revenue Fund (Fund No. 24101) Minimum Balance: None

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.

#### ➤ Bond Building Capital Projects Fund (Fund No. 31100) Minimum Balance: None

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

#### ➤ Capital Improvements HB – 33 Capital Projects Fund (Fund No. 31600) Minimum Balance: None

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.



# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

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

- Capital Improvements SB – 9 Capital Projects Fund (Fund No. 31700) Minimum Balance: None  
This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.
- Debt Service Fund (Fund No. 41000) Minimum Balance: None  
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) Minimum Balance: None  
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, 2015

## 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 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 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

#### 5. *Compensated absences*

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

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

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

#### 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.

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. *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Education Retirement Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

#### 8. *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, 2015.

##### 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, 2015.

##### 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.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

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

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.

#### 9. *Net Position*

Net Position is presented on the Statement of Net Position and may be presented in any of three components.

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

This component of Net Position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The portion of the debt attributable to the unspent proceeds is not included in the calculation of 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 is reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

##### c. Unrestricted Net Position

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

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

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

#### 10. *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.

#### 11. *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.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

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

#### 12. Revenues

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$3,803,331 in state equalization guarantee distributions during the year ended June 30, 2015.

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 \$474,144 in transportation distributions during the year ended June 30, 2015.

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

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

6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2015 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	\$ 4,640,867	\$ 4,845,316
Special Revenue Fund	600,285	854,850
Capital Projects Fund	2,672,280	6,729,322
Debt Service Fund	745,431	755,431
Totals	\$ 8,658,863	\$ 13,184,919

### B. Budgetary Violations

The District did not have any budgetary violations during the year ended June 30, 2015.

### 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

Cash and equivalents are comprised of the following balances:

	<u>Balance</u>
Banks:	
International Bank	\$ 7,259,277
Washington Federal	334,560
Less agency cash	(112,924)
Less net reconciling items	(267,589)
Cash on hand	-
Total cash and equivalents	\$ 7,213,324

At June 30, 2015, the carrying amount of the District's deposits was \$7,326,248 and the bank balance was \$7,593,837 with the difference consisting of outstanding checks. Of this balance \$500,000 was covered by federal depository insurance and \$3,681,349 was covered by collateral held in joint safekeeping by a third party.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

#### A. Cash and Temporary Investments (cont'd)

##### Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2015, \$3,412,488 of the District's bank balance of \$7,593,837 was exposed to custodial risk as follows:

	<u>International Bank</u>	<u>Bank of Albuquerque</u>	<u>Total</u>
Uninsured and uncollateralized	\$ 3,412,488	\$ -	\$ 3,412,488
Uninsured and collateral held by pledging bank's trust dept not in the District's name	<u>3,596,789</u>	<u>84,560</u>	<u>3,681,349</u>
Total uninsured	7,009,277	84,560	7,093,837
Insured (FDIC)	<u>250,000</u>	<u>250,000</u>	<u>500,000</u>
Total deposits	<u>\$ 7,259,277</u>	<u>\$ 334,560</u>	<u>\$ 7,593,837</u>
State of New Mexico collateral requirement:			
50% of uninsured public fund bank deposits	\$ 3,504,639	\$ 42,280	\$ 3,546,919
Pledged security	<u>3,596,789</u>	<u>84,560</u>	<u>3,681,349</u>
Over collateralization	<u>\$ 92,150</u>	<u>\$ 42,280</u>	<u>\$ 134,430</u>

The collateral pledged is listed on Page 111 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico. According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing "Now" accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

#### B. Receivables

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

	Receivables		Due from Other	
	<u>Delinquent Property Taxes</u>	<u>Grant</u>	<u>Governments</u>	<u>Funds</u>
Major Funds:				
General	\$ 27,157	\$ -	\$ 7,256	\$ 55,779
Title I	-	-	-	-
Capital Improvements HB - 33	57,451	-	153	-
Capital Improvements SB - 9	126,913	-	30,763	-
Debt Service	54,230	-	23,820	-
Ed Tech Debt Service	25,982	-	12,156	-
Other Governmental Funds	-	<u>54,910</u>	-	-
Total	<u>\$ 291,733</u>	<u>\$ 54,910</u>	<u>\$ 74,148</u>	<u>\$ 55,779</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

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

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

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements		
Title I	\$ -	\$ 40,496
Other Governmental Funds	-	3,324
Delinquent property taxes		
General Fund	24,664	-
Capital Improvements HB-33	56,793	-
Capital Improvements SB - 9	115,362	-
Debt Service Fund	47,282	-
Ed Tech Debt Service	21,238	-
Other Governmental Funds	-	-
	-	-
Total deferred/unearned revenue for governmental funds	<u>\$ 265,339</u>	<u>\$ 43,820</u>

#### C. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2015 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 55,779	\$ -
Other Governmental Funds	-	55,779
	-	55,779
Total	<u>\$ 55,779</u>	<u>\$ 55,779</u>

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

#### D. Inter-Fund Transfers

The inter-fund receivables and payables at June 30, 2015 were:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 1	\$ -
Other Governmental Funds	-	1
	-	1
Total Due To/Due From Other Funds	<u>\$ 1</u>	<u>\$ 1</u>

The transfers were to clear funds that are no longer being used and were approved by the New Mexico Department of Education.



## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

#### E. Capital Assets

Capital asset activity for the year ended June 30, 2015 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	\$ 71,429	\$ -	\$ 1,112,475
Construction in progress	<u>-</u>	<u>53,769</u>	<u>-</u>	<u>53,769</u>
Total capital assets not being depreciated	<u>1,041,046</u>	<u>125,198</u>	<u>-</u>	<u>1,166,244</u>
Capital assets being depreciated:				
Land improvements	986,509	59,275	-	1,045,784
Buildings and improvements	20,548,422	-	-	20,548,422
Furniture, fixtures, and equipment	<u>4,728,229</u>	<u>6,875</u>	<u>(4,130)</u>	<u>4,730,974</u>
Total capital assets being depreciated	<u>26,263,160</u>	<u>66,150</u>	<u>(4,130)</u>	<u>26,325,180</u>
Less accumulated depreciation for:				
Land improvements	(269,016)	(51,925)	-	(320,941)
Buildings and improvements	(8,079,605)	(561,546)	-	(8,641,151)
Furniture, fixtures, and equipment	<u>(2,478,613)</u>	<u>(265,644)</u>	<u>3,894</u>	<u>(2,740,363)</u>
Total accumulated depreciation	<u>(10,827,234)</u>	<u>(879,115)</u>	<u>3,894</u>	<u>(11,702,455)</u>
Total capital assets being depreciated, net	<u>15,435,926</u>	<u>(812,965)</u>	<u>(236)</u>	<u>14,622,725</u>
Total capital assets, net	<u>\$ 16,476,972</u>	<u>\$ (687,767)</u>	<u>\$ (236)</u>	<u>\$ 15,788,969</u>

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

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 367,004
Support Services - Students	98,179
Support Services - Instruction	9,744
Support Services - General Administration	31,967
Support Services - School Administration	43,732
Central Services	82,153
Operations & Maintenance of Plant	144,370
Student Transportation	67,474
Food Services	<u>34,165</u>
Total Depreciation Expense	<u>\$ 879,115</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, 2015

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

#### F. Long-Term Debt

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, 2015 are as follows:

<u>General Obligations Bonds</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance</u>	<u>Amount Due Within One Year</u>
Series 2011	\$ 1,750,000	1.20% to 2.60%	\$ 700,000	\$ 350,000
Series 2015	4,000,000	2.00% to 2.50%	4,000,000	630,000
Total	<u>\$ 5,750,000</u>		<u>\$ 4,700,000</u>	<u>\$ 980,000</u>

	<u>Balance</u>
Bonds payable	\$ 4,700,000
Less: current maturities	(980,000)
Unamortized:	
Bond premiums	109,581
Total non-current liabilities	<u>\$ 3,829,581</u>

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

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

<u>General Obligation Bonds</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2016	\$ 980,000	\$ 84,125	\$ 1,064,125
2017	935,000	67,075	1,002,075
2018	245,000	56,325	301,325
2019	255,000	51,325	306,325
2020	270,000	46,075	316,075
2021 - 2025	1,400,000	148,475	1,548,475
2026 - 2030	615,000	15,438	630,438
Total	<u>\$ 4,700,000</u>	<u>\$ 468,838</u>	<u>\$ 5,168,838</u>

Changes in long term debt – During the year ended June 30, 2015 the following changes occurred in liabilities reported in the general obligation bonds account group:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Bonds payable	<u>\$ 1,050,000</u>	<u>\$ 4,000,000</u>	<u>\$ 350,000</u>	<u>\$ 4,700,000</u>	<u>\$ 980,000</u>

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

## IV. COMPONENT UNITS

District management has determined that the Moreno Valley High School Charter School is a component unit of the District under 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*, since a financial burden exists upon closure of the charter school or when the charter school is in need of financial assistance. Under the same standards management has determined that Moreno Valley Education Foundation is a component unit of Moreno Valley High School Charter School.

### Transfers

The District received a transfer of title to land in the amount of \$71,429 from Moreno Valley Education Foundation during the year ended June 30, 2015. The five acres, which was originally planned to be one acre, was transferred for the purpose of facilitating the construction of classrooms for Moreno Valley High School.

The following are summarized details for the component units' balances and transactions as of June 30, 2015 and for the year then ended:

#### **A. Moreno Valley High School Charter School**

##### Cash and Temporary Investments

At June 30, 2015, the carrying amount of the Charter School's deposits was \$87,856 and the bank balance was \$130,114 with the difference consisting of outstanding checks. Of this balance \$130,114 was covered by federal depository insurance.

##### Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Charter School's deposits may not be returned to it. 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 Charter School 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, 2015, none of the Charter School's bank balance of \$130,114 was exposed to custodial risk as follows:

	International <u>Bank</u>	Washington <u>Federal</u>	<u>Total</u>
Uninsured and uncollateralized	\$ -	\$ -	\$ -
Uninsured and collateral held by pledging bank's trust dept not in the District's name	-	-	-
Total uninsured	-	-	-
Insured (FDIC)	<u>113,327</u>	<u>16,787</u>	<u>130,114</u>
Total deposits	<u>\$ 113,327</u>	<u>\$ 16,787</u>	<u>\$ 130,114</u>
State of New Mexico collateral requirement:			
50% of uninsured public fund bank deposits	\$ -	\$ -	\$ -
Pledged security	-	-	-
Over collateralization	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

### IV. COMPONENT UNITS (cont'd)

#### A. Moreno Valley High School Charter School (cont'd)

##### 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			
	<u>Property Taxes</u>	<u>Grant</u>	<u>Governments</u>	<u>Funds</u>
Major Funds:				
General	\$ -	\$ -	\$ -	\$ 23,177
Entitlement IDEA-B	-	22,159	-	-
Libraries GO Bond 2010	-	1,018	-	-
Total	\$ -	\$ 23,177	\$ -	\$ 23,177

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

##### Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2015 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 23,177	\$ -
Entitlement IDEA-B	-	22,159
Libraries GO Bond 2010	-	1,018
Total	\$ 23,177	\$ 23,177

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

##### Inter-Fund Transfers

The inter-fund receivables and payables at June 30, 2015 were:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 72,527	\$ -
Special Capital Outlay State	-	72,527
Total Due To/Due From Other Funds	\$ 72,527	\$ 72,527

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

IV. COMPONENT UNITS (cont'd)

**A. Moreno Valley High School Charter School (cont'd)**

Capital Assets

Capital asset activity for the year ended June 30, 2015 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	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets being depreciated:				
Buildings and improvements	2,127,852	-	-	2,127,852
Furniture, fixtures, and equipment	<u>103,951</u>	<u>-</u>	<u>-</u>	<u>103,951</u>
Total capital assets being depreciated	<u>2,231,803</u>	<u>-</u>	<u>-</u>	<u>2,231,803</u>
Less accumulated depreciation for:				
Buildings and improvements	(414,604)	(68,511)	-	(483,115)
Furniture, fixtures, and equipment	<u>(103,560)</u>	<u>(391)</u>	<u>-</u>	<u>(103,951)</u>
Total accumulated depreciation	<u>(518,164)</u>	<u>(68,902)</u>	<u>-</u>	<u>(587,066)</u>
Total capital assets being depreciated, net	<u>1,713,639</u>	<u>(68,902)</u>	<u>-</u>	<u>1,644,737</u>
Total capital assets, net	<u>\$ 1,713,639</u>	<u>\$ (68,902)</u>	<u>\$ -</u>	<u>\$ 1,644,737</u>

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

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 41,370
Support Services - Students	420
Support Services - Instruction	211
Support Services - General Administration	4,660
Support Services - School Administration	8,958
Central Services	4,193
Operations & Maintenance of Plant	<u>9,090</u>
Total Depreciation Expense	<u>\$ 68,902</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 Charter School 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, 2015

IV. COMPONENT UNITS (cont'd)

**B. Moreno Valley Education Foundation**

Cash and Temporary Investments

At June 30, 2015, the carrying amount of the Foundation's deposits was \$128,896 and the bank balance was \$130,013 with the difference consisting of outstanding checks. Of this balance \$130,013 was covered by federal depository insurance.

*Custodial Credit Risk*

Custodial credit risk is the risk that in the event of a bank failure, the Foundation'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 Foundation 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, 2015, none of the Foundation's bank balance of \$130,013 was exposed to custodial risk as follows:

	International	
	<u>Bank</u>	
Uninsured and uncollateralized	\$	-
Uninsured and collateral held by pledging bank's trust dept not in the District's name		<u>-</u>
Total uninsured		-
Insured (FDIC)		<u>130,013</u>
Total deposits	\$	<u><u>130,013</u></u>
State of New Mexico collateral requirement:		
50% of uninsured public fund bank deposits	\$	-
Pledged security		<u>-</u>
Over collateralization	\$	<u><u>-</u></u>

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.

