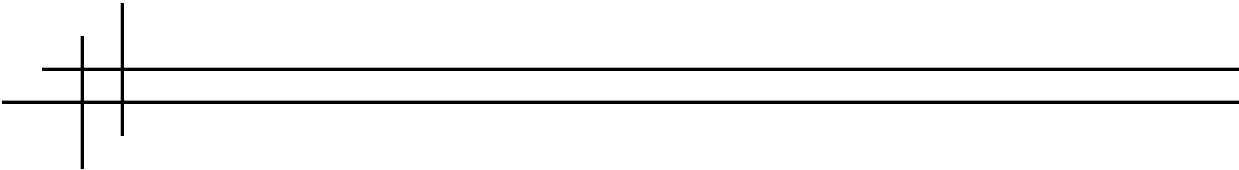




STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT
June 30, 2013

De'Aun Willoughby CPA, PC
Certified Public Accountant
Clovis, New Mexico



STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
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DORA CONSOLIDATED SCHOOL DISTRICT
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DORA CONSOLIDATED SCHOOL DISTRICT
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STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
Official Roster
June 30, 2012

BOARD OF EDUCATION

Kenneth Cox	President
John Mohon	Vice-President
Gary Simpson	Secretary
Bill Prater	Member
Jana Roberts	Member

SCHOOL OFFICIALS

Steve Barron	Superintendent
Roberta Trujillo	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101
(855) 253-4313

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Dora Consolidated School District

Mr. Balderas and Members of the Board

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Dora Consolidated School District (District), as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, and the budgetary comparisons for the major capital projects and debt service funds and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2013, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2013, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital projects and debt service funds and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the Management's Discussion and Analysis which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of the 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.

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The schedule required by 2.2.2.NMAC is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule required by 2.2.2 NMAC is the responsibility of management and was 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 required by 2.2.2 NMAC is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 22, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

 CPA PC

Clovis, New Mexico
October 22, 2013

FINANCIAL SECTION

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
 Government-Wide Statement of Net Position
 June 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,410,334
Investments	77
Taxes Receivable	3,944
Due From Grantor	41,837
Inventory	<u>1,527</u>
Total Current Assets	<u>1,457,719</u>
Noncurrent Assets	
Capital Assets	17,813,430
Less: Accumulated Depreciation	<u>(11,000,834)</u>
Total Noncurrent Assets	<u>6,812,596</u>
 Total Assets	 <u>8,270,315</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	15,539
Accrued Interest	3,983
Current Portion of Long-Term Debt	<u>80,000</u>
Total Current Liabilities	<u>99,522</u>
Noncurrent Liabilities	
Compensated Absences	29,905
Bonds and Notes, Net	<u>165,000</u>
Total Noncurrent Liabilities	<u>194,905</u>
 Total Liabilities	 <u>294,427</u>
NET POSITION	
Invested in Net Capital Assets	6,537,691
Restricted for:	
Debt Service	108,458
Unrestricted	<u>1,329,739</u>
Total Net Position	<u>\$ 7,975,888</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
 Government-Wide Statement of Activities
 For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities					
Instruction	\$ 2,064,221	\$ 18,845	\$ 210,283	\$ 0	\$ (1,835,093)
Support Services-Students	91,845	0	0	0	(91,845)
Support Services-Instruction	97,079	0	0	0	(97,079)
General Administration	177,452	0	9,294	0	(168,158)
School Administration	153,481	0	14,820	0	(138,661)
Central Services	111,752	0	1,798	0	(109,954)
Operation of Plant	393,214	0	116,185	0	(277,029)
Student Transportation	273,759	0	278,768	0	5,009
Other Support Services	8,310	0	0	0	(8,310)
Food Services Operations	137,838	23,056	61,975	0	(52,807)
Interest on Long-Term Obligations	9,779	0	0	0	(9,779)
Total Governmental Activities	<u>\$ 3,518,730</u>	<u>\$ 41,901</u>	<u>\$ 693,123</u>	<u>\$ 0</u>	<u>(2,783,706)</u>
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes 14,274					
Property Taxes, Levied for Capital Projects 57,323					
Property Taxes, Levied for Debt Service 94,699					
Federal and State aid not restricted to specific purpose					
General 2,513,155					
Capital 0					
Interest and investment earnings 178					
Miscellaneous 36,188					
Subtotal, General Revenues <u>2,715,817</u>					
Change in Net Position (67,889)					
Net Position - beginning <u>8,043,777</u>					
Net Position - ending <u>\$ 7,975,888</u>					

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2013

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
ASSETS			
Cash and Cash Equivalents	\$ 793,284	\$ 6,770	\$ 26,900
Investments	77	0	0
Receivables			
Taxes	342	0	0
Due From Grantor	0	0	0
Interfund Balances	55,108	0	0
Inventory	0	0	0
Total Assets	<u>\$ 848,811</u>	<u>\$ 6,770</u>	<u>\$ 26,900</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 15,539	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>15,539</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Retirement of Long-Term Debt	0	0	0
Unassigned-Reported In			
General Fund	<u>833,272</u>	<u>6,770</u>	<u>26,900</u>
Total Fund Balances	<u>833,272</u>	<u>6,770</u>	<u>26,900</u>
Total Liabilities and Fund Balances	<u>\$ 848,811</u>	<u>\$ 6,770</u>	<u>\$ 26,900</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2013

	Special Revenue Fund		
	Title I	IDEA B	IDEA B
	24101	Entitlement 24106	CEIS 24112
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Investments	0	0	0
Receivables			
Taxes	0	0	0
Due From Grantor	17,634	10,337	9,876
Interfund Balances	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 17,634</u>	<u>\$ 10,337</u>	<u>\$ 9,876</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	17,634	10,337	9,876
Total Liabilities	<u>17,634</u>	<u>10,337</u>	<u>9,876</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Retirement of Long-Term Debt	0	0	0
Unassigned-Reported In			
General Fund	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 17,634</u>	<u>\$ 10,337</u>	<u>\$ 9,876</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2013