**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2015

IV. COMPONENT UNITS (cont'd)

**B. Moreno Valley Education Foundation (cont'd)**

Capital Assets

Capital asset activity for the year ended June 30, 2015 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	\$ 300,000	\$ 50,000	\$ (71,429)	\$ 278,571
Collections of works of art	-	-	-	-
Construction in progress	-	-	-	-
Total capital assets not being depreciated	300,000	50,000	(71,429)	278,571
Capital assets being depreciated:				
Land improvements	-	-	-	-
Buildings and improvements	571,131	-	(571,131)	-
Furniture, fixtures, and equipment	70,324	-	(7,058)	63,266
Total capital assets being depreciated	641,455	-	(578,189)	63,266
Less accumulated depreciation for:				
Land improvements	-	-	-	-
Buildings and improvements	(252,014)	(12,916)	264,930	-
Furniture, fixtures, and equipment	(66,656)	(657)	7,058	(60,255)
Total accumulated depreciation	(318,670)	(13,573)	271,988	(60,255)
Total capital assets being depreciated, net	322,785	(13,573)	(306,201)	3,011
Total capital assets, net	\$ 622,785	\$ 36,427	\$ (377,630)	\$ 281,582

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

## V. 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, 2015.

### 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, Sections 1 through 52, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the New Mexico Educational Employees' Retirement Plan (Plan), which is a cost-sharing multiple-employer defined benefit retirement plan. 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 [www.nmerb.org](http://www.nmerb.org), [www.saonm.org](http://www.saonm.org), or by writing to:

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

Membership in the Plan is a condition of employment. Employees of public schools, universities, regional cooperatives, special schools and state agencies providing educational programs, who are employed at more than 25% of a full-time equivalency, are required to be members of the Plan. There were 140,008 active, retired, and inactive members in fiscal year 2014; there were 135,603 active, retired, and inactive members in fiscal year 2013.

*Benefits Provided* - 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. Benefits are based on three components: Final Average Salary (FAS), years of both earned and allowed service credits, and a 2.35% factor. The gross annual benefit is determined by multiplying the three components together. FAS is the higher of annual earnings for the previous 20 calendar quarters prior to retirement or the highest average annual earnings for any 20 consecutive calendar quarters.

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and earned service credit add up to the sum of 75 or more; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010. The eligibility for a member who either becomes a new member on or after July 1, 2010, or at any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date is as follows: the member's age and earned service credit add up to the sum of 80 or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit.



## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

#### B. Employee Retirement Plan (cont'd)

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2013 the COLA adjustment was equal to one-half the change in the Consumer Price Index (CPI), except that the COLA shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the Cola would equal the change in the CPI, but never less than zero. As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%. Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

The member, upon retirement, has three options as to how to receive the benefit.

Option A – If the member elects the Option A, there is no reduction to the monthly benefit other than any “Rule of 75” deductions or any community property or child support reductions. There will be no continuing benefit to a beneficiary or estate upon the retiree's death, except the balance, if any, of member contributions. Those contributions are usually exhausted in the first three to four years of retirement.

Option B – If the member elects Option B, the monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member and upon the retiree's death, the same benefit is paid to the beneficiary for his or her lifetime. The named beneficiary may not be changed after the effective date of retirement since the amount of the option is calculated by using both the age of the member and the beneficiary. If the beneficiary predeceases the member, the member's benefit will be adjusted by returning it to the Option A Benefit amount. The IRS prohibits selection of Option B for a non-spouse beneficiary more than ten years younger than the member.

Option C – If the member elects Option C, the monthly benefit is reduced to provide for a 50% survivor's benefit. The benefit is payable during the life of the member and upon the retiree's death, one half of the member's benefit is paid to the beneficiary for his or her lifetime. Here again, the named beneficiary may not be changed after the effective date of retirement. If the beneficiary predeceases the member, the member's benefit is adjusted by returning it to the Option A Benefit amount.

Under the provisions of Options B and C coverage, the beneficiary must be a person, and only one beneficiary may be named. The term beneficiary means a person having an insurable interest in the life of the member.

Member Contributions – Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 10.7% of their gross salary in fiscal year 2015.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

V. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Employer Contributions – In fiscal year 2015, the District was required to contribute 13.9% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 13.9% of the gross covered salary for employees whose annual salary is more than \$20,000. 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, 2015, 2014, and 2013, were \$363,803, \$338,895, and \$282,119, respectively, which equal the amount of the required contributions for each fiscal year.

Moreno Valley High School Charter School's contributions to ERB for the fiscal years ending June 30, 2015, 2014, and 2013, were \$74,975, \$74,462, and \$58,238, respectively, which equal the amount of the required contributions for each fiscal year.

Employers

The Educational Retirement Act designates employers as Local Administrative Units, directly responsible for payment of compensation for the employment of members or participants of this Plan. There were 213 contributing employers in fiscal year 2014; there were 212 contributing employers in fiscal year 2013.

Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Expense Related to Pensions

**Cimarron Municipal Schools**

At June 30, 2015, the District reported a liability of \$5,334,279 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.09349 percent, which was a decrease of 0.00068 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$358,352.

**Pension Expense Calculation**

Add:	Net pension liability - end of the year	\$ 5,334,279
Deduct:	Net pension liability - beginning of the year	(5,910,913)
Deduct:	Deferred outflows of resources during the year	-
Add:	First year of amortization of deferred outflows of resources	-
Add:	Deferred inflows of resources during the year	596,091
Deduct:	First year of amortization of deferred inflows of resources	-
Add:	Layerd amortization of prior year(s) deferred outflows of resources	-
Deduct:	Layerd amortization of prior year(s) deferred inflows of resources	-
	Reductions to ending net pension liability due contributions paid	<u>338,895</u>
	Total Pension Expense	<u>\$ 358,352</u>

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 79,466
Change of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	484,935
Changes in proportion and differences between District contributions and proportionate share of contributions	-	31,690
District contributions subsequent to the measurement date	<u>364,309</u>	<u>-</u>
Total	<u>\$ 364,309</u>	<u>\$ 596,091</u>

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

V. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Deferred outflows of resources related to pensions in the amount of \$596,091 resulted from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending		
<u>June 30,</u>		
2016	\$	159,822
2017		159,822
2018		155,191
2019		121,256
2020		-
Thereafter		-
Total	\$	<u>596,091</u>

**Moreno Valley High School Charter School**

At June 30, 2015, the Charter School reported a liability of \$1,171,949 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the Charter School's proportion was 0.02054 percent, which was an increase of 0.00112 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Charter School recognized pension expense of \$99,284.

**Pension Expense Calculation**

Add:	Net pension liability - end of the year	\$	1,171,949
Deduct:	Net pension liability - beginning of the year		(1,218,967)
Deduct:	Deferred outflows of resources during the year		(52,175)
Add:	First year of amortization of deferred outflows of resources		-
Add:	Deferred inflows of resources during the year		124,015
Deduct:	First year of amortization of deferred inflows of resources		-
Add:	Layerd amortization of prior year(s) deferred outflows of resources		-
Deduct:	Layerd amortization of prior year(s) deferred inflows of resources		-
	Reductions to ending net pension liability due contributions paid		<u>74,462</u>
	Total Pension Expense	\$	<u>99,284</u>

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

#### B. Employee Retirement Plan (cont'd)

At June 30, 2015, the Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 17,461
Change of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	106,554
Changes in proportion and differences between District contributions and proportionate share of contributions	52,175	-
District contributions subsequent to the measurement date	74,975	-
Total	\$ 127,150	\$ 124,015

Deferred outflows of resources related to pensions in the amount of \$74,975 resulted from Charter School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Total</u>
2016	\$ (18,116)	\$ 32,695	\$ 14,579
2017	(18,116)	32,695	14,579
2018	(15,943)	31,967	16,024
2019	-	26,658	26,658
2020	-	-	-
Thereafter	-	-	-
Total	\$ (52,175)	\$ 124,015	\$ 71,840

#### Actuarial Assumptions

A single discount rate of 7.75% was used to measure the total pension liability as of June 30, 2014. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the assumptions described below and the projection of cash flows, pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. The long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of June 30, 2013. The total pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2013. The total pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. Specifically, the liabilities measured as of June 30, 2014 incorporate the following assumptions:

- 1) All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.7%, thereafter.
- 2) Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their Cost of Living Adjustment (COLA) will be deferred until age 67.
- 3) COLAs for most retirees are reduced until ERB attains a 100% funded status.
- 4) These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six year experience study period ending June 30, 2012.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

V. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contributions rates included in the measurement are as follows:

Actuarial Cost Method Entry Age:	Normal
Amortization Method:	Level Percentage of Payroll
Remaining Period:	Amortized - closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method:	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation:	3.00%
Salary Increases:	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return:	7.75%
Retirement Age:	Experience based table of age and service rates
Mortality:	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for 30-year return assumptions are summarized in the following table:

	2014 Long-Term Expected <u>Real Rate of Return</u>	2013 Long-Term Expected <u>Real Rate of Return</u>
Cash	1.50%	0.75%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	0.75%
Global Bonds (Hedged)	1.38%	0.93%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

V. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Rate of Return

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following:

- 1) Rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.),
- 2) Application of key economic projections (inflation, real growth, dividends, etc.), and
- 3) Structural themes (supply and demand imbalances, capital flows, etc.).

These items are developed for each major asset class.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate Assumption

The following table shows the sensitivity of the net pension liability to changes in the discount rate as of fiscal year end 2014. In particular, the table presents the Plan's net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

		6.75%			7.75%			8.75%
<b>ERB (All Employers)</b>								
2014	\$	7,763,304,829	\$	5,705,730,813	\$	3,987,098,791		
2013	\$	8,286,923,513	\$	6,276,852,149	\$	4,599,162,126		
<b>District</b>								
2014	\$	7,257,904	\$	5,334,279	\$	3,727,719		
2013	\$	7,803,796	\$	5,910,913	\$	4,331,031		
<b>Charter School</b>								
2014	\$	1,594,574	\$	1,171,949	\$	819,088		
2013	\$	1,609,321	\$	1,218,967	\$	893,157		

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.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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V. OTHER INFORMATION (cont'd)

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

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

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

*Funding Policy*

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 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, 2015, 2014 and 2013 were \$52,572, \$51,187, and \$50,668, respectively, which equal the required contributions for each year.

Moreno Valley High School Charter School's contributions to ERB for the fiscal years ending June 30, 2015, 2014, and 2013, were \$10,642, \$11,324, and \$10,654, respectively, which equal the amount of the required contributions for each fiscal year.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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## V. OTHER INFORMATION (cont'd)

### D. 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.

### E. 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.

### F. 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.

### G. Restatement

There was a restatement of the District's basic financial statements of \$5,572,029, net pension liability, for the implementation of GASB68 which requires the recognition of the District's portion of the cost-sharing pension liability.

There was also a restatement of the Charter Schools' basic financial statements of \$1,144,503, net pension liability, for the implementation of GASB68 which requires the recognition of the District's portion of the cost-sharing pension liability.

### H. Subsequent Events

Subsequent events were evaluated through October 7, 2015 which is the date the financial statements were available to be issued.



# REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2015

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SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY  
Educational Retirement Board (ERB) Pension Plan  
Last 10 Fiscal Years\*

	<u>2015</u>
District's proportion of the net pension liability	0.093490%
District's proportionate share of the net pension liability	\$ 5,334,279
District's covered-employee payroll	\$ 2,577,055
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	207.00%
Plan fiduciary net position as a percentage of the total pension liability	66.54%

\* These schedules are intended to present 10 years of trending history. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

SCHEDULE OF DISTRICT'S CONTRIBUTIONS  
Educational Retirement Board (ERB) Pension Plan  
Last 10 Fiscal Years\*

	<u>2015</u>
Contractually required contribution	\$ 338,895
Contributions in relation to the contractually required	<u>(338,895)</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ 2,577,055
Contribution as a percentage of covered-employee payroll	13.15%

\* These schedules are intended to present 10 years of trending history. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

# REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2015

## SCHEDULE OF THE MORENO VALLEY HIGH SCHOOLS' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Educational Retirement Board (ERB) Pension Plan  
Last 10 Fiscal Years\*

	<u>2015</u>
District's proportion of the net pension liability	0.020540%
District's proportionate share of the net pension liability	\$ 1,171,949
District's covered-employee payroll	\$ 566,253
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	206.97%
Plan fiduciary net position as a percentage of the total pension liability	66.54%

\* These schedules are intended to present 10 years of trending history. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

## SCHEDULE OF MORENO VALLEY HIGH SCHOOLS' CONTRIBUTIONS

Educational Retirement Board (ERB) Pension Plan  
Last 10 Fiscal Years\*

	<u>2015</u>
Contractually required contribution	\$ 74,462
Contributions in relation to the contractually required	<u>(74,462)</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ 566,253
Contribution as a percentage of covered-employee payroll	13.15%

\* These schedules are intended to present 10 years of trending history. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2015

*Changes of benefit terms:* The COLA and retirement eligibility benefits changes in recent years are described in the Benefits Provided subsection of the financial statement note disclosure General Information on the Pension Plan.

*Changes of assumptions:* ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on April 26, 2013, ERB implemented the following changes in assumptions for fiscal years 2014 and 2013.

- 1) Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:
  - a. Lower wage inflation from 4.75% to 4.25%
  - b. Lower payroll growth from 3.75% to 3.50%
  - c. Minor changes to demographic assumptions
  - d. Population growth per year from 0.75% to 0.50%
  
- 2) Assumptions that were not changed:
  - a. Investment return will remain at 7.75%
  - b. Inflation will remain at 3.00%

See also the Note VI (B) *Actuarial Assumptions* of the financial statement note disclosure on the Pension Plan.

**GENERAL FUNDS**  
YEAR ENDED JUNE 30, 2015

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**OPERATING FUND**

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

**TRANSPORTATION FUND**

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

**INSTRUCTIONAL MATERIALS FUND**

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

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

GENERAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2015**

	<u>Operational</u> <u>Fund #11000</u>	<u>Transportation</u> <u>Fund #13000</u>	<u>Instructional</u> <u>Materials</u> <u>Fund #14000</u>	<u>Total General</u> <u>Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 250,829	\$ 15	\$ 37,447	\$ 288,291
Receivables:				
Property taxes	27,157	-	-	27,157
Due from other governments	7,256	-	-	7,256
Due from other funds	<u>55,779</u>	<u>-</u>	<u>-</u>	<u>55,779</u>
<b>Total assets</b>	<u><u>\$ 341,021</u></u>	<u><u>\$ 15</u></u>	<u><u>\$ 37,447</u></u>	<u><u>\$ 378,483</u></u>
 <b>Liabilities, deferred inflows, and fund balance</b>				
Liabilities:				
Accounts payable	\$ 7,115	\$ -	\$ -	\$ 7,115
Deferred inflows of resources:				
Delinquent property taxes	<u>24,664</u>	<u>-</u>	<u>-</u>	<u>24,664</u>
Fund balance:				
Unassigned	<u>309,242</u>	<u>15</u>	<u>37,447</u>	<u>346,704</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u><u>\$ 341,021</u></u>	<u><u>\$ 15</u></u>	<u><u>\$ 37,447</u></u>	<u><u>\$ 378,483</u></u>

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

GENERAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2015**

	General Funds			Total General Fund
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
<b>Revenues:</b>				
Taxes:				
Property	\$ 151,381	\$ -	\$ -	\$ 151,381
Oil and gas	20,355	-	-	20,355
Intergovernmental - federal grants	28,823	-	-	28,823
Intergovernmental - state grants	3,803,331	474,144	26,253	4,303,728
Charges for services	60,124	-	-	60,124
Investment and interest income	843	-	-	843
Miscellaneous	<u>4,802</u>	<u>-</u>	<u>-</u>	<u>4,802</u>
<b>Total revenue</b>	<u>4,069,659</u>	<u>474,144</u>	<u>26,253</u>	<u>4,570,056</u>
<b>Expenditures:</b>				
Current:				
Instruction	2,261,911	-	16,312	2,278,223
Support services:				
Students	651,808	-	-	651,808
Instruction	17,660	-	-	17,660
General Administration	200,763	-	-	200,763
School Administration	257,414	-	-	257,414
Central Services	88,588	-	-	88,588
Operation & Maintenance of Plant	523,703	-	-	523,703
Student transportation	-	474,166	-	474,166
Other Support services	<u>2,295</u>	<u>-</u>	<u>-</u>	<u>2,295</u>
<b>Total expenditures</b>	<u>4,004,142</u>	<u>474,166</u>	<u>16,312</u>	<u>4,494,620</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>65,517</u>	<u>(22)</u>	<u>9,941</u>	<u>75,436</u>
<b>Other financing sources and financing uses:</b>				
Transfers in	1	-	-	1
Refunds	<u>-</u>	<u>(36)</u>	<u>-</u>	<u>(36)</u>
<b>Total other financing sources and financing uses</b>	<u>1</u>	<u>(36)</u>	<u>-</u>	<u>(35)</u>
<i>Net change in fund balance</i>	65,518	(58)	9,941	75,401
<b>Fund balance at beginning of the year</b>	<u>243,724</u>	<u>73</u>	<u>27,506</u>	<u>271,303</u>
<b>Fund balance at end of the year</b>	<u>\$ 309,242</u>	<u>\$ 15</u>	<u>\$ 37,447</u>	<u>\$ 346,704</u>

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Taxes:				
Property	\$ 154,878	\$ 154,878	\$ 149,856	\$ (5,022)
Intergovernmental - federal grants	20,121	21,014	28,824	7,810
Intergovernmental - state grants	3,895,007	3,982,258	3,803,331	(178,927)
Charges for services	5,100	32,600	60,124	27,524
Miscellaneous	-	-	4,801	4,801
<b>Total revenues</b>	4,092,796	4,208,440	4,070,292	(138,148)
<b>Expenditures:</b>				
Current:				
Instruction	2,427,064	2,356,412	2,262,049	94,363
Support services:				
Students	586,305	655,794	651,808	3,986
Instruction	19,082	20,843	17,660	3,183
General Administration	226,389	218,680	200,236	18,444
School Administration	284,255	285,601	257,414	28,187
Central Services	89,462	89,974	88,588	1,386
Operation & Maintenance of Plant	566,166	598,238	524,653	73,585
Student transportation	-	-	-	-
Other Support services	21,302	110,127	2,295	107,832
<b>Total expenditures</b>	4,220,025	4,335,669	4,004,703	330,966
<i>Excess (deficiency) of revenues over expenditures</i>	(127,229)	(127,229)	65,589	192,818
<i>Beginning cash balance budgeted</i>	127,229	127,229	-	(127,229)
<b>Fund balance at beginning of the year</b>	-	-	243,724	243,724
<b>Fund balance at end of the year</b>	\$ -	\$ -	309,315	\$ 309,315
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			22,565	
Change in due from other governments			1,465	
Change in payables			561	
Change in deferred property taxes			(24,664)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 309,242	

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ 420,842	\$ 474,144	\$ 474,144	\$ -
<b>Expenditures:</b>				
Current:				
Support services:				
Student transportation	420,842	474,180	474,166	14
<i>Excess (deficiency) of revenues over expenditures</i>	-	(36)	(22)	14
<b>Other financing uses:</b>				
Refunds	-	-	(36)	(36)
<i>Net change in fund balance</i>	-	(36)	(58)	(22)
<i>Beginning cash balance budgeted</i>	-	36	-	(36)
<b>Fund balance at beginning of the year</b>	-	-	73	73
<b>Fund balance at end of the year</b>	\$ -	\$ -	15	\$ 15
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 15	

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ 7,961	\$ 26,253	\$ 18,292
<b>Expenditures:</b>				
Current:				
Instruction	-	35,467	16,312	19,155
<i>Excess (deficiency) of revenues     over expenditures</i>	-	(27,506)	9,941	37,447
<i>Beginning cash balance budgeted</i>	-	27,506	-	(27,506)
<b>Fund balance at beginning of the year</b>	-	-	27,506	27,506
<b>Fund balance at end of the year</b>	\$ -	\$ -	37,447	\$ 37,447
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 37,447	



MAJOR CAPITAL PROJECTS FUNDS  
AND  
MAJOR DEBT SERVICE FUND

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

BOND BUILDING FUND - NO. 31100  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Investment and interest income	\$ -	\$ -	\$ 75,730	\$ 75,730
<b>Expenditures:</b>				
Current:				
Support services:				
Operation & Maintenance of Plant	-	327,000	243,363	83,637
Capital outlay:				
Construction in progress	-	3,687,812	-	3,687,812
<b>Total expenditures</b>	-	4,014,812	243,363	3,771,449
<i>Excess (deficiency) of revenues over expenditures</i>	-	(4,014,812)	(167,633)	3,847,179
<b>Other financing sources:</b>				
Sale of bonds	-	4,014,812	4,000,000	(14,812)
<i>Net change in fund balance</i>	-	-	3,832,367	3,832,367
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	3,832,367	\$ 3,832,367
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 3,832,367	

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Property	\$ 15,410	\$ 15,410	\$ 3,467	\$ (11,943)
Investment and interest income	-	-	58	58
<b>Total revenues</b>	15,410	15,410	3,525	(11,885)
<b>Expenditures:</b>				
Current:				
Support services:				
General Administration	300	300	35	265
Capital outlay:				
Construction in progress	64,311	64,311	-	64,311
<b>Total expenditures</b>	64,611	64,611	35	64,576
<i>Excess (deficiency) of revenues over expenditures</i>	(49,201)	(49,201)	3,490	52,691
<i>Beginning cash balance budgeted</i>	49,201	49,201	-	(49,201)
<b>Fund balance at beginning of the year</b>	-	-	51,112	51,112
<b>Fund balance at end of the year</b>	\$ -	\$ -	54,602	\$ 54,602
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			29,637	
Change in due from other governments			59	
Change in deferred property taxes			(29,428)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 54,870	

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

CAPITAL IMPROVEMENTS SB-9 FUND - NO. 31700

**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Property	\$ 791,041	\$ 791,041	\$ 773,075	\$ (17,966)
Oil and gas	68,641	68,641	90,051	21,410
Intergovernmental - state grants	-	12,624	12,624	-
Investment and interest income	800	800	2,405	1,605
Miscellaneous	-	-	<u>3,423</u>	<u>3,423</u>
<b>Total revenues</b>	<u>860,482</u>	<u>873,106</u>	<u>881,578</u>	<u>8,472</u>
<b>Expenditures:</b>				
Current:				
Support services:				
General Administration	8,332	8,486	8,469	17
Operation & Maintenance of Plant	1,060,000	1,059,846	422,438	637,408
Capital outlay:				
Equipment	275,000	275,000	15,703	259,297
Construction in progress	<u>640,756</u>	<u>682,986</u>	<u>60,761</u>	<u>622,225</u>
<b>Total expenditures</b>	<u>1,984,088</u>	<u>2,026,318</u>	<u>507,371</u>	<u>1,518,947</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(1,123,606)	(1,153,212)	374,207	1,527,419
<i>Beginning cash balance budgeted</i>	1,123,606	1,153,212	-	(1,153,212)
<b>Fund balance at beginning of the year</b>	-	-	<u>1,195,938</u>	<u>1,195,938</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	1,570,145	<u>\$ 1,570,145</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			10,842	
Change in due from other governments			4,971	
Change in payables			1,123	
Change in deferred property taxes			<u>(20,258)</u>	
<b>Fund balance at end of the year (GAAP basis)</b>			<u>\$ 1,566,823</u>	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Taxes:				
Property	\$ 82	\$ 10,082	\$ 583,307	\$ 573,225
Oil and gas	-	-	37,706	37,706
<b>Total revenues</b>	82	10,082	621,013	610,931
<b>Expenditures:</b>				
Current:				
Support services:				
General Administration	100	10,100	5,833	4,267
Debt service:				
Reserves	4,062	4,062	-	4,062
<b>Total expenditures</b>	4,162	14,162	5,833	8,329
<i>Excess (deficiency) of revenues over expenditures</i>	(4,080)	(4,080)	615,180	619,260
<i>Beginning cash balance budgeted</i>	4,080	4,080	-	(4,080)
<b>Fund balance at beginning of the year</b>	-	-	4,062	4,062
<b>Fund balance at end of the year</b>	\$ -	\$ -	619,242	\$ 619,242
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			54,230	
Change in due from other governments			23,820	
Change in deferred property taxes			(47,282)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 650,010	

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

ED TECH DEBT SERVICE FUND - NO. 43000

**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Property	\$ 327,368	\$ 327,368	\$ 305,867	\$ (21,501)
Oil and gas	34,707	34,707	35,590	883
Investment and interest income	300	300	533	233
<b>Total revenues</b>	<b>362,375</b>	<b>362,375</b>	<b>341,990</b>	<b>(20,385)</b>
<b>Expenditures:</b>				
Current:				
Support services:				
General Administration	3,274	3,274	3,059	215
Debt service:				
Principal retirement	350,000	350,000	350,000	-
Bond interest paid	12,075	12,075	12,075	-
Reserves	375,920	375,920	-	375,920
<b>Total expenditures</b>	<b>741,269</b>	<b>741,269</b>	<b>365,134</b>	<b>376,135</b>
<i>Excess (deficiency) of revenues over expenditures</i>	(378,894)	(378,894)	(23,144)	355,750
<i>Beginning cash balance budgeted</i>	378,894	378,894	-	(378,894)
<b>Fund balance at beginning of the year</b>	-	-	415,543	415,543
<b>Fund balance at end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>392,399</b>	<b>\$ 392,399</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			(29,186)	
Change in due from other governments			2,190	
Change in deferred property taxes			25,728	
<b>Fund balance at end of the year (GAAP basis)</b>			<b>\$ 391,131</b>	

## NONMAJOR GOVERNMENTAL FUNDS

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**NONMAJOR GOVERNMENTAL FUNDS**  
YEAR ENDED JUNE 30, 2015

**Nonmajor Special Revenue Funds**

Special revenue funds are operating funds used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

- Minimum Balance:     None

➤ 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 sat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.
- Minimum Balance:     None

➤ ATHLETICS (Fund No. 22000)

This fund provides financing for school athletic activities. Funding is provided by fees from patrons.
- Minimum Balance:     None

➤ ENTITLEMENT IDEA-B (Fund No. 24106)

Program provides 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.
- Minimum Balance:     None

➤ 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.
- Minimum Balance:     None

➤ 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.
- Minimum Balance:     None

➤ 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.
- Minimum Balance:     None

➤ 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.
- Minimum Balance:     None

➤ 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.

**NONMAJOR GOVERNMENTAL FUNDS**  
YEAR ENDED JUNE 30, 2015

**Nonmajor Special Revenue Funds (cont'd)**

- TEACHER QUALITY ENHANCEMENT (Fund No. 25214) Minimum Balance: None  
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) Minimum Balance: None  
To account for funds received under the Small Rural School Achievement Program to enhance education.
  
- TURNER FOUNDATION (Fund No. 26156) Minimum Balance: None  
To enhance the curriculum by utilizing nontraditional teaching methods (real life learning).
  
- A PLUS FOR ENERGY (Fund No. 26179) Minimum Balance: None  
To assist high school lab based science courses in the study of energy resources.
  
- DUAL CREDIT INSTRUCTIONAL MATERIALS (Fund No. 27103) Minimum Balance: None  
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) Minimum Balance: None  
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) Minimum Balance: None  
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) Minimum Balance: None  
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) Minimum Balance: None  
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.

**NONMAJOR GOVERNMENTAL FUNDS**  
YEAR ENDED JUNE 30, 2015

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**Nonmajor Special Revenue Funds (cont'd)**

- BEGINNING TEACHER MENTORING (Fund No. 27154) Minimum Balance: None  
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) Minimum Balance: None  
To be used for the purchase of textbooks for schools within the District.
  
- STEM TEACHER INITIATIVE (Fund No. 27181) Minimum Balance: None  
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) Minimum Balance: None  
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.
  
- PARENT ADVOCACY PROJECT (Fund No. 27193) Minimum Balance: None  
This is a grant to develop or request reimbursement for the Student-Parent Portal program for every District and Charter in NM. These portals can be used to deliver student information and reports to students and parents online. Parent portal and parent advocacy initiatives support the Governor's commitment to help parents stay better informed about their students.
  
- CS FOUNDATION (Fund No. 29102) Minimum Balance: None  
To assist the school in providing educational services.