	Capital Projects		Debt Service		Other Governmental
	Senate Bill Nine 31700		41000		
ASSETS					
Cash and Cash Equivalents	\$ 321,565	\$	119,503	\$	142,312
Investments	0		0		0
Receivables					
Taxes	1,376		2,226		0
Due From Grantor	0		0		3,990
Interfund Balances	0		0		0
Inventory	0		0		1,527
Total Assets	<u>\$ 322,941</u>	\$	<u>121,729</u>	\$	<u>147,829</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts Payable	\$ 0	\$	0	\$	0
Interfund Balances	0		13,271		3,990
Total Liabilities	<u>0</u>		<u>13,271</u>		<u>3,990</u>
Fund Balances					
Nonspendable-Inventory	0		0		1,527
Restricted-Reported In					
Special Revenue Funds	0		0		142,312
Capital Projects	322,941		0		0
Retirement of Long-Term Debt	0		108,458		0
Unassigned-Reported In					
General Fund	0		0		0
Total Fund Balances	<u>322,941</u>		<u>108,458</u>		<u>143,839</u>
Total Liabilities and Fund Balances	<u>\$ 322,941</u>	\$	<u>121,729</u>	\$	<u>147,829</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2013

	Total Governmental Funds
ASSETS	
Cash and Cash Equivalents	\$ 1,410,334
Investments	77
Receivables	
Taxes	3,944
Due From Grantor	41,837
Interfund Balances	55,108
Inventory	1,527
Total Assets	<u>\$ 1,512,827</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ 15,539
Interfund Balances	55,108
Total Liabilities	<u>70,647</u>
Fund Balances	
Nonspendable-Inventory	1,527
Restricted-Reported In	
Special Revenue Funds	142,312
Capital Projects	322,941
Retirement of Long-Term Debt	108,458
Unassigned-Reported In	
General Fund	866,942
Total Fund Balances	<u>1,442,180</u>
Total Liabilities and Fund Balances	<u>\$ 1,512,827</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 June 30, 2013

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

Total Fund Balance - Governmental Funds	\$	1,442,180
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets	\$	17,813,430	
Accumulated depreciation		<u>(11,000,834)</u>	6,812,596

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :

Bond payable	(245,000)	
Accrued Interest	(3,983)	
Compensated Absences	<u>(29,905)</u>	<u>(278,888)</u>

Total Net Position - Governmental Activities	\$	<u><u>7,975,888</u></u>
--	----	-------------------------

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2013

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
Revenues			
Property Taxes	\$ 14,274	\$ 0	\$ 0
Investment Income	116	0	0
Fees	0	0	0
State & Local Grants	2,513,155	278,768	16,450
Federal Grants	0	0	0
Miscellaneous	31,031	0	0
Total Revenues	<u>2,558,576</u>	<u>278,768</u>	<u>16,450</u>
Expenditures			
Current			
Instruction	1,598,880	0	6,172
Support Services-Students	91,845	0	0
Support Services-Instruction	97,079	0	0
Support Services-General Administration	166,328	0	0
Support Services-School Administration	138,185	0	0
Central Services	108,710	0	0
Operation and Maintenance of Plant	370,734	0	0
Student Transportation	1,759	272,000	0
Other Support Services	8,310	0	0
Food Services Operations	74,690	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>2,656,520</u>	<u>272,000</u>	<u>6,172</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(97,944)</u>	<u>6,768</u>	<u>10,278</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	<u>(1,980)</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	<u>(1,980)</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(99,924)	6,768	10,278
Fund Balances at Beginning of Year	<u>933,196</u>	<u>2</u>	<u>16,622</u>
Fund Balance End of Year	<u>\$ 833,272</u>	<u>\$ 6,770</u>	<u>\$ 26,900</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2013

	Special Revenue Fund		
	Title I	IDEA B	IDEA B
	24101	Entitlement 24106	CEIS 24112
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	132,387	57,772	9,876
Miscellaneous	0	0	0
Total Revenues	<u>132,387</u>	<u>57,772</u>	<u>9,876</u>
Expenditures			
Current			
Instruction	125,473	42,115	9,126
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	6,914	1,587	0
Support Services-School Administration	0	14,070	750
Central Services	0	0	0
Operation and Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Other Support Services	0	0	0
Food Services Operations	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>132,387</u>	<u>57,772</u>	<u>9,876</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2013

	Capital Projects		
	Senate Bill Nine 31700	Debt Service 41000	Other Governmental
Revenues			
Property Taxes	\$ 57,323	\$ 94,699	\$ 0
Investment Income	43	7	12
Fees	0	0	41,901
State & Local Grants	116,185	0	3,725
Federal Grants	0	0	77,960
Miscellaneous	0	0	5,157
Total Revenues	<u>173,551</u>	<u>94,706</u>	<u>128,755</u>
Expenditures			
Current			
Instruction	0	0	41,497
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	335	547	793
Support Services-School Administration	0	0	0
Central Services	0	0	1,798
Operation and Maintenance of Plant	19,447	0	0
Student Transportation	0	0	0
Other Support Services	0	0	0
Food Services Operations	0	0	63,148
Capital Outlay	82,468	0	0
Debt Service			
Principal	0	75,000	0
Interest	0	10,873	0
Total Expenditures	<u>102,250</u>	<u>86,420</u>	<u>107,236</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>71,301</u>	<u>8,286</u>	<u>21,519</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	0	1,980
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>1,980</u>
Net Change in Fund Balance	71,301	8,286	23,499
Fund Balances at Beginning of Year	<u>251,640</u>	<u>100,172</u>	<u>120,340</u>
Fund Balance End of Year	<u>\$ 322,941</u>	<u>\$ 108,458</u>	<u>\$ 143,839</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2013