**Nonmajor Capital Projects Funds**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

- ED TECHNOLOGY EQUIPMENT ACT (Fund No. 31900) Minimum Balance: None  
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**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2015**

	<b>Special Revenue Funds</b>			
	Food Service Fund #21000	Athletics Fund #22000	Entitlement IDEA-B Fund #24106	Preschool IDEA-B Fund #24109
<b>Assets</b>				
Cash and cash equivalents	\$ 47,852	\$ 6,872	\$ 96	\$ 525
Receivables:				
Grant	-	-	18,904	2,182
Other receivables	-	-	-	-
USDA commodities inventory	177	-	-	-
Food inventory	335	-	-	-
<b>Total assets</b>	<b>\$ 48,364</b>	<b>\$ 6,872</b>	<b>\$ 19,000</b>	<b>\$ 2,707</b>
<b>Liabilities, deferred inflows, and fund balance</b>				
Liabilities:				
Accounts payable	\$ 17,414	\$ -	\$ -	\$ -
Due to other funds	-	-	19,000	2,707
Total liabilities	17,414	-	19,000	2,707
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Fund balance:				
Non-spendable:				
Inventories	512	-	-	-
Restricted for:				
Special revenue funds	30,438	6,872	-	-
Capital projects funds	-	-	-	-
Total fund balance	30,950	6,872	-	-
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 48,364</b>	<b>\$ 6,872</b>	<b>\$ 19,000</b>	<b>\$ 2,707</b>

( cont'd; 1 of 7 )

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2015**

	<b>Special Revenue Funds</b>			
	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>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 70	\$ -
Receivables:				
Grant	-	14,177	6,330	-
Other receivables	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 14,177</u>	<u>\$ 6,400</u>	<u>\$ -</u>
<b>Liabilities, deferred inflows, and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>14,177</u>	<u>6,400</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>14,177</u>	<u>6,400</u>	<u>-</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ -</u>	<u>\$ 14,177</u>	<u>\$ 6,400</u>	<u>\$ -</u>

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STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2015**

	<b>Special Revenue Funds</b>			
	Teacher Quality Enhancement Fund #25214	Rural Education Achievement Fund #25233	Turner Foundation Fund #26156	A Plus for Energy Fund #26179
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 3,324	\$ 13,373	\$ 870
Receivables:				
Grant	-	-	-	-
Other receivables	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 3,324</b>	<b>\$ 13,373</b>	<b>\$ 870</b>
<b>Liabilities, deferred inflows, and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	3,324	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	13,373	870
Capital projects funds	-	-	-	-
Total fund balance	-	-	13,373	870
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ -</b>	<b>\$ 3,324</b>	<b>\$ 13,373</b>	<b>\$ 870</b>

( cont'd; 3 of 7 )

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2015**

	<b>Special Revenue Funds</b>			
	Dual Credit Instructional Materials <u>Fund #27103</u>	Libraries GO Bond 2010 <u>Fund #27106</u>	Libraries GO Bond 2012 <u>Fund #27107</u>	Reads to Lead <u>Fund #27114</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 178
Receivables:				
Grant	-	-	-	8,322
Other receivables	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,500</u>
<b>Liabilities, deferred inflows, and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	8,500
Total liabilities	-	-	-	8,500
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total fund balance	-	-	-	-
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,500</u>

( cont'd; 4 of 7 )

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2015**

	<b>Special Revenue Funds</b>			
	Incentives for School Improvement Fund #27138	Beginning Teacher Mentoring Fund #27154	GO Bonds Instructional Materials Fund #27171	STEM Teacher Initiative Fund #27181
<b>Assets</b>				
Cash and cash equivalents	\$ 1,758	\$ -	\$ -	\$ -
Receivables:				
Grant	-	-	-	-
Other receivables	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
<b>Total assets</b>	<b>\$ 1,758</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
 <b>Liabilities, deferred inflows, and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	1,758	-	-	-
Capital projects funds	-	-	-	-
Total fund balance	1,758	-	-	-
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 1,758</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

( cont'd; 5 of 7 )



STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2015**

	<b>Special Revenue Funds</b>		
	Parent		
	New Mexico Grown <u>Fund #27183</u>	Advocacy Project <u>Fund #27193</u>	CS Foundation <u>Fund #29102</u>
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 65,154
Receivables:			
Grant	-	4,995	-
Other receivables	-	-	-
USDA commodities inventory	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 4,995</u>	<u>\$ 65,154</u>
 <b>Liabilities, deferred inflows, and fund balance</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>4,995</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>4,995</u>	<u>-</u>
Deferred inflows of resources:			
Advances of federal, state, and local grants	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:			
Non-spendable:			
Inventories	-	-	-
Restricted for:			
Special revenue funds	-	-	65,154
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>65,154</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ -</u>	<u>\$ 4,995</u>	<u>\$ 65,154</u>

( cont'd; 6 of 7 )

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2015**

	Total Non-Major Special Revenue Funds	Ed Technology Equipment Act Fund #31900	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 140,072	\$ 337,146	\$ 477,218
Receivables:			
Grant	54,910	-	54,910
Other receivables	-	-	-
USDA commodities inventory	177	-	177
Food inventory	<u>335</u>	<u>-</u>	<u>335</u>
<b>Total assets</b>	<b><u>\$ 195,494</u></b>	<b><u>\$ 337,146</u></b>	<b><u>\$ 532,640</u></b>
 <b>Liabilities, deferred inflows, and fund balance</b>			
Liabilities:			
Accounts payable	\$ 17,414	\$ -	\$ 17,414
Due to other funds	<u>55,779</u>	<u>-</u>	<u>55,779</u>
Total liabilities	<u>73,193</u>	<u>-</u>	<u>73,193</u>
Deferred inflows of resources:			
Advances of federal, state, and local grants	<u>3,324</u>	<u>-</u>	<u>3,324</u>
Fund balance:			
Non-spendable:			
Inventories	512	-	512
Restricted for:			
Special revenue funds	118,465	-	118,465
Capital projects funds	<u>-</u>	<u>337,146</u>	<u>337,146</u>
Total fund balance	<u>118,977</u>	<u>337,146</u>	<u>456,123</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b><u>\$ 195,494</u></b>	<b><u>\$ 337,146</u></b>	<b><u>\$ 532,640</u></b>

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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, 2015**

	<b>Special Revenue Funds</b>			
	Food Service <u>Fund #21000</u>	Athletics <u>Fund #22000</u>	Entitlement IDEA-B <u>Fund #24106</u>	Preschool IDEA-B <u>Fund #24109</u>
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 211,678	\$ -	\$ 147,912	\$ 13,087
Intergovernmental - state grants	1,717	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	32,086	14,645	-	-
Investment and interest income	<u>37</u>	<u>11</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<u>245,518</u>	<u>14,656</u>	<u>147,912</u>	<u>13,087</u>
<b>Expenditures:</b>				
Current:				
Instruction	-	11,244	41,244	13,087
Support services:				
Students	-	-	18,893	-
General Administration	-	-	-	-
School Administration	-	-	46,802	-
Central Services	-	-	40,973	-
Operation & Maintenance of Plant	-	-	-	-
Food services operations	231,586	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>231,586</u>	<u>11,244</u>	<u>147,912</u>	<u>13,087</u>
<i>Excess (deficiency) of revenues over expenditures</i>	13,932	3,412	-	-
<b>Other financing uses:</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	13,932	3,412	-	-
<b>Fund balance at beginning of the year</b>	<u>17,018</u>	<u>3,460</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of the year</b>	<u>\$ 30,950</u>	<u>\$ 6,872</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 1 of 7)

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, 2015**

	<b>Special Revenue Funds</b>			
	Fresh Fruits and Vegetables	IDEA-B "Risk Pool"	Title II Teacher Quality	Title XIX Medicaid
	<u>Fund #24118</u>	<u>Fund #24120</u>	<u>Fund #24154</u>	<u>Fund #25153</u>
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 8,503	\$ 86,270	\$ 7,326	\$ 13,091
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
<b>Total revenues</b>	<u>8,503</u>	<u>86,270</u>	<u>7,326</u>	<u>13,091</u>
<b>Expenditures:</b>				
Current:				
Instruction	-	86,270	7,326	-
Support services:				
Students	-	-	-	13,091
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Food services operations	8,503	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>8,503</u>	<u>86,270</u>	<u>7,326</u>	<u>13,091</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<b>Other financing uses:</b>				
Transfers out	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

( cont'd; 2 of 7 )

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, 2015**

	<b>Special Revenue Funds</b>			
	Teacher Quality Enhancement <u>Fund #25214</u>	Rural Education Achievement <u>Fund #25233</u>	Turner Foundation <u>Fund #26156</u>	A Plus for Energy <u>Fund #26179</u>
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ -	\$ 23,014	\$ -	\$ -
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	20,000	-
Charges for services	-	-	-	-
Investment and interest income	-	-	4	3
<b>Total revenues</b>	-	23,014	20,004	3
<b>Expenditures:</b>				
Current:				
Instruction	-	20,184	26,592	-
Support services:				
Students	-	6,154	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	26,338	26,592	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	(3,324)	(6,588)	3
<b>Other financing uses:</b>				
Transfers out	-	-	-	-
<i>Net change in fund balance</i>	-	(3,324)	(6,588)	3
<b>Fund balance at beginning of the year</b>	-	3,324	19,961	867
<b>Fund balance at end of the year</b>	\$ -	\$ -	\$ 13,373	\$ 870

( cont'd; 3 of 7 )

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, 2015**

	Special Revenue Funds			
	Dual Credit Instructional Materials <u>Fund #27103</u>	Libraries GO Bond 2010 <u>Fund #27106</u>	Libraries GO Bond 2012 <u>Fund #27107</u>	Reads to Lead <u>Fund #27114</u>
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ -	\$ -	\$ -	\$ -
Intergovernmental - state grants	807	-	-	49,946
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
<b>Total revenues</b>	807	-	-	49,946
<b>Expenditures:</b>				
Current:				
Instruction	807	-	-	49,946
Support services:				
Students	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	807	-	-	49,946
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<b>Other financing uses:</b>				
Transfers out	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	\$ -	\$ -

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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, 2015**

	<b>Special Revenue Funds</b>			
	Incentives for School Improvement <u>Fund #27138</u>	Beginning Teacher Mentoring <u>Fund #27154</u>	GO Bonds Instructional Materials <u>Fund #27171</u>	STEM Teacher Initiative <u>Fund #27181</u>
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ -	\$ -	\$ -	\$ -
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<u><u>2</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Expenditures:</b>				
Current:				
Instruction	2,661	-	-	-
Support services:				
Students	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u><u>2,661</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<i>Excess (deficiency) of revenues over expenditures</i>	(2,659)	-	-	-
<b>Other financing uses:</b>				
Transfers out	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	(2,659)	(1)	-	-
<b>Fund balance at beginning of the year</b>	<u>4,417</u>	<u>1</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of the year</b>	<u><u>\$ 1,758</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></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, 2015**

	<b>Special Revenue Funds</b>		
	New Mexico Grown <u>Fund #27183</u>	Parent Advocacy Project <u>Fund #27193</u>	CS Foundation <u>Fund #29102</u>
	<b>Revenues:</b>		
Intergovernmental - federal grants	\$ -	\$ -	\$ -
Intergovernmental - state grants	-	4,995	-
Contributions - private grants	-	-	40,000
Charges for services	-	-	-
Investment and interest income	-	-	55
<b>Total revenues</b>	-	4,995	40,055
<b>Expenditures:</b>			
Current:			
Instruction	-	-	24,641
Support services:			
Students	-	-	-
General Administration	-	4,995	1,171
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Food services operations	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	-	4,995	25,812
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	14,243
<b>Other financing uses:</b>			
Transfers out	-	-	-
<i>Net change in fund balance</i>	-	-	14,243
<b>Fund balance at beginning of the year</b>	-	-	50,911
<b>Fund balance at end of the year</b>	\$ -	\$ -	\$ 65,154

( cont'd; 6 of 7 )



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, 2015**

	Total Nonmajor Special Revenue <u>Funds</u>	Ed Technology Equipment Act <u>Fund #31900</u>	Total Nonmajor Governmental <u>Funds</u>
<b>Revenues:</b>			
Intergovernmental - federal grants	\$ 510,881	\$ -	\$ 510,881
Intergovernmental - state grants	57,465	-	57,465
Contributions - private grants	60,000	-	60,000
Charges for services	46,731	-	46,731
Investment and interest income	<u>112</u>	<u>110</u>	<u>222</u>
<b>Total revenues</b>	<u>675,189</u>	<u>110</u>	<u>675,299</u>
<b>Expenditures:</b>			
Current:			
Instruction	284,002	-	284,002
Support services:			
Students	38,138	-	38,138
General Administration	6,166	320	6,486
School Administration	46,802	-	46,802
Central Services	40,973	-	40,973
Operation & Maintenance of Plant	-	192,557	192,557
Food services operations	240,089	-	240,089
Capital outlay	<u>-</u>	<u>16,132</u>	<u>16,132</u>
<b>Total expenditures</b>	<u>656,170</u>	<u>209,009</u>	<u>865,179</u>
<i>Excess (deficiency) of revenues over expenditures</i>	19,019	(208,899)	(189,880)
<b>Other financing uses:</b>			
Transfers out	<u>(1)</u>	<u>-</u>	<u>(1)</u>
<i>Net change in fund balance</i>	19,018	(208,899)	(189,881)
<b>Fund balance at beginning of the year</b>	<u>99,959</u>	<u>546,045</u>	<u>646,004</u>
<b>Fund balance at end of the year</b>	<u>\$ 118,977</u>	<u>\$ 337,146</u>	<u>\$ 456,123</u>

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NONMAJOR GOVERNMENTAL FUNDS  
BUDGETARY PRESENTATION

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 174,439	\$ 184,439	\$ 203,578	\$ 19,139
Intergovernmental - state grants	-	1,100	1,717	617
Charges for services	26,300	29,600	32,086	2,486
Investment and interest income	<u>20</u>	<u>20</u>	<u>37</u>	<u>17</u>
<b>Total revenues</b>	200,759	215,159	237,418	22,259
<b>Expenditures:</b>				
Current:				
Food Services Operations	<u>204,449</u>	<u>218,849</u>	<u>216,843</u>	<u>2,006</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(3,690)	(3,690)	20,575	24,265
<i>Beginning cash balance budgeted</i>	3,690	3,690	-	(3,690)
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>17,018</u>	<u>17,018</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>37,593</u>	<u>\$ 37,593</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in inventory			(919)	
Change in payables			<u>(5,724)</u>	
<b>Fund balance at end of the year (GAAP basis)</b>			<u>\$ 30,950</u>	

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Charges for services	\$ 10,000	\$ 10,000	\$ 14,645	\$ 4,645
Investment and interest income	5	5	11	6
<b>Total revenues</b>	10,005	10,005	14,656	4,651
<b>Expenditures:</b>				
Current:				
Instruction	14,899	14,899	11,244	3,655
<i>Excess (deficiency) of revenues over expenditures</i>	(4,894)	(4,894)	3,412	8,306
<i>Beginning cash balance budgeted</i>	4,894	4,894	-	(4,894)
<b>Fund balance at beginning of the year</b>	-	-	3,460	3,460
<b>Fund balance at end of the year</b>	\$ -	\$ -	6,872	\$ 6,872
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 6,872	

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

ENTITLEMENT IDEA-B FUND - NO. 24106

**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 111,007	\$ 148,371	\$ 205,605	\$ 57,234
<b>Expenditures:</b>				
Current:				
Instruction	62,161	41,457	41,244	213
Support services:				
Students	18,300	18,909	18,893	16
School Administration	21,031	47,032	46,802	230
Central Services	9,515	40,973	40,973	-
<b>Total expenditures</b>	111,007	148,371	147,912	459
<i>Excess of revenues over expenditures</i>	-	-	57,693	57,693
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	57,693	\$ 57,693
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(57,693)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 10,911	\$ 14,483	\$ 13,611	\$ (872)
<b>Expenditures:</b>				
Current:				
Instruction	10,911	14,483	13,087	1,396
<i>Excess of revenues over expenditures</i>	-	-	524	524
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	524	\$ 524
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(524)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ -	\$ 8,503	\$ 8,503	\$ -
<b>Expenditures:</b>				
Current:				
Food Services Operations	-	8,503	8,503	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			<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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ -	\$ 88,167	\$ 72,862	\$ (15,305)
<b>Expenditures:</b>				
Current:				
Instruction	-	88,167	86,270	1,897
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(13,408)	(13,408)
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	(13,408)	<u>\$ (13,408)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			13,408	
<b>Fund balance at end of the year (GAAP basis)</b>			<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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 12,199	\$ 34,848	\$ 3,726	\$ (31,122)
<b>Expenditures:</b>				
Current:				
Instruction	<u>12,199</u>	<u>34,848</u>	<u>7,326</u>	<u>27,522</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(3,600)	(3,600)
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	(3,600)	<u>\$ (3,600)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>3,600</u>	
<b>Fund balance at end of the year (GAAP basis)</b>			<u>\$ -</u>	

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 13,152	\$ 13,152	\$ 13,091	\$ (61)
<b>Expenditures:</b>				
Current:				
Instruction	549	-	-	-
Support services:				
Students	12,603	13,152	13,091	61
<b>Total expenditures</b>	<u>13,152</u>	<u>13,152</u>	<u>13,091</u>	<u>61</u>
<i>Excess of revenues over expenditures</i>	-	-	-	-
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			<u>\$ -</u>	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
<b>Other financing uses:</b>				
Transfers out	-	-	(1)	(1)
<i>Net change in fund balance</i>	-	-	(1)	(1)
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	(1)	<u>\$ (1)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in deferred revenue			1	
<b>Fund balance at end of the year (GAAP basis)</b>			<u>\$ -</u>	

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ -	\$ 36,180	\$ 26,339	\$ (9,841)
<b>Expenditures:</b>				
Current:				
Instruction	15,200	25,148	20,184	4,964
Support services:				
Students	<u>2,924</u>	<u>11,032</u>	<u>6,155</u>	<u>4,877</u>
<b>Total expenditures</b>	<u>18,124</u>	<u>36,180</u>	<u>26,339</u>	<u>9,841</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(18,124)	-	-	-
<i>Beginning cash balance budgeted</i>	18,124	-	-	-
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>3,324</u>	<u>3,324</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>3,324</u>	<u>\$ 3,324</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in deferred revenue			<u>(3,324)</u>	
<b>Fund balance at end of the year (GAAP basis)</b>			<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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Contributions - private grants	\$ -	\$ 20,000	\$ 20,000	\$ -
Investment and interest income	<u>15</u>	<u>15</u>	<u>4</u>	<u>(11)</u>
<b>Total revenues</b>	15	20,015	20,004	(11)
<b>Expenditures:</b>				
Current:				
Instruction	<u>19,046</u>	<u>39,960</u>	<u>26,592</u>	<u>13,368</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(19,031)	(19,945)	(6,588)	13,357
<i>Beginning cash balance budgeted</i>	19,031	19,945	-	(19,945)
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>19,961</u>	<u>19,961</u>
<b>Fund balance at end of the year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>13,373</u>	<u><u>\$ 13,373</u></u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			<u>-</u>	
<b>Fund balance at end of the year (GAAP basis)</b>			<u><u>\$ 13,373</u></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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Contributions - private grants	\$ 3	\$ 3	\$ 3	\$ -
<b>Expenditures:</b>				
Current:				
Instruction	870	870	-	870
<i>Excess (deficiency) of revenues over expenditures</i>	(867)	(867)	3	870
<i>Beginning cash balance budgeted</i>	867	867	-	(867)
<b>Fund balance at beginning of the year</b>	-	-	867	867
<b>Fund balance at end of the year</b>	\$ -	\$ -	870	\$ 870
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 870	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ 880	\$ 975	\$ 95
<b>Expenditures:</b>				
Current:				
Instruction	-	880	807	73
<i>Excess of revenues over expenditures</i>	-	-	168	168
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	168	<u>\$ 168</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(168)	
<b>Fund balance at end of the year (GAAP basis)</b>			<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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ -	\$ 2,009	\$ 2,009
<b>Expenditures:</b>				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	2,009	2,009
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	2,009	\$ 2,009
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(2,009)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ 15,397	\$ 15,397	\$ -	\$ (15,397)
<b>Expenditures:</b>				
Current:				
Support services:				
Instruction	15,397	15,397	-	15,397
<i>Excess of revenues over expenditures</i>	-	-	-	-
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	-	\$ -
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ 50,000	\$ 50,000	\$ 63,647	\$ 13,647
<b>Expenditures:</b>				
Current:				
Instruction	<u>50,000</u>	<u>50,000</u>	<u>49,946</u>	<u>54</u>
<i>Excess of revenues over expenditures</i>	-	-	13,701	13,701
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	13,701	<u>\$ 13,701</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>(13,701)</u>	
<b>Fund balance at end of the year (GAAP basis)</b>			<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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ 4,417	\$ -	\$ (4,417)
Investment and interest income	-	-	<u>2</u>	<u>2</u>
<b>Total revenues</b>	-	4,417	2	(4,415)
<b>Expenditures:</b>				
Current:				
Instruction	-	4,417	2,661	1,756
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(2,659)	(2,659)
<b>Fund balance at beginning of the year</b>	-	-	4,417	4,417
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	1,758	<u>\$ 1,758</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			<u>\$ 1,758</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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
<b>Other financing uses:</b>				
Transfers out	-	-	(1)	(1)
<i>Net change in fund balance</i>	-	-	(1)	(1)
<b>Fund balance at beginning of the year</b>	-	-	1	1
<b>Fund balance at end of the year</b>	\$ -	\$ -	-	\$ -
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ -	\$ 9,702	\$ 9,702
<b>Expenditures:</b>				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	9,702	9,702
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	9,702	\$ 9,702
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(9,702)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ -	\$ 4,994	\$ 4,994
<b>Expenditures:</b>				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	4,994	4,994
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	4,994	\$ 4,994
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(4,994)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ 3,000	\$ -	\$ (3,000)
<b>Expenditures:</b>				
Current:				
Food Services Operations	-	3,000	-	3,000
<i>Excess of revenues over expenditures</i>	-	-	-	-
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			<u>\$ -</u>	



STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

PARENT ADVOCACY PROJECT FUND - NO. 27193  
**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ 4,995	\$ -	\$ (4,995)
<b>Expenditures:</b>				
Current:				
Support services:				
General Administration	-	4,995	4,995	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(4,995)	(4,995)
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	(4,995)	\$ (4,995)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			4,995	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Contributions - private grants	\$ -	\$ 40,000	\$ 40,000	\$ -
Investment and interest income	<u>5</u>	<u>5</u>	<u>55</u>	<u>50</u>
<b>Total revenues</b>	<u>5</u>	<u>40,005</u>	<u>40,055</u>	<u>50</u>
<b>Expenditures:</b>				
Current:				
Instruction	63,312	87,872	24,674	63,198
Support services:				
General Administration	<u>-</u>	<u>3,072</u>	<u>1,171</u>	<u>1,901</u>
<b>Total expenditures</b>	<u>63,312</u>	<u>90,944</u>	<u>25,845</u>	<u>65,099</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(63,307)	(50,939)	14,210	65,149
<i>Beginning cash balance budgeted</i>	63,307	50,939	-	(50,939)
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>50,911</u>	<u>50,911</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>65,121</u>	<u>\$ 65,121</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			<u>33</u>	
<b>Fund balance at end of the year (GAAP basis)</b>			<u>\$ 65,154</u>	

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

ED TECHNOLOGY EQUIPMENT ACT FUND - NO. 31900  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Investment and interest income	\$ 50	\$ 50	\$ 110	\$ 60
<b>Expenditures:</b>				
Current:				
Support services:				
General Administration	5,000	5,000	320	4,680
Operation & Maintenance of Plant	568,581	568,581	192,665	375,916
Capital outlay:				
Equipment	<u>50,000</u>	<u>50,000</u>	<u>16,132</u>	<u>33,868</u>
<b>Total expenditures</b>	<u>623,581</u>	<u>623,581</u>	<u>209,117</u>	<u>414,464</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(623,531)	(623,531)	(209,007)	414,524
<i>Beginning cash balance budgeted</i>	623,531	623,531	-	(623,531)
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>546,045</u>	<u>546,045</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>337,038</u>	<u>\$ 337,038</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>108</u>	
<b>Fund balance at end of the year (GAAP basis)</b>			<u>\$ 337,146</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, 2015**

Activity	Balance			Balance	
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2015</u>
100	Pay Pal E-Store	\$ 553	\$ -	\$ -	\$ 553
400	Annual Yearbook	1,318	1,042	1,239	1,121
401	Administration	-	-	-	-
402	High School Art	1,636	2	-	1,638
403	Booster Club	11,592	21,030	18,362	14,260
405	Juan Martinez Scholarship	22,918	30	1,000	21,948
406	CHS Cheerleaders	1,860	3	333	1,530
408	Elementary MOP	745	2,025	1,015	1,755
409	Elementary Yearbook	455	801	1,256	-
410	Elementary Principal	2,214	1,988	3,154	1,048
411	Elementary Art	1,264	552	955	861
412	PeeWee Basketball	1,209	1	366	844
413	Elementary Athletics	65	-	-	65
415	Class of 2012	716	4,212	2,803	2,125
416	District Nurse	875	501	536	840
417	Class of 2010	2,944	407	2,681	670
419	Class of 2011	1,305	8,930	6,093	4,142
420	Class of 2013	-	881	35	846
421	Class of 2014	784	(784)	-	-
424	CMS Student Council	666	244	239	671
425	CMS 8Th Grade Dance	-	374	294	80
426	ENEMS Principal	2,913	7,520	7,251	3,182
427	MS Admin	359	368	448	279
428	MS Barn Fund	5,015	5,060	3,115	6,960
430	MS Art	88	-	75	13
431	MS Yearbook	1,181	2,373	1,900	1,654
434	MS Student Council	289	166	289	166
440	HS Principal	3,933	6,880	7,421	3,392
442	HS Student Council	893	-	752	141
445	HS Teachers	168	39	130	77
446	Band-Music	718	16,289	15,645	1,362
449	HS Exploratory	432	8,064	7,240	1,256
450	HS National Honor Society	160	20	31	149
451	Ram's Horn	1,088	1	547	542
452	RHOR	469	1	-	470
454	CHS Shop	257	1	-	258
455	HS Laser Shop/Business	4,171	633	2,404	2,400
458	Elementary VIP's	2,185	2,024	1,963	2,246
460	Zane Scholarship	12,415	616	500	12,531
461	100 Years of Excellence	251	-	-	251
463	ENEMS Library	1,183	1	478	706
464	ENEMS K-2 Teachers	2,178	4,281	4,408	2,051
465	ENEMS 3-4 Teachers	2,163	13,873	10,724	5,312
470	MS FCA	4,254	4,005	4,654	3,605
476	HS FCA	1,214	2	-	1,216
479	HS Graphic Art	292	-	-	292
481	CHS Rams E-Store	1,251	-	-	1,251
482	CHS Broadcast	3,087	5	-	3,092
483	Culinary Arts	1,050	1	-	1,051
485	ENEMS Beta Club	43	1,623	1,340	326
487	WERC Environmental Design	380	-	149	231
488	District Athletics	-	8,119	6,654	1,465
	Pooled cash and investments	<u>\$ 107,199</u>	<u>\$ 124,204</u>	<u>\$ 118,479</u>	<u>\$ 112,924</u>
	LIABILITIES				
	Deposits held for others	<u>\$ 107,199</u>	<u>\$ 124,204</u>	<u>\$ 118,479</u>	<u>\$ 112,924</u>

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

SCHEDULE OF PLEDGED COLLATERAL  
**June 30, 2015**

	<u>International Bank</u>	<u>Bank of Albuquerque</u>	<u>Total</u>
Cash on deposit at June 30, 2015	\$ 7,259,277	\$ 334,560	\$ 7,593,837
Less: FDIC coverage	<u>250,000</u>	<u>250,000</u>	<u>500,000</u>
Uninsured funds	<u>\$ 7,009,277</u>	<u>\$ 84,560</u>	<u>\$ 7,093,837</u>
50% collateral requirement	\$ 3,504,639	\$ 42,280	\$ 3,546,919
Pledged collateral	<u>3,596,789</u>	<u>84,560</u>	<u>3,681,349</u>
Excess (deficiency) of pledged collateral	<u>\$ 92,150</u>	<u>\$ 42,280</u>	<u>\$ 134,430</u>

Pledged collateral of financial institutions consists of the following at June 30, 2015