	Total Governmental Funds
Revenues	
Property Taxes	\$ 166,296
Investment Income	178
Fees	41,901
State & Local Grants	2,928,283
Federal Grants	277,995
Miscellaneous	36,188
Total Revenues	<u>3,450,841</u>
Expenditures	
Current	
Instruction	1,823,263
Support Services-Students	91,845
Support Services-Instruction	97,079
Support Services-General Administration	176,504
Support Services-School Administration	153,005
Central Services	110,508
Operation and Maintenance of Plant	390,181
Student Transportation	273,759
Other Support Services	8,310
Food Services Operations	137,838
Capital Outlay	82,468
Principal	75,000
Interest	10,873
Total Expenditures	<u>3,430,633</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>20,208</u>
Other Financing Sources (Uses)	
Transfers In/(Out)	<u>0</u>
Total Other Sources (Uses)	<u>0</u>
Net Change in Fund Balance	20,208
Fund Balances at Beginning of Year	<u>1,421,972</u>
Fund Balance End of Year	<u>\$ 1,442,180</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2013

Net Change in Fund Balance-Governmental Funds \$ 20,208

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Depreciation expense	\$ (244,280)	
Capital Outlays	<u>82,468</u>	(161,812)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Accrued interest does not require the use of current financial resources and therefore is not reported as expenditures in governmental funds.

Principal paid for bonds	75,000	
Accrued Interest on Bonds, June 30, 2012	5,077	
Accrued Interest on Bonds, June 30, 2013	<u>(3,983)</u>	76,094

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences, June 30, 2012	27,526	
Compensated Absences, June 30, 2013	<u>(29,905)</u>	<u>(2,379)</u>

Changes in Net Position of Governmental Activities \$ (67,889)

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 13,642	\$ 13,642	\$ 14,511	\$ 869
Investment Income	1,000	1,000	116	(884)
State Grant	2,481,816	2,485,453	2,513,154	27,701
Miscellaneous	1,000	1,000	31,031	30,031
Total Revenues	<u>2,497,458</u>	<u>2,501,095</u>	<u>2,558,812</u>	<u>57,717</u>
Expenditures				
Instruction				
Personnel Services	1,182,342	1,182,342	1,110,849	71,493
Employee Benefits	526,287	526,287	386,581	139,706
Professional & Technical Services	21,500	21,500	20,445	1,055
Purchased Property Services	5,000	5,000	0	5,000
Other Purchased Services	60,716	60,716	34,108	26,608
Supplies	66,250	66,250	40,613	25,637
Supply Assets	29,500	29,500	6,784	22,716
Total Instruction	<u>1,891,595</u>	<u>1,891,595</u>	<u>1,599,380</u>	<u>292,215</u>
Support Services-Students				
Personnel Services	113,018	113,018	59,949	53,069
Employee Benefits	44,508	44,508	19,156	25,352
Professional & Tech Services	70,500	70,500	12,695	57,805
Other Purchased Services	5,000	5,000	0	5,000
Supplies	5,000	5,000	45	4,955
Supply Assets	1,000	1,000	0	1,000
Total Support Services-Students	<u>239,026</u>	<u>239,026</u>	<u>91,845</u>	<u>147,181</u>
Support Services-Instruction				
Personnel Services	105,188	105,188	70,253	34,935
Employee Benefits	21,792	21,792	22,342	(550)
Professional & Technical Services	1,000	1,000	462	538
Other Purchased Services	200	200	538	(338)
Supplies	6,000	6,000	3,484	2,516
Total Support Services-Instruction	<u>134,180</u>	<u>134,180</u>	<u>97,079</u>	<u>37,101</u>
Support Services-General Administration				
Personnel Services	114,986	114,986	112,247	2,739
Employee Benefits	35,956	35,956	32,618	3,338
Professional & Technical Services	30,600	30,600	10,738	19,862
Other Purchased Services	12,000	12,000	7,768	4,232
Supplies	15,000	15,000	1,535	13,465
Supply Assets	1,000	1,000	0	1,000
Total Support Services-General Administration	<u>209,542</u>	<u>209,542</u>	<u>164,906</u>	<u>44,636</u>

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 71,791	\$ 71,791	\$ 111,446	\$ (39,655)
Employee Benefits	27,423	27,423	25,763	1,660
Professional & Technical Services	3,000	3,000	115	2,885
Other Purchased Services	0	0	731	(731)
Supplies	700	700	130	570
Supply Assets	500	500	0	500
Total Support Services-School Administration	<u>103,414</u>	<u>103,414</u>	<u>138,185</u>	<u>(34,771)</u>
Central Services				
Personnel Services	62,401	62,401	71,077	(8,676)
Employee Benefits	24,461	24,461	24,211	250
Professional & Technical Services	1,600	1,600	11,030	(9,430)
Other Purchased Services	27,500	27,500	1,406	26,094
Supplies	5,000	5,000	986	4,014
Total Central Services	<u>120,962</u>	<u>120,962</u>	<u>108,710</u>	<u>12,252</u>
Operation & Maintenance of Plant				
Personnel Services	98,853	98,853	84,938	13,915
Employee Benefits	27,792	27,792	18,125	9,667
Professional & Technical Services	7,100	7,100	5,471	1,629
Purchased Property Services	192,681	192,681	116,092	76,589
Other Purchased Services	115,050	115,050	84,970	30,080
Supplies	97,500	97,500	51,382	46,118
Supply Assets	15,000	15,000	0	15,000
Total Operation & Maintenance of Plant	<u>553,976</u>	<u>553,976</u>	<u>360,978</u>	<u>192,998</u>
Student Transportation				
Professional & Technical Services	700	700	1,484	(784)
Purchased Property Services	2,000	2,000	275	1,725
Other Purchased Services	1,600	1,600	0	1,600
Total Student Transportation	<u>4,300</u>	<u>4,300</u>	<u>1,759</u>	<u>2,541</u>
Other Support Services				
Miscellaneous	11,238	11,238	5,948	5,290
Total Other Support Services	<u>\$ 11,238</u>	<u>\$ 11,238</u>	<u>\$ 5,948</u>	<u>\$ 5,290</u>