<u>International Bank:</u>	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
FHLB	12/28/2016	3130A0C65	\$ 400,149
FNMA	11/27/2018	3135G0YT4	2,023,068
FNMA	12/20/2018	3136G12K4	98,646
FHLB	12/6/2019	313381ED3	221,204
FHLB	12/13/2019	313381DN2	122,640
FHLB	12/13/2019	313381DN2	49,056
FNMA	3/28/2023	3136G1GE3	<u>682,026</u>
			<u>\$ 3,596,789</u>

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

<u>Bank of Albuquerque:</u>	<u>Credit Limit</u>
Bank of Albuquerque pooled government securities for trust accounts	<u>\$ 84,560</u>

The above securities are held at Albuquerque, NM

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

CASH RECONCILIATION  
 Year Ended June 30, 2015

	<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	\$ 118,085	\$ 4,070,291	\$ (4,004,704)	\$ 67,157	\$ 250,829	\$ -	\$ 250,829
Transportation	73	474,144	(474,166)	(36)	15	-	15
Instructional Materials	27,506	26,253	(16,312)	-	37,447	-	37,447
Food Services	27,277	237,418	(216,843)	-	47,852	-	47,852
Athletics	3,460	14,656	(11,244)	-	6,872	-	6,872
Federal Flowthrough Funds	32,738	377,898	(328,867)	(40,582)	41,187	-	41,187
Federal Direct Funds	3,325	39,429	(39,429)	(1)	3,324	-	3,324
Local Grants	20,828	20,007	(26,592)	-	14,243	-	14,243
State Flowthrough Funds	5,590	81,329	(58,409)	(26,574)	1,936	-	1,936
Local/State	50,944	40,055	(25,845)	-	65,154	-	65,154
Bond Building	-	4,075,729	(243,362)	-	3,832,367	-	3,832,367
Capital Improvements HB-33	50,570	3,524	(35)	-	54,059	-	54,059
Capital Improvements SB-9	1,153,212	881,579	(507,371)	-	1,527,420	-	1,527,420
Ed Technology Equipment Act	546,153	110	(209,117)	-	337,146	-	337,146
Debt Service	4,062	621,013	(5,833)	-	619,242	-	619,242
Ed Tech Debt Service	397,375	341,989	(365,133)	-	374,231	-	374,231
Agency Funds	-	-	-	-	-	112,924	112,924
<b>Total</b>	<b>\$ 2,441,198</b>	<b>\$ 11,305,424</b>	<b>\$ (6,533,262)</b>	<b>\$ (36)</b>	<b>\$ 7,213,324</b>	<b>\$ 112,924</b>	<b>\$ 7,326,248</b>

<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	\$ 73,678	Agency funds	<u>\$ 112,924</u>
Cafeteria	Checking - Interest	International Bank	47,852		
Activities	Checking - Interest	International Bank	103,668	Adjustments to cash:	
HB 33	Checking - Interest	International Bank	54,059	Bank Balance	\$ 7,593,837
SB 9	Checking - Interest	International Bank	5,357,391	Cash on hand	-
Athletics	Checking - Interest	International Bank	7,030	Outstanding deposits	26,578
CHS E Store	Checking - Interest	International Bank	553	Outstanding checks	<u>(294,167)</u>
Ed Tech	Checking - Interest	International Bank	6,057	Total adjustment to cash	<u>\$ 7,326,248</u>
Debt Service	Checking - Interest	International Bank	993,473		
Special Investment	Checking - Interest	International Bank	603,587		
Zane Scholarship	CD	International Bank	11,929		
Ed Tech Bonds	Checking - Non-Interest	Bank of Albuquerque	<u>334,560</u>		
			<u>\$ 7,593,837</u>		



STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

SCHEDULE OF VENDOR INFORMATION  
 (Individual Purchases in Exceeding \$60,000, Excluding Gross Receipts Tax)  
**Year Ended June 30, 2015**

Prepared by (Agency Staff Name): Lawana Whitten Title: Business Manager Date: October 6, 2015

<u>RFB/RFP #</u>	<u>Type of Procurement</u>	<u>Awarded To</u>	<u>Amount of Awarded Contract</u>	<u>Amount of Amended Contract</u>	<u>Name and Physical Address of All Respondents</u>	<u>In-State / Out-of-State Vendor</u>	<u>Veteran's Preference N/A for Federal Funds</u>	<u>Scope of Work</u>
1415-101	RFB		\$ 230,777		Greer Stafford/SJCF Architecture, Inc 1717 Louisiana Blvd. NE Suite 206, Albuquerque, NM 87110	Yes	No	Construction of MVHS classroom addition
					Soleil West 2625 Pennsylvania St. NE Suite 600 Albuquerque, NM 87710	Yes	No	Construction of MVHS classroom addition
					The Hartman+Majewski Design Group 120 Vassar Dr SE Suite100 Albuquerque, NM 87106	Yes	No	Construction of MVHS classroom addition
					Autotroph Inc. 422 Greg Ave Santa Fe, NM 87501	Yes	No	Construction of MVHS classroom addition
					NCA Design Team 1306 Rio Grande Blvd. NW, Albuquerque, NM 87104	Yes	No	Construction of MVHS classroom addition
		Living Designs Group			Living Designs Group Architects 122A Dona Luz Street Taos, NM 87571	YES	No	Construction of MVHS classroom addition
1415-102	RFB	Summitt Food Service	.055 per meal Admin Fee \$655 per month		Summitt Food Service 1751 County Road B West, Suite 300 Roseville, MN 55113	Yes	No	Food Service for District

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# COMPONENT UNITS

MORENO VALLEY HIGH SCHOOL

MORENO VALLEY EDUCATION FOUNDATION

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

STATEMENT OF NET POSITION  
**June 30, 2015**

	Governmental <u>Activities</u>	Moreno Valley Education Foundation
<b>Assets</b>		
Cash and cash equivalents	\$ 71,095	\$ 128,896
Receivables:		
Grant	23,177	-
Non-current:		
Non-depreciable assets	-	278,571
Depreciable capital assets, net	<u>1,644,737</u>	<u>3,011</u>
<b>Total Assets</b>	<u>1,739,009</u>	<u>410,478</u>
<b>Deferred Outflows of Resources:</b>		
Contributions to pension subsequent to the measurement date	74,975	-
Change in proportionate share of pension liability	<u>52,175</u>	<u>-</u>
<b>Total Deferred Outflows of Resources</b>	<u>127,150</u>	<u>-</u>
<b>Liabilities</b>		
Accounts payable	1,197	-
Accrued salaries	7,247	-
Aggregate net pension liability	<u>1,171,949</u>	<u>-</u>
<b>Total Liabilities</b>	<u>1,180,393</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>		
Difference between expected and actual experience	17,461	
Net difference between projected and actual investment earnings on plan investments	<u>106,554</u>	<u>-</u>
<b>Total Deferred Inflows of Resources</b>	<u>124,015</u>	<u>-</u>
<b>Net Position</b>		
Net investment in capital assets	1,644,737	281,582
Restricted for:		
Special revenue funds	1,881	-
Unrestricted	<u>(1,084,867)</u>	<u>128,896</u>
<b>Total Net Position</b>	<u>\$ 561,751</u>	<u>\$ 410,478</u>

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

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

STATEMENT OF ACTIVITIES  
 Year Ended June 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>			
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>	<u>Component Units</u>		
<b>Primary government:</b>								
<b>Governmental activities:</b>								
Instruction	\$ 654,870	\$ 790	\$ 2,765	\$ -	\$ (651,315)			
Support Services - Students	6,452	-	27	-	(6,425)			
Support Services - Instruction	3,247	-	14	-	(3,233)			
Support Services - General Administration	71,585	-	302	-	(71,283)			
Support Services - School Administration	137,611	-	581	-	(137,030)			
Central Services	64,403	-	272	-	(64,131)			
Operations & Maintenance of Plant	140,883	-	595	77,435	(62,853)			
Food Services	-	-	40,973	-	40,973			
<b>Total governmental activities</b>	<b>\$ 1,079,051</b>	<b>\$ 790</b>	<b>\$ 45,529</b>	<b>\$ 77,435</b>	<b>(955,297)</b>			
<b>Component units:</b>								
<b>Governmental activities:</b>								
Moreno Valley Educatino Foundation	\$ 36,601	\$ -	\$ -	\$ -		\$ (36,601)		
General revenues:								
State equalization							822,639	-
Unrestricted donations							-	59,976
Miscellaneous income							21,849	-
Total general revenues							844,488	59,976
Transfers							-	(71,429)
Loss on asset disposal							-	(319,116)
<i>Change in net position</i>							<u>(110,809)</u>	<u>(367,170)</u>
<b>Net position - beginning</b>							1,817,065	777,648
Restatement							(1,144,505)	-
Net position - beginning as restated							672,560	777,648
<b>Net position - ending</b>							<b>\$ 561,751</b>	<b>\$ 410,478</b>

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

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2015**

	General Funds			Special Revenue Funds		
	Operational Fund	Instructional Materials Fund	General Fund	Entitlement IDEA-B Fund #24106	Libraries GO Bond 2010 Fund #27106	Beginning Teacher Mentoring Fund #27154
<b>Assets</b>						
Cash and cash equivalents	\$ 64,815	\$ 4,399	\$ 69,214	\$ -	\$ -	\$ 1,881
Receivables:						
Grant	-	-	-	22,159	1,018	-
Due from other funds	<u>23,177</u>	<u>-</u>	<u>23,177</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<b><u>\$ 87,992</u></b>	<b><u>\$ 4,399</u></b>	<b><u>\$ 92,391</u></b>	<b><u>\$ 22,159</u></b>	<b><u>\$ 1,018</u></b>	<b><u>\$ 1,881</u></b>
<b>Liabilities and fund balance</b>						
Liabilities:						
Accounts payable	\$ 1,197	\$ -	\$ 1,197	\$ -	\$ -	\$ -
Accrued salaries	7,247	-	7,247	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,159</u>	<u>1,018</u>	<u>-</u>
Total liabilities	<u>8,444</u>	<u>-</u>	<u>8,444</u>	<u>22,159</u>	<u>1,018</u>	<u>-</u>
Fund balance:						
Restricted for:						
Special revenue funds	-	-	-	-	-	1,881
Unassigned	<u>79,548</u>	<u>4,399</u>	<u>83,947</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>79,548</u>	<u>4,399</u>	<u>83,947</u>	<u>-</u>	<u>-</u>	<u>1,881</u>
<b>Total liabilities and fund balance</b>	<b><u>\$ 87,992</u></b>	<b><u>\$ 4,399</u></b>	<b><u>\$ 92,391</u></b>	<b><u>\$ 22,159</u></b>	<b><u>\$ 1,018</u></b>	<b><u>\$ 1,881</u></b>

(cont'd; 1 of 2)

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
 June 30, 2015

	<b>Capital Projects Funds</b>					
Total Special Revenue Funds	Public School Capital Outlay Fund #31200	Special Capital Outlay - State Fund #31400	Capital Improvements SB-9 Fund #31700	Total Capital Projects Funds	Total Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 1,881	\$ -	\$ -	\$ -	\$ -	\$ 71,095
Receivables:						
Grant	23,177	-	-	-	-	23,177
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,177</u>
<b>Total assets</b>	<b><u>\$ 25,058</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 117,449</u></b>
 <b>Liabilities and fund balance</b>						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197
Accrued salaries	-	-	-	-	-	7,247
Due to other funds	<u>23,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,177</u>
Total liabilities	<u>23,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,621</u>
Fund balance:						
Restricted for:						
Special revenue funds	1,881	-	-	-	-	1,881
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,947</u>
Total fund balance	<u>1,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,828</u>
<b>Total liabilities and fund balance</b>	<b><u>\$ 25,058</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 117,449</u></b>

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STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

RECONCILIATION OF THE BALANCE SHEET - ALL GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET POSITION  
**June 30, 2015**

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

Fund balances - total governmental funds	\$	85,828
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		2,231,803
Deferred inflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Contributions to pension subsequent to the measurement date		74,975
Change in proportionate share of pension liability		52,175
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
Net pension liability		(1,171,949)
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Difference between expected and actual experience		(17,461)
Net difference between projected and actual investment earnings on plan investments		<u>(106,554)</u>
Net position of governmental activities	\$	<u><u>561,751</u></u>

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2015**

	General Funds		
	Operational Fund	Instructional Materials Fund	General Fund
<b>Revenues:</b>			
Intergovernmental - federal grants	\$ -	\$ -	\$ -
Intergovernmental - state grants	822,639	4,556	827,195
Charges for services	790	-	790
Miscellaneous	<u>21,849</u>	<u>-</u>	<u>21,849</u>
<b>Total revenues</b>	<u>845,278</u>	<u>4,556</u>	<u>849,834</u>
<b>Expenditures:</b>			
Current:			
Instruction	542,772	4,999	547,771
Support services:			
Students	6,040	-	6,040
Instruction	3,040	-	3,040
General Administration	67,014	-	67,014
School Administration	128,824	-	128,824
Central Services	60,291	-	60,291
Operation & Maintenance of Plant	<u>77,501</u>	<u>-</u>	<u>77,501</u>
<b>Total expenditures</b>	<u>885,482</u>	<u>4,999</u>	<u>890,481</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(40,204)</u>	<u>(443)</u>	<u>(40,647)</u>
<b>Other financing sources and financing uses:</b>			
Transfers in	72,527	-	72,527
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources and financin</b>	<u>72,527</u>	<u>-</u>	<u>72,527</u>
<i>Net change in fund balance</i>	32,323	(443)	31,880
<b>Fund balance (deficit) at beginning of the</b>	<u>47,225</u>	<u>4,842</u>	<u>52,067</u>
<b>Fund balance at end of the year</b>	<u>\$ 79,548</u>	<u>\$ 4,399</u>	<u>\$ 83,947</u>

( cont'd; 1 of 3 )

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

GOVERNMENTAL FUNDS  
 Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2015

	Special Revenue Funds			Total Special Revenue Funds
	Entitlement IDEA-B Fund #24106	Libraries GO Bond 2010 Fund #27106	Beginning Teacher Mentoring Fund #27154	
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 40,973	\$ -	\$ -	\$ 40,973
Intergovernmental - state grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	40,973	-	-	40,973
<b>Expenditures:</b>				
Current:				
Instruction	40,973	-	-	40,973
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
<b>Total expenditures</b>	40,973	-	-	40,973
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<b>Other financing uses:</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing uses</b>	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<b>Fund balance at beginning of the year</b>	-	-	1,881	1,881
<b>Fund balance (deficit) at end of the year</b>	\$ -	\$ -	\$ 1,881	\$ 1,881