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Food Service Operations				
Personnel Services	\$ 53,292	\$ 53,292	\$ 52,612	\$ 680
Employee Benefits	12,504	16,141	21,544	(5,403)
Professional & Technical Services	500	500	0	500
Other Purchased Services	500	500	0	500
Supplies	1,100	1,100	534	566
Supply Assets	500	500	0	500
Total Food Service Operations	<u>68,396</u>	<u>72,033</u>	<u>74,690</u>	<u>(2,657)</u>
Total Expenditures	<u>3,336,629</u>	<u>3,340,266</u>	<u>2,643,480</u>	<u>696,786</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(839,171)</u>	<u>(839,171)</u>	<u>(84,668)</u>	<u>754,503</u>
Other Financing Sources (Uses)				
Transfers	<u>0</u>	<u>0</u>	<u>(1,980)</u>	<u>(1,980)</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(1,980)</u>	<u>(1,980)</u>
Net Change in Cash Balance	(839,171)	(839,171)	(86,648)	752,523
Cash Balance Beginning of Year	<u>921,846</u>	<u>921,846</u>	<u>921,846</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 82,675</u>	<u>\$ 82,675</u>	<u>\$ 835,198</u>	<u>\$ 752,523</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (86,648)	
Net change in Taxes Receivable			(237)	
Net change in Accounts Payable			(13,039)	
Net Change in Fund Balance			<u>\$ (99,924)</u>	

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND-TRANSPORTATION-13000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 225,531	\$ 278,769	\$ 278,768	\$ (1)
Total Revenues	<u>225,531</u>	<u>278,769</u>	<u>278,768</u>	<u>(1)</u>
Expenditures				
Student Transportation				
Professional & Technical Services	9,177	3,177	9,177	(6,000)
Purchased Property Services	0	42,933	42,933	0
Other Purchased Services	<u>216,354</u>	<u>226,659</u>	<u>219,890</u>	<u>6,769</u>
Total Student Transportation	<u>225,531</u>	<u>272,769</u>	<u>272,000</u>	<u>769</u>
Total Expenditures	<u>225,531</u>	<u>272,769</u>	<u>272,000</u>	<u>769</u>
Excess (Deficiency) of Revenues Over Expenditures	0	6,000	6,768	768
Cash Balance Beginning of Year	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2</u>	<u>\$ 6,002</u>	<u>\$ 6,770</u>	<u>\$ 768</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 6,768</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 6,768</u>	

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 16,450	\$ 16,450	\$ 16,450	\$ 0
Total Revenues	<u>16,450</u>	<u>16,450</u>	<u>16,450</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	16,450	16,450	6,172	10,278
Total Instruction	<u>16,450</u>	<u>16,450</u>	<u>6,172</u>	<u>10,278</u>
Total Expenditures	<u>16,450</u>	<u>16,450</u>	<u>6,172</u>	<u>10,278</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	10,278	10,278
Cash Balance Beginning of Year	<u>16,622</u>	<u>16,622</u>	<u>16,622</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 16,622</u>	<u>\$ 16,622</u>	<u>\$ 26,900</u>	<u>\$ 10,278</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>10,278</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>10,278</u></u>	

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND-TITLE I-24101
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 91,050	\$ 165,477	\$ 138,956	\$ (26,521)
Total Revenues	<u>91,050</u>	<u>165,477</u>	<u>138,956</u>	<u>(26,521)</u>
Expenditures				
Instruction				
Personnel Services	40,896	58,646	34,885	23,761
Employee Benefits	0	19,645	17,754	1,891
Professional & Tech Services	8,500	11,000	4,827	6,173
Other Purchased Services	500	500	71	429
Supplies	0	32,600	27,362	5,238
Supply Assets	0	10,732	40,574	(29,842)
Total Instruction	<u>49,896</u>	<u>133,123</u>	<u>125,473</u>	<u>7,650</u>
Support Services-General Administration				
Personnel Services	5,500	5,500	1,515	3,985
Employee Benefits	11,451	2,651	1,458	1,193
Professional & Technical Service	0	0	3,212	(3,212)
Supplies	0	0	729	(729)
Total Support Services-General Administration	<u>16,951</u>	<u>8,151</u>	<u>6,914</u>	<u>1,237</u>
Total Expenditures	<u>\$ 66,847</u>	<u>\$ 141,274</u>	<u>\$ 132,387</u>	<u>\$ 8,887</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 24,203	\$ 24,203	\$ 6,569	\$ (17,634)
Cash Balance Beginning of Year	<u>(24,203)</u>	<u>(24,203)</u>	<u>(24,203)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (17,634)</u>	<u>\$ (17,634)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 6,569	
Net Change in Due from Grantor			<u>(6,569)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND-IDEA B ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 70,869	\$ 77,455	\$ 64,614	\$ (12,841)
Total Revenues	<u>70,869</u>	<u>77,455</u>	<u>64,614</u>	<u>(12,841)</u>
Expenditures				
Instruction				
Personnel Services	30,000	30,000	27,400	2,600
Employee Benefits	21,340	12,646	11,853	793
Professional & Technical Service	0	0	1,104	(1,104)
Other Purchased Services	500	500	1,620	(1,120)
Supplies	500	500	138	362
Supply Assets	200	200	0	200
Total Instruction	<u>52,540</u>	<u>43,846</u>	<u>42,115</u>	<u>1,731</u>
Support Services-General Administration				
Professional & Technical Service	500	1,702	1,350	352
Other Purchased Services	500	500	237	263
Supplies	150	150	0	150
Total Support Services-General Administration	<u>1,150</u>	<u>2,352</u>	<u>1,587</u>	<u>765</u>
Support Services-School Administration				
Personnel Services	0	11,657	11,657	0
Employee Benefits	0	2,421	2,413	8
Total Support Services-School Administration	<u>0</u>	<u>14,078</u>	<u>14,070</u>	<u>8</u>
Total Expenditures	<u>53,690</u>	<u>60,276</u>	<u>57,772</u>	<u>2,504</u>
Excess (Deficiency) of Revenues Over Expenditures	17,179	17,179	6,842	(10,337)
Cash Balance Beginning of Year	<u>(17,179)</u>	<u>(17,179)</u>	<u>(17,179)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (10,337)</u>	<u>\$ (10,337)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 6,842	
Net change in Due from Grantor			<u>(6,842)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO

DORA CONSOLIDATED SCHOOL DISTRICT

SPECIAL REVENUE FUND-IDEA B COORDINATED EARLY INTERVENING SERVICES (CEIS)-24112

Statement of Revenues, Expenditures, and Changes in Cash Balance -

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 9,126	\$ 23,204	\$ 0	\$ (23,204)
Total Revenues	<u>9,126</u>	<u>23,204</u>	<u>0</u>	<u>(23,204)</u>
Expenditures				
Instruction				
Professional & Tech Services	9,126	9,126	9,126	0
Total Instruction	<u>9,126</u>	<u>9,126</u>	<u>9,126</u>	<u>0</u>
Support Services-School Administration				
Professional & Tech Services	0	11,657	150	11,507
Other Purchased Services	0	2,421	600	1,821
Total Support Services-School Administration	<u>0</u>	<u>14,078</u>	<u>750</u>	<u>13,328</u>
Total Expenditures	<u>9,126</u>	<u>23,204</u>	<u>9,876</u>	<u>13,328</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(9,876)	(9,876)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (9,876)</u>	<u>\$ (9,876)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (9,876)	
Net Change in Due from Grantor			<u>9,876</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
Statement of Fiduciary Assets and Liabilities-Agency Funds
June 30, 2013

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ <u>90,624</u>
Total Assets	\$ <u><u>90,624</u></u>
Liabilities	
Deposits Held for Others	\$ <u>90,624</u>
Total Liabilities	\$ <u><u>90,624</u></u>

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Dora Consolidated School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

The District has been in existence since the early nineteen hundreds, and is currently operating under the provisions of the Public School District Code, Chapter 22, of the New Mexico Statutes Annotated, 1978 Compilation. The District operates with a local board of education - superintendent form of government and provides a supervised program of instruction designed to educate students at the elementary and secondary level.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

The District has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected District members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows below:

Governmental Funds

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets and the servicing of general long-term debt.

General Fund - The General Fund consist of three sub funds. The operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

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

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2013

Debt Service Fund - The Debt Service Fund is used to account for the resources for, and the payment of, principal, interest and related costs.

Fiduciary Fund Type

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This account is accounted for using the economic resources measurement focus and the accrual basis of accounting.

Major Funds

The District reports the following major governmental funds:

GENERAL FUND (11000)(13000)(14000)

The General Fund consist of three sub funds. The first is the operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

MAJOR SPECIAL REVENUE FUNDS

Title I (24101). To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the Elementary and Secondary Act of 1965, Chapter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of federal grant provisions.

IDEA B Entitlement (24106). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

IDEA B Coordinated Early Intervening Services (CEIS) (24112). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

MAJOR CAPITAL PROJECTS

Senate Bill Nine (31700). The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

MAJOR DEBT SERVICE

Debt Service (41000). To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values. Expenditures are restricted to Debt Reduction.

Measurement Focus and Basis of Accounting
Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows or resources, liabilities and deferred inflows or resources resulting from nonexchange transactions are recognized in accordance with the requirement of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include: 1) charges for services to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function 2) program-specific operating grants and contributions, and 3) program specific capital grants and contributions.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

Revenues

Taxes. Ad valorem taxes are susceptible to full accrual on the government wide financial statements. Property Tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied.

Grants. Government mandated nonexchange transaction and voluntary nonexchange transactions. Recipients should recognize revenues in the period when all applicable eligibility requirements have been met and the resources are available.

Revenue Recognition for Grants.

Eligibility requirements for government-mandated and voluntary nonexchange transaction comprise one or more of the following:

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts).
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).

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3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.

4. Contingencies. The providers offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

Other receipts. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Entitlement and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and therefore are not accrued. Salaries for the twelve month employees payroll are accrued.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Basis of Budgeting

Formal budgetary integration is employed as a management control device during the year.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). These budgets are prepared using the cash basis of accounting. Budgetary comparisons for the various funds in this report are on the non-GAAP budgetary basis.

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

1. Prior to April 15, (unless a later date is fixed by the Superintendent of Public Instruction) the local school board submits to the District Budget Planning Unit (SBPU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBPU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.

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3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBPU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBPU.
5. No school board or officer or employee of the District shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBPU.
7. Legal budget control for expenditures is by function.
8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

Cash and Cash Equivalents

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

The District is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

All money not immediately necessary for the public uses of the District may be invested in :

(a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or

(b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

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Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Property Taxes

The County collects the District's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the District on a monthly basis. The District accounts for its share of property taxes in the General, Debt Service and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

Capital Assets

Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

If there are any construction projects funded by the NM Public School Facilities Authority they are included in the appropriate capital projects fund and in the capital assets.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings & Improvements	10-40 Years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3-15 Years

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Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet.

Short -Term Debt

Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans. The District does not have any activity in short-term debt.

Long-Term Liabilities

For district-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Restricted Net Position

For the Government-Wide Statement of Net Position, net positions are reported as restricted when constraints placed on net positions use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available it will first be applied to restricted resources.

Fund Balances of Fund Financial Statements

Nonspendable fund balance indicates that portion of fund equity is not spendable such as inventory.

The restricted fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resources providers, or through enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance is the residual amount that is not restricted or committed.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

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Deferred Revenue

The District reports deferred revenues on its Statement of Net Position and Fund Balance Sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized. Deferred revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 30 days of the fiscal year end.

Compensated Absences

All 12-month or full time employees that have been employed 1-9 years are entitled to 10 working days and 10 or more years 15 working days. Vacation time must be taken by December 30th following the school year as it is earned, and it is not accumulative. Prior accrued vacation time not taken by December 30 will be canceled.

Estimates

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

NOTE B: CASH AND INVESTMENTS

The District is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

<u>Portales National Bank</u>	Balance Per Bank 6/30/13	Reconciled Balance	<u>Type</u>	
Debt Service	\$ 119,503	\$ 119,503	Checking	Interest
Bond Account	1	1	Checking	Interest
Capital Improvements	308,361	308,361	Checking	Interest
Dora Schools Capital Imp.	13,209	13,209	Savings	Interest
Operational	829,924	823,115	Checking	Interest
Payroll Clearing	179,165	3,612	Checking	Non-Interest
Federal	0	0	Checking	Non-Interest
Athletic Fund	17,760	17,488	Checking	Interest
Lunch Fund	124,873	124,824	Checking	Interest
Activity Fund	78,988	78,084	Checking	Interest
TOTAL Deposited	<u>1,671,784</u>	<u>\$ 1,488,197</u>		
Less: FDIC Coverage	<u>(250,000)</u>			
Uninsured Amount	1,421,784			
50% collateral requirement	710,892			
Pledged securities	665,000			
Over (Under) requirement	<u>\$ (45,892)</u>			

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

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The following securities are pledged at **Portales National Bank**

<u>Description</u>	<u>CUSIP #</u>	<u>Par/</u> <u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FHLB	313374AX8	\$ 200,000	02/27/2016 *	TIB
Lea Co Nm Public SD#8 Eunice	521513BZ3	115,000	07/15/2014 *	TIB
Bernalillo NM Mun Sch Dist BQ GO	085279PR2	100,000	08/01/2013 *	TIB
Roswell NM ISD	778550HJ5	50,000	08/01/2015 *	TIB
San Juan Cnty NM	798359JC0	200,000	08/01/2014 *	TIB
		<u>\$ 665,000</u>		

* Texas Independent Bank,
Dallas, Texas

Wells Fargo

<u>Name of Account</u>	<u>Balance</u> <u>Per Bank</u> <u>6/30/13</u>	<u>Reconciled</u> <u>Balance</u>	<u>Type</u>	<u>Interest</u>
Clinton Clark Scholarship	\$ 1,263	\$ 1,263	CD	Interest
Clinton Clark Scholarship	11,499	11,499	CD	Interest
TOTAL Deposited	<u>12,762</u>	<u>\$ 12,762</u>		
Less: FDIC Coverage	<u>(12,762)</u>			
Uninsured Amount	0			
50% collateral requirement	0			
Pledged securities	0			
Over (Under) requirement	<u>\$ 0</u>			

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank</u> <u>Balance</u>
Insured	\$ 262,762
Collateralized:	
Collateral held by the pledging bank in District's name	665,000
Uninsured and uncollateralized	756,784
Total Deposits	<u>\$ 1,684,546</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2013 \$756,784 of the District's bank balance of \$1,684,546 was exposed to custodial credit risk.

New Mexico State Treasurer

<u>Name of Account</u>	<u>Balance</u>
Dora SB-9 RCF	\$ 1
Dora Oper RCF	1
Dora Oper RCF	18
Dora Capital Improvements RCF	41
Dora Activity RCF	15
TOTAL Deposited	<u>\$ 76</u>

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GASB Statement No. 40, Deposit and Investment Risk Disclosures, relates to how deposits and investments are reported in the annual financial statements of governmental entities. GASB Statement No. 40 disclosures inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. GASB Statement No. 40 requires governments to disclose deposit and investment risks related to credit risk (including custodial credit risk), concentration of credit risk, interest rate risk, and foreign currency risk. The State Treasurer's Office provides the following information regarding the LGIP:

1. With respect to credit risk, the LGIP, a government investment pool, is rated AAAM by Standard & Poor's. Therefore, the LGIP reports AAAM for credit risk. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.
2. GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as the LGIP, are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure. However, our investment portfolio is posted on the State Treasurer's Office website, www.nmsto.gov, and available for review by participants at any time.
3. GASB Statement No. 40 defines interest rate risk as the risk that interest rate variations may adversely affect the fair value of an investment. According to GASB Statement No. 40, an acceptable method for reporting interest rate risk is weighted average maturity ("WAM"). The State Treasurer's Office uses this method for reporting purposes for the LGIP. The WAM of the LGIP is identified on the monthly LGIP investment report found on the State Treasurer's Office website at www.nmsto.gov. As of June 30, 2013, the LGIP WAM(R) is 59 days and WAM(F) is 90 days.
4. Finally, with respect to foreign currency risk, all investments in the LGIP are in U.S. dollar denominated assets. Therefore, the LGIP has no foreign currency risk.

NOTE C: INTERFUND BALANCES AND ACTIVITY

Loans and transfers to and from funds during the year ending June 30, 2013 were as follows:

Interfund Balances		Amount:
From:	To:	
Operational Fund	Title I	\$ 17,634
	IDEA B Entitlement	10,337
	IDEA B CEIS	9,876
	Debt Service	13,271
	Other Governmental Funds	3,990
	Total Interfund Balances	<u>\$ 55,108</u>

The above loans were to cover shortfalls. They will be paid back within one year.

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NOTE D: TAXES RECEIVABLE

Following is a schedule of property taxes receivable as of June 30, 2013:

	General Fund 11000	Senate Bill Nine 31700	Debt Service 41000
Property Taxes Receivable:			
Available	\$ 342	1,376	2,226
Unavailable	0	0	0
TOTAL Property Taxes Receivable	\$ 342	\$ 1,376	\$ 2,226

NOTE E: DUE FROM OTHER GOVERNMENT UNITS

Amounts due from other agencies and units of government were as follows as of June 30, 2013:

Federal Agencies	\$ 41,586
State Agencies	251
Total	\$ 41,837

NOTE F: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2013, is as follows:

	Balance 6/30/12	Increases	Decreases	Balance 6/30/13
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 39,620	\$ 0	\$ 0	\$ 39,620
Total Capital Assets, not being Depreciated	39,620	0	0	39,620
Capital Assets, being Depreciated				
Buildings & Improvements	17,229,939	0	0	17,229,939
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	461,403	82,468	0	543,871
Total Capital Assets, being Depreciated	17,691,342	82,468	0	17,773,810
Total Capital Assets	17,730,962	82,468	0	17,813,430
Less Accumulated Depreciation				
Buildings & Improvements	10,447,836	210,422	0	10,658,258
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	308,718	33,858	0	342,576
Total Accumulated Depreciation	10,756,554	244,280	0	11,000,834
Capital Assets, net	\$ 6,974,408	\$ (161,812)	\$ 0	\$ 6,812,596

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Depreciation expense was charged to governmental activities as follows:

Instruction	\$	210,422
Operation of Plant		33,858
Total depreciation expenses	\$	<u>244,280</u>

NOTE G: LONG TERM DEBT

A summary of activity in the Long-Term Debt is as follows:

	Balance 6/30/12	Additions	Reductions	Balance 6/30/13	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 320,000	\$ 0	\$ 75,000	\$ 245,000	\$ 80,000
Other Liabilities					
Compensated Absences	27,526	11,406	9,027	29,905	0
Total Other Liabilities	27,526	11,406	9,027	29,905	0
Long-Term Liabilities	<u>\$ 347,526</u>	<u>\$ 11,406</u>	<u>\$ 84,027</u>	<u>\$ 274,905</u>	<u>\$ 80,000</u>

General Obligation Bonds.

The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

Series	Date of Issue	Original Amount	Interest Rate	Balance
2003	7/1/03	850,000	4.00%-2.40%	\$ 245,000
				<u>\$ 245,000</u>

The annual requirements to amortize the 2001 Series general obligation bonds as of June 30, 2013, including interest payments are as follows:

	Principal	Interest	Total
2014	\$ 80,000	\$ 8,040	\$ 88,040
2015	80,000	4,960	84,960
2016	85,000	1,700	86,700
	<u>\$ 245,000</u>	<u>\$ 14,700</u>	<u>\$ 259,700</u>

NOTE I: COMMITMENTS

The District has no construction commitments at June 30, 2013.

NOTE J: PENSION PLAN

Plan Description-Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB's website at www.nmerb.org.

Funding Policy-As of July 1, 2012 plan members are required by statute to continue 7.9% of their gross salary if they earned \$20,000 or less annually. Plan members earning more than \$20,000 annually are required to contribute 9.4% of their gross salary. The District is required to contribute 12.4% of gross covered salaries for employees earning \$20,000 or less, and 10.9% of the gross covered salaries of employees earning more than \$20,000 annually. The contribution requirements of plan members and the District are established in State Statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2013, 2012, and 2011, were \$187,004, \$151,601, and \$185,939 respectively, which equal the amount of the required contributions for each fiscal year.

NOTE K: RETIREE HEALTH CARE ACT CONTRIBUTIONS

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

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

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

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

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

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

The District's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$34,343, \$30,039 and \$28,000 respectively, which equal the required contributions for each year.

NOTE M: INSURANCE COVERAGE

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

- Workers Compensation
- Property and Automobile Liability and Physical Damage
- Liability and Civil Rights and Personal Injury
- Contract School Bus Coverage; and
- Crime

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
 Notes to the Financial Statements
 June 30, 2013

NOTE N: SURETY BOND

The officials and certain employees of the District are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

NOTE O: JOINT POWERS AGREEMENTS

A joint powers agreement was entered into with the Regional Education Cooperative No. 6 (REC). The purpose of the agreement is to allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the United States Department of Education under the Education of the Handicapped Act, Part B, PL 94-142 among others.

There are ten schools that participate in the REC, they are Dora, Elida, Floyd, Fort Sumner, Grady, House, Logan, Melrose, San Jon, and Texico. The agreement became effective on July 1, 1995 and is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

The REC funds include IDEA, Part B Entitlement and IDEA Preschool. The REC has not reimbursed the District or paid expenditures on behalf of the District. The REC assisted in writing the SPED Federal grants.

The financial statements for the REC were prepared by an IPA. The audit report is available at the REC located at 1500 South Ave K, Station 9, Portales, New Mexico 88130.

NOTE P: BUDGET VIOLATIONS

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

The following funds had budget violations as of June 30, 2013.

	Original	Final	Actual	Variance
General Fund-Food Service-31000	\$ 68,396	\$ 72,033	\$ 74,690	\$ (2,657)

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
 CAPITAL PROJECT FUND-SENATE BILL NINE-31700
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 54,993	\$ 54,993	\$ 58,268	\$ 3,275
Investment Income	200	202	43	(159)
State Grant	79,661	79,661	116,185	36,524
Total Revenues	<u>134,854</u>	<u>134,856</u>	<u>174,496</u>	<u>39,640</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>0</u>	<u>1,000</u>	<u>335</u>	<u>665</u>
Total Support Services-General Administration	<u>0</u>	<u>1,000</u>	<u>335</u>	<u>665</u>
Capital Outlay				
Purchased Property Services	132,960	131,960	12,575	119,385
Supplies	20,193	20,193	2,686	17,507
Fixed Assets	0	0	82,468	(82,468)
Supply Assets	165,961	165,961	4,186	161,775
Total Capital Outlay	<u>319,114</u>	<u>318,114</u>	<u>101,915</u>	<u>216,199</u>
Total Expenditures	<u>319,114</u>	<u>319,114</u>	<u>102,250</u>	<u>216,864</u>
Excess (Deficiency) of Revenues Over Expenditures	(184,260)	(184,258)	72,246	256,504
Cash Balance Beginning of Year	<u>249,319</u>	<u>249,319</u>	<u>249,319</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 65,059</u>	<u>\$ 65,061</u>	<u>\$ 321,565</u>	<u>\$ 256,504</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 72,246	
Net change in Taxes Receivable			<u>(945)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 71,301</u>	

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
DEBT SERVICE-41000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 85,873	\$ 85,873	96,666	\$ 10,793
Investment Income	20	20	7	(13)
Total Revenues	<u>85,893</u>	<u>85,893</u>	<u>96,673</u>	<u>10,780</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	858	858	547	311
Total Support Services-General Administration	<u>858</u>	<u>858</u>	<u>547</u>	<u>311</u>
Debt Service				
Debt Service				
Principal	75,000	75,000	75,000	0
Interest	10,873	10,873	10,873	0
Total Debt Service	<u>85,873</u>	<u>85,873</u>	<u>85,873</u>	<u>0</u>
Total Expenditures	<u>86,731</u>	<u>86,731</u>	<u>86,420</u>	<u>311</u>
Excess (Deficiency) of Revenues Over Expenditures	(838)	(838)	10,253	11,091
Cash Balance Beginning of Year	<u>109,250</u>	<u>109,250</u>	<u>109,250</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 108,412</u>	<u>\$ 108,412</u>	<u>\$ 119,503</u>	<u>\$ 11,091</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 10,253	
Net Change in Taxes Receivable			<u>(1,967)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 8,286</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

Food Services (21000). To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

Athletics (22000). To account for revenue and expenditures associated with the District's budgeted athletic activities. (NMAC 6.20.2).

IDEA Preschool (24109). To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, 101-476, and 102-119. The fund was created by the authority of federal grant provisions.

Improving Teacher Quality (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 student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

Rural Education Achievement Program (25233) To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

Dual Credits Instructional Materials (27103). To provide funding to the District to purchase college books for students attending college classes and obtaining dual credits. The fund was created by grant provisions.

2010 GO Student Library (27106). To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

Formative Assessments-(27111) To account for the revenues and expenditures to purchase testing materials for the achievement tests required by NMPED. The fund was created by the authority of state grant provision.

Science Instructional Materials (27176). To account for revenues and expenditures to purchase science kits. The fund was created by state grant provisions.

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2013

	Food Service 21000	Athletics 22000	IDEA Preschool 24109
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 124,824	\$ 17,488	\$ 0
Receivables			
Due From Grantor	0	0	3,192
Inventory	1,527	0	0
Total Assets	<u>\$ 126,351</u>	<u>\$ 17,488</u>	<u>\$ 3,192</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	3,192
Total Liabilities	<u>0</u>	<u>0</u>	<u>3,192</u>
Fund Balances			
Nonspendable-Inventory	1,527	0	0
Restricted-Reported In			
Special Revenue Funds	124,824	17,488	0
Total Fund Balances	<u>126,351</u>	<u>17,488</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 126,351</u>	<u>\$ 17,488</u>	<u>\$ 3,192</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2013

	Improving Teacher Quality <u>24154</u>	Rural Education Achievement Program <u>25233</u>	Duel Credit Instructional Materials <u>27103</u>
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	0	547	251
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 0</u>	<u>\$ 547</u>	<u>\$ 251</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	<u>0</u>	<u>547</u>	<u>251</u>
Total Liabilities	<u>0</u>	<u>547</u>	<u>251</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 547</u>	<u>\$ 251</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2013

	2010 GO Student Library <u>27106</u>	Formative Assessments <u>27111</u>	Science Instructional Materials <u>27176</u>
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	0	0	0
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2013

	<u>Total</u>
ASSETS	
Cash and Cash Equivalents	\$ 142,312
Receivables	
Due From Grantor	3,990
Inventory	1,527
Total Assets	<u>\$ 147,829</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ 0
Interfund Balances	3,990
Total Liabilities	<u>3,990</u>
Fund Balances	
Nonspendable-Inventory	1,527
Restricted-Reported In	
Special Revenue Funds	142,312
Total Fund Balances	<u>143,839</u>
Total Liabilities and Fund Balance	<u>\$ 147,829</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2013

	Food Service 21000	Athletics 22000	IDEA Preschool 24109
Revenues			
Investment Income	\$ 10	\$ 2	\$ 0
Fees	23,056	18,845	0
State & Local Grants	0	0	0
Federal Grants	61,975	0	5,109
Other	5,157	0	0
Total Revenues	<u>90,198</u>	<u>18,847</u>	<u>5,109</u>
Expenditures			
Current			
Instruction	0	22,398	5,109
Support Services-General Administrative	0	0	0
Central Services	0	0	0
Food Service Operations	63,148	0	0
Total Expenditures	<u>63,148</u>	<u>22,398</u>	<u>5,109</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>27,050</u>	<u>(3,551)</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	27,050	(3,551)	0
Fund Balances at Beginning of Year	<u>99,301</u>	<u>21,039</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 126,351</u>	<u>\$ 17,488</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2013

	Improving Teacher Quality 24154	Rural Education Achievement Program 25233	Duel Credit Instructional Materials 27103
Revenues			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	1,220
Federal Grants	0	10,876	0
Other	0	0	0
Total Revenues	<u>0</u>	<u>10,876</u>	<u>1,220</u>
Expenditures			
Current			
Instruction	0	8,285	1,220
Support Services-General Administrative	0	793	0
Central Services	0	1,798	0
Food Service Operations	0	0	0
Total Expenditures	<u>0</u>	<u>10,876</u>	<u>1,220</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2013

	2010 GO Student Library 27106	Formative Assessments 27111	Science Instructional Materials 27176
Revenues			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	2,505
Federal Grants	0	0	0
Other	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>2,505</u>
Expenditures			
Current			
Instruction	0	1,751	2,734
Support Services-General Administrative	0	0	0
Central Services	0	0	0
Food Service Operations	0	0	0
Total Expenditures	<u>0</u>	<u>1,751</u>	<u>2,734</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(1,751)</u>	<u>(229)</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	1,751	229
Total Other Sources (Uses)	<u>0</u>	<u>1,751</u>	<u>229</u>
Net Change in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2013

	<u>Total</u>
Revenues