( cont'd; 2 of 3 )

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

GOVERNMENTAL FUNDS  
 Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2015

	Capital Projects Funds				
	Public School Capital Outlay Fund #31200	Special Capital Outlay - State Fund #31400	Capital Improvements SB-9 Fund #31700	Total Capital Projects Funds	Total Governmental Funds
<b>Revenues:</b>					
Intergovernmental - federal grants	\$ -	\$ -	\$ -	\$ -	\$ 40,973
Intergovernmental - state grants	70,355	-	7,080	77,435	904,630
Charges for services	-	-	-	-	790
Miscellaneous	-	-	-	-	21,849
<b>Total revenues</b>	70,355	-	7,080	77,435	968,242
<b>Expenditures:</b>					
Current:					
Instruction	-	-	-	-	588,744
Support services:					
Students	-	-	-	-	6,040
Instruction	-	-	-	-	3,040
General Administration	-	-	-	-	67,014
School Administration	-	-	-	-	128,824
Central Services	-	-	-	-	60,291
Operation & Maintenance of Plant	54,386	-	-	54,386	131,887
<b>Total expenditures</b>	54,386	-	-	54,386	985,840
<i>Excess (deficiency) of revenues over expenditures</i>	15,969	-	7,080	23,049	(17,598)
<b>Other financing uses:</b>					
Transfers in	-	-	-	-	72,527
Transfers out	-	(72,527)	-	(72,527)	(72,527)
<b>Total other financing uses</b>	-	(72,527)	-	(72,527)	-
<i>Net change in fund balance</i>	15,969	(72,527)	7,080	(49,478)	(17,598)
<b>Fund balance at beginning of the year</b>	(15,969)	72,527	(7,080)	49,478	103,426
<b>Fund balance (deficit) at end of the year</b>	\$ -	\$ -	\$ -	\$ -	\$ 85,828

( 3 of 3 )

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
**Year Ended June 30, 2015**

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

Net change in fund balance - total governmental funds	\$	(17,598)
<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>		
Depreciation		(68,902)
<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>		
Deferred contributions to pension plan		74,975
Pension expense		<u>(99,284)</u>
Change in net position of governmental activities	\$	<u>(110,809)</u>

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
(COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

AGENCY FUNDS  
**Statement of Fiduciary Assets and Liabilities**  
**June 30, 2015**

ASSETS

Pooled cash and investments	<u>\$ 16,761</u>
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LIABILITIES

Deposits held for others	<u>\$ 16,761</u>
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The notes to the financial statements are an integral part of this statement.

**MORENO VALLEY HIGH SCHOOL (COMPONENT UNIT)**  
**GOVERNMENTAL FUNDS**  
YEAR ENDED JUNE 30, 2015

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### General Funds

Special revenue funds are operating funds used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

- OPERATING FUND (Fund No. 11000) Minimum Balance: None  
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.
- INSTRUCTIONAL MATERIALS FUND (Fund No. 14000) Minimum Balance: None  
Accounts for all the Instructional Materials funds received through the state for the purpose of acquiring study materials for the students.

### Special Revenue Funds

Special revenue funds are operating funds used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

- ENTITLEMENT IDEA-B (Fund No. 24106) Minimum Balance: None  
Program provides 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.
- LIBRARY GO BONDS 2010 (Fund No. 27106) Minimum Balance: None  
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
- BEGINNING TEACHER MENTORING (Fund No. 27154) Minimum Balance: None  
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.

### Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

- ED TECHNOLOGY EQUIPMENT ACT (Fund No. 31900) Minimum Balance: None  
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.
- PUBLIC SCHOOL CAPITAL OUTLAY (Fund No. 31200) Minimum Balance: None  
This fund provides financing from Public Schools Critical Capital Outlay committee under chapter and laws of the New Mexico Lottery Receipts Act.
- SPECIAL CAPITAL OUTLAY – STATE (Fund No. 31400) Minimum Balance: None  
This fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.
- CAPITAL IMPROVEMENTS SB – 9 (Fund No. 31700) Minimum Balance: None  
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.

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

OPERATIONAL FUND - NO. 11000  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ 814,436	\$ 822,639	\$ 822,639	\$ -
Charges for services	6,000	6,000	790	(5,210)
<b>Total revenues</b>	820,436	828,639	823,429	(5,210)
<b>Expenditures:</b>				
Current:				
Instruction	588,849	549,462	527,341	22,121
Support services:				
Students	5,475	6,040	6,040	-
Instruction	-	3,041	3,040	1
General Administration	66,623	67,276	67,014	262
School Administration	114,155	128,830	128,824	6
Central Services	31,244	60,295	60,291	4
Operation & Maintenance of Plant	79,452	79,057	76,330	2,727
<b>Total expenditures</b>	885,798	894,001	868,880	25,121
<i>Excess (deficiency) of revenues   over expenditures</i>	(65,362)	(65,362)	(45,451)	19,911
<b>Other financing sources:</b>				
Transfers in	-	-	72,527	72,527
<i>Net change in fund balance</i>	(65,362)	(65,362)	27,076	92,438
<i>Beginning cash balance budgeted</i>	65,362	65,362	-	(65,362)
<b>Fund balance at beginning of the year</b>	-	-	47,225	47,225
<b>Fund balance at end of the year</b>	\$ -	\$ -	74,301	\$ 74,301
RECONCILIATION TO GAAP BASIS:				
Change in accrued liabilities			5,247	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 79,548	



STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ 2,589	\$ 4,483	\$ 4,556	\$ 73
<b>Expenditures:</b>				
Current:				
Instruction	2,589	9,325	4,999	4,326
<i>Excess (deficiency) of revenues over expenditures</i>	-	(4,842)	(443)	4,399
<i>Beginning cash balance budgeted</i>	-	4,842	-	(4,842)
<b>Fund balance at beginning of the year</b>	-	-	4,842	4,842
<b>Fund balance at end of the year</b>	\$ -	\$ -	4,399	\$ 4,399
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 4,399	

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 9,515	\$ 40,973	\$ 40,973	\$ -
<b>Expenditures:</b>				
Current:				
Instruction	9,515	40,973	40,973	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

LIBRARIES GO BOND 2010 FUND - NO. 27106

**Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2015**

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

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

BEGINNING TEACHER MENTORING FUND - NO. 27154

**Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
<b>Fund balance at beginning of the year</b>	-	-	1,881	1,881
<b>Fund balance at end of the year</b>	\$ -	\$ -	1,881	\$ 1,881
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 1,881	

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

PUBLIC SCHOOL CAPITAL OUTLAY FUND - NO. 31200  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ 54,386	\$ 70,355	\$ 15,969
<b>Expenditures:</b>				
Current:				
Support services:				
Operation & Maintenance of Plant	-	54,386	54,386	-
<i>Excess of revenues over expenditures</i>	-	-	15,969	15,969
<b>Fund balance (deficit) at beginning of the year</b>	-	-	(15,969)	(15,969)
<b>Fund balance at end of the year</b>	\$ -	\$ -	-	\$ -
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance (deficit) at end of the year (GAAP basis)</b>			\$ -	

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

SPECIAL CAPITAL OUTLAY - STATE FUND - NO. 31400  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
<b>Other financing uses:</b>				
Transfers out	-	-	(72,527)	(72,527)
<i>Net change in fund balance</i>	-	-	(72,527)	(72,527)
<b>Fund balance at beginning of the year</b>	-	-	72,527	72,527
<b>Fund balance at end of the year</b>	\$ -	\$ -	-	\$ -
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ 8,040	\$ 10,602	\$ 7,080	\$ (3,522)
<b>Expenditures:</b>				
Current:				
Support services:				
Operation & Maintenance of Plant	8,040	10,602	-	10,602
<i>Excess of revenues over expenditures</i>	-	-	7,080	7,080
<b>Fund balance (deficit) at beginning of the year</b>	-	-	(7,080)	(7,080)
<b>Fund balance at end of the year</b>	\$ -	\$ -	-	\$ -
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance (deficit) at end of the year (GAAP basis)</b>			\$ -	

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OTHER SUPPLEMENTAL INFORMATION  
(MORENO VALLEY HIGH SCHOOL)

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

FIDUCIARY FUNDS  
**Schedule of Changes in Assets and Liabilities - All Agency Funds**  
**Year Ended June 30, 2015**

Activity		Balance			Transfers	Balance
Fund	ASSETS	<u>June 30, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>In / (Out)</u>	<u>June 30, 2015</u>
000	Drama	\$ 262	\$ 1,100	\$ 805	\$ -	\$ 557
001	UAV	1	-	-	-	1
002	Booster Club	24	112	136	-	-
003	Band	292	-	11	-	281
004	Fundraiser	50	300	299	-	51
005	Recycling/Green	89	-	60	-	29
006	Variety Show	710	5	500	-	215
007	Yearbook	4,998	1,985	1,854	-	5,129
008	Ski/Snowboard	40	-	-	-	40
009	Grants	-	33	-	-	33
011	Art	750	-	78	-	672
012	Math	239	-	-	-	239
013	BVEF	8,822	6,963	11,076	663	5,372
015	PE	42	-	35	-	7
016	Greenhouse	317	147	-	-	464
017	Class of 2014	663	-	-	(663)	-
018	Class of 2015	-	2,340	1,720	-	620
019	Scholarships	180	-	-	-	180
020	Student Council	734	-	-	-	734
021	Interact Club	1,386	730	643	-	1,473
022	Kitchen	12	-	-	-	12
023	Technology	3,446	-	3,030	-	416
024	National Honor Society	<u>236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>236</u>
	Pooled cash and investments	<u>\$ 23,293</u>	<u>\$ 13,715</u>	<u>\$ 20,247</u>	<u>\$ -</u>	<u>\$ 16,761</u>
	<b>LIABILITIES</b>					
	Deposits held for others	<u>\$ 23,293</u>	<u>\$ 13,715</u>	<u>\$ 20,247</u>	<u>\$ -</u>	<u>\$ 16,761</u>

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

SCHEDULE OF PLEDGED COLLATERAL  
**June 30, 2015**

	International <u>Bank</u>	First National <u>Bank</u>	<u>Total</u>
Cash on deposit at June 30, 2015	\$ 113,327	\$ 16,787	\$ 130,114
Less: FDIC coverage	<u>113,327</u>	<u>16,787</u>	<u>130,114</u>
Uninsured funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
50% collateral requirement	\$ -	\$ -	\$ -
Pledged collateral	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of pledged collateral	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

CASH RECONCILIATION  
 Year Ended June 30, 2015

	<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	\$ 16,353	\$ 845,278	\$ (890,729)	\$ 93,913	\$ 64,815	\$ -	\$ 64,815
Instructional Materials	4,842	4,556	(4,999)	-	4,399	-	4,399
Federal Flowthrough Funds	-	40,973	(40,973)	-	-	-	-
State Flowthrough Funds	1,881	-	-	-	1,881	-	1,881
Public School Capital Outlay	-	70,355	(54,386)	(15,969)	-	-	-
Special Capital Outlay - State	72,527	-	-	(72,527)	-	-	-
Capital Improvements SB-9	-	7,080	-	(7,080)	-	-	-
Agency Funds	-	-	-	-	-	16,761	16,761
Total	<u>\$ 95,603</u>	<u>\$ 968,242</u>	<u>\$ (991,087)</u>	<u>\$ (1,663)</u>	<u>\$ 71,095</u>	<u>\$ 16,761</u>	<u>\$ 87,856</u>

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	Adjustments to report:	
Operational	Checking - Interest	International Bank	\$ 113,327	Agency funds	\$ 16,761
Activities	Checking - Interest	First National Bank	<u>16,787</u>		
			<u>\$ 130,114</u>	Adjustments to cash:	
				Bank Balance	\$ 130,114
				Cash on hand	50
				Outstanding deposits	-
				Outstanding checks	(42,308)
				Errors	-
				Total adjustment to cash	<u>\$ 87,856</u>

STATE OF NEW MEXICO  
**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**  
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

**SCHEDULE OF VENDOR INFORMATION**  
 (Individual Purchases in Exceeding \$60,000, Excluding Gross Receipts Tax)  
**Year Ended June 30, 2015**

Prepared by (Agency Staff Name): Amy Trevino Title: Business Manager Date: October 3, 2015

<u>RFB/RFP #</u>	<u>Type of Procurement</u>	<u>Awarded To</u>	<u>Amount of Awarded Contract</u>	<u>Amount of Amended Contract</u>	<u>Name and Physical Address of All Respondents</u>	<u>In-State / Out-of-State Vendor</u>	<u>Veteran's Preference N/A for Federal Funds</u>	<u>Scope of Work</u>
None Issued								

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**MORENO VALLEY EDUCATION FOUNDATION**  
(COMPONENT UNIT OF MORENO VALLEY HIGH SCHOOL)

STATE OF NEW MEXICO  
**MORENO VALLEY EDUCATION FOUNDATION**  
(COMPONENT UNIT OF MORENO VALLEY HIGH SCHOOL)

PROPRIETARY FUND  
**STATEMENT OF NET POSITION**  
June 30, 2015

ASSETS

Current assets:

Cash and cash equivalents	\$ 128,896
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Noncurrent assets:

Capital assets:

Land	278,571
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Equipment	63,266
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Less: accumulated depreciation	<u>(60,255)</u>
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Total noncurrent assets	<u>281,582</u>
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Total assets	<u><u>\$ 410,478</u></u>
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NET POSITION

Net investment in capital assets	\$ 281,582
----------------------------------	------------

Unrestricted	<u>128,896</u>
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Total net position	<u><u>\$ 410,478</u></u>
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The Notes to the Financial Statements are an Integral Part of This Statement



STATE OF NEW MEXICO  
**MORENO VALLEY EDUCATION FOUNDATION**  
(COMPONENT UNIT OF MORENO VALLEY HIGH SCHOOL)

PROPRIETARY FUND  
**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION**  
Year ended June 30, 2015

Operating revenue:	
Donations	\$ <u>59,976</u>
Operating expenses:	
Travel	929
Office expense	149
Contract Services	11,103
Equipment rental	56
Rental and housing	2,590
Insurance	1,079
Licenses and taxes	50
Legal and professional	12,556
Professional development	7,192
Miscellaneous	240
Depreciation	<u>657</u>
Total operating expenses	<u>36,601</u>
Operating income (loss)	<u>23,375</u>
Non-Operating income (expenses):	
Gain or loss on sale of asset	(319,116)
Transfers out	<u>(71,429)</u>
Total nonoperating revenues (expenses)	<u>(390,545)</u>
Change in net position	(367,170)
Net position - beginning	<u>777,648</u>
Net position - ending	\$ <u>410,478</u>

STATE OF NEW MEXICO  
**MORENO VALLEY EDUCATION FOUNDATION**  
 (COMPONENT UNIT OF MORENO VALLEY HIGH SCHOOL)

PROPRIETARY FUND  
**STATEMENT OF CASH FLOWS**  
 Year ended June 30, 2015

CASH FLOWS FROM OPERATING  
 ACTIVITIES

Cash received from customers	\$	59,976
Cash payments for supplies and maintenance		(35,944)
Net cash provided by operating activities		24,032

CASH FLOWS FROM CAPITAL AND RELATED  
 FINANCING ACTIVITIES

Gift of land		(50,000)
Net decrease in cash and cash equivalents		(25,968)
Cash and cash equivalents at beginning of year		154,864
Cash and cash equivalents at end of year	\$	128,896

RECONCILIATION OF OPERATING INCOME  
 TO NET CASH PROVIDED (USED) BY  
 OPERATING ACTIVITIES

Operating income	\$	23,375
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		657
Net cash provided by operating activities	\$	24,032

Non cash investing and financing activities:

Transfer of land to Cimarron School District	\$	71,429
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The Notes to the Financial Statements are an Integral Part of This Statement

OTHER SUPPLEMENTAL INFORMATION  
(MORENO VALLEY EDUCATION FOUNDATION)

STATE OF NEW MEXICO  
**MORENO VALLEY EDUCATION FOUNDATION**  
 (COMPONENT UNIT OF MORENO VALLEY HIGH SCHOOL)

**SCHEDULE OF PLEDGED COLLATERAL**  
**June 30, 2015**

<u>International Bank</u>	
Cash on deposit	\$ 154,864
Less FDIC Coverage	<u>(154,864)</u>
Total uninsured funds	<u><u>\$ -</u></u>

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>
Operating	Checking - Non Interest	International Bank	<u>\$ 154,864</u>
Adjustments to cash:			
		Bank Balance	\$ 154,864
		Reconciling items	<u>-</u>
		Cash and cash equivalents	<u><u>\$ 154,864</u></u>

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**  
 (COMPONENT UNIT OF MORENO VALLEY HIGH SCHOOL)

**SCHEDULE OF VENDOR INFORMATION**  
 (Individual Purchases in Exceeding \$60,000, Excluding Gross Receipts Tax)  
**Year Ended June 30, 2015**

Prepared by (Agency Staff Name): Carl Nelson Title: President Date: 10/01/15

<u>RFB/RFP #</u>	<u>Type of Procurement</u>	<u>Awarded To</u>	<u>Amount of Awarded Contract</u>	<u>Amount of Amended Contract</u>	<u>Name and Physical Address of All Respondents</u>	<u>In-State / Out-of-State Vendor</u>	<u>Veteran's Preference N/A for Federal Funds</u>	<u>Scope of Work</u>
N/A		None	\$ -	\$ -				

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## 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 Questioned Costs:  
Summary of Auditor's Results  
Financial Statement Findings  
Federal Award Findings

§

Summary Schedule of Prior Year Audit Findings

§

Schedule of Expenditures of Federal Awards  
Notes to the Schedule of Expenditures of Federal Awards

§

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

Tim Keller, 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, 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, 2015, and the related notes to the financial statements, which collectively comprise Cimarron Municipal School District No. 3's basic financial statements, and the combining and individual funds and related budgetary comparisons of Cimarron Municipal School District No. 3, presented as supplemental information, and have issued our report thereon dated October 7, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit, of the financial statements, we considered Cimarron Municipal School District No. 3's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cimarron Municipal School District No. 3's internal control. Accordingly, we do not express an opinion on the effectiveness of Cimarron Municipal School District No. 3's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Cimarron Municipal School District No. 3's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a *material weakness*, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. 2015-001.

Tim Keller, 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 2015-002.

### 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  
October 7, 2015

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

INDEPENDENT AUDITOR'S REPORT

Tim Keller, State Auditor  
The Board of Education and  
The Audit Committee of Cimarron Municipal School District No. 3

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

We have audited Cimarron Municipal School District No. 3's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Cimarron Municipal School District No. 3's major federal programs for the year ended June 30, 2015. Cimarron Municipal School District No. 3's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Cimarron Municipal School District No. 3's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cimarron Municipal School District No. 3's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Cimarron Municipal School District No. 3's compliance.

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

In our opinion, Cimarron Municipal School District No. 3 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Tim Keller, State Auditor  
The Board of Education and  
The Audit Committee of Cimarron Municipal School District No. 3

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

Management of Cimarron Municipal School District No. 3 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cimarron Municipal School District No. 3's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cimarron Municipal School District No. 3's internal control over compliance.

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

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

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

*Accounting & Financial Solutions, LLC*  
Farmington, New Mexico  
October 7, 2015

SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS

STATE OF NEW MEXICO  
**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
**Year Ended June 30, 2015**

<b><u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u></b>	<b><u>Federal CFDA Number</u></b>	<b><u>Pass-Through Entity Identifying Number</u></b>	<b><u>Cluster Programs</u></b>	<b><u>Federal Expenditures</u></b>
<b>U.S. Department of Agriculture:</b>				
Direct Program:				
Forest Reserve	10.670	11000		<u>\$ 8,260</u>
Pass-Through Program From:				
New Mexico Department of Education:				
<u>Child Nutrition Cluster:</u>				
USDA National School Lunch Program	10.555	21000	135,772	
USDA School Breakfast Program	10.553	21000	<u>67,806</u>	
Total Child Nutrition Cluster				203,578
Fresh Fruits and Vegetables	10.582	24118		8,503
New Mexico Human Service Department:				
USDA Commodities Program	10.550	21000		<u>8,100</u>
Total U.S. Department of Agriculture				<u>228,441</u>
<b>U.S. Department of Education:</b>				
Direct Programs:				
Rural Education Achievement	84.358A	25233		<u>26,338</u>
Pass-Through Programs From:				
New Mexico Department of Education:				
<u>Special Education (IDEA) Cluster:</u>				
Entitlement IDEA-B	84.027	24106	147,912	
Preschool IDEA-B	84.173	24109	13,087	
IDEA-B "Risk Pool"	84.027	24120	<u>86,270</u>	
Total Special Education (IDEA) Cluster				247,269
Title I	84.010	24101		65,769
Title II Teacher Quality	84.367	24154		<u>7,326</u>
Total U.S. Department of Education				<u>346,702</u>
<b>U.S. Department of Health and Human Services:</b>				
Pass-Through Program From:				
New Mexico Department of Health:				
Title XIX Medicaid	93.778	25153		<u>13,091</u>
Total Expenditures of Federal Awards				<u>\$ 588,234</u>
<b>Charter School Awards:</b>				
Moreno Valley High School				
Entitlement IDEA-B	84.027	24106		<u>\$ 40,973</u>

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2015**

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

All federal grant operations of Cimarron Municipal School District No. 3 (the “School District”) are included in the scope of the Office of management and Budget (“OMB”) Circular A-133 audit (the “Single Audit”). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised July 2015 the “Compliance Supplement”). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal 2015 cash and non-cash expenditures to ensure coverage of at least 50% (HIGH risk auditee) of federally granted funds. Actual coverage is approximately 77% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$580,134 and all non-cash expenditures amounted to \$8,100.

<u>Major Federal Award Program Description</u>	<u>Fiscal 2015 Expenditure</u>
Cash assistance:	
USDA Child Nutrition Cluster	\$ 203,578
Special Education (IDEA) Cluster	<u>247,269</u>
Total	<u>\$ 450,847</u>

The District did not have any federal program that were considered to be high risk Type A programs for the year ended June 30, 2015. The U.S. Department of Education is the School District’s oversight agency for single audit.

2. Summary of significant accounting policies

Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the Cooperative under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Cooperative, it is not intended to and does not present the financial position and changes in net position of the Cooperative. All federal programs considered active during the year ended June 30, 2015, are reflected on the Schedule. An active federal program is defined as a federal program for which there were receipts or disbursements of funds or accrued (deferred) grant revenue adjustments during the fiscal year or a federal program considered as not completed or closed out at the beginning of the fiscal year. The Schedule is prepared using the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Cooperative has met the qualifications for the respective grant. Grant revenues for the Food Donation Program are based upon commodities received, at amounts per standard price listing, published quarterly by the United States Department of Agriculture (the “USDA”). In addition, there is no federal insurance in effect during the year and loan or loan guarantee outstanding at year end.

Accrued and deferred reimbursements

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 YEAR ENDED JUNE 30, 2015

I. SUMMARY OF AUDIT RESULTS

	<u>Yes</u>	<u>No</u>	<u>Occurrences</u>
<b>FINANCIAL STATEMENTS:</b>			
Type of auditor's report issued: <u>Unmodified</u>			
Internal control over financial reporting:			
Material weakness(es) identified?	—	✓	—
Significant Deficiency(ies) identified?	✓	—	1
Noncompliance material to financial statements noted?	—	✓	—
<b>FEDERAL AWARDS:</b>			
Internal control over major programs:			
Material weakness(es) identified?	—	✓	—
Significant Deficiency(ies) identified?	—	✓	—
Type of auditor's report issued on compliance with major programs: <u>Unmodified</u>			
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	—	✓	—
The programs treated as major programs include:			
<b><u>Name of Federal Program or Cluster</u></b>	<b><u>CFDA Number</u></b>		
USDA Child Nutrition Cluster	10.553 & 10.555		
Special Education (IDEA) Cluster	84.027 & 84.173		
The threshold for distinguishing types A and B programs: <u>\$300,000</u>			
Auditee qualified as low-risk auditee?	—	✓	



**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
YEAR ENDED JUNE 30, 2015

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II. FINDINGS RELATED TO FINANCIAL STATEMENTS

**CIMARRON MUNICIPAL SCHOOL DISTRICT**

No audit findings to report related to the financial statements.

**MORENO VALLEY HIGH SCHOOL (Component Unit of Cimarron Municipal Schools)**

2015 – 001 UNRECONCILED CASH  
*Significant Deficiency in Internal Control*

Condition: The cash balances as of June 30, 2015 were not accurately reconciled. The provided trial balances had cash balances of \$71,045 (excluding activity accounts and cash on hand) and the operating bank reconciliation had reconciled balance of \$90,992 resulting in a reconciliation error of \$19,847. The reconciliation was subsequently corrected. The error being the amounts reported as outstanding checks for payroll related items.

Criteria: Bank Statements should be reconciled to the balances in the general ledger and subsidiary accounts as required by 1978 NMSA 6.10.2 and 6-NMAC-2.2.1.14.11 Bank accounts should be reconciled within 10 days of the end of period. The state requires the accounts to be reconciled within 24 hours.

Effect of condition: The Charter School is not in compliance with 1978 NMSA 6-10-2 and is lacking a significant control over cash which is a violation of 1978 NMSA 6-10-2 and 6-MNAC – 2.2.1.14.11.

Cause: The Cash was not reconciled to the General ledger in a timely manner.

Recommendation: A procedure should be established to allow the cash to be reconciled to the General Ledger.

Management's Response: No Response.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
YEAR ENDED JUNE 30, 2015

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

2015 – 002 CASH REPORTING TO STATE  
*Other Noncompliance*

Condition: The Cash Report that was submitted to the state for the year ended June 30, 2015 did not accurately report the cash balances and the transactions for that time period. The Operational Fund was in error by reporting an excess cash balance by \$19,947.

Criteria: The New Mexico Public Education Department's Public School Accounting and Budget (PSAB) supplement 7 requires the submission of the Cash Report by the last day of the month following the yearend. Report balances should be reconciled to ensure the validity and reliability of the financial data.

Effect of condition: The Charter School is not providing accurate reporting to the state.

Cause: The cash balances were reconciled and the Cash Report prepared with a subsequent correction being made to the general ledger without the Cash Report being updated with that correction.

Recommendation: Procedures should be developed to insure that financial data is reconciled in a timely manner before reports are issued. Controls should be developed so that any corrections are carried through to all reporting.

Management's Response: No Response.

**MORENO VALLEY EDUCATION FOUNDATION (Component Unit of Moreno Valley High School)**

No audit findings to report related to the financial statements.

III. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no findings required to be reported relating to federal awards.

# SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2014

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## I. NOT RESOLVED

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

## II. RESOLVED

### **CIMARRON MUNICIPAL SCHOOLS**

2014 – 001 CONTROL OVER EMPLOYEE MASTER FILE

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

2014 – 002 DISPOSAL OF CAPITAL ASSETS

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

### **MORENO VALLEY HIGH SCHOOL (Component Unit of Cimarron Municipal Schools)**

HS2014 – 001 IMPROPER FUND ACCOUNTING

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

### **MORENO VALLEY EDUCATION FOUNDATION (Component Unit of Moreno Valley High School)**

EF2014 – 001 NO INVENTORY OF CAPITAL ASSETS

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

EF2014 – 002 CONTROLS OF CAPITAL ASSETS

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

## REQUIRED DISCLOSURES

Year Ended June 30, 2015

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The financial statements were prepared by the independent public accountants.

An exit conference was held October 7, 2015 during which the audit findings were discussed. The exit conference was attended by the following individuals:

### CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Ronald Anderson	Vice President, Board of Education / Audit Committee
Adan Estrada	Superintendent / Member, Audit Committee

### MORENO VALLEY HIGH SCHOOL

Tammy Devine	President, Governing Council
Greg Vincent	Director
Amy Trevino	Business Manager

### MORENO VALLEY EDUCATION FOUNDATION

Carl Nelson	President, Board of Directors
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### ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Terry Ogle, CPA	Partner
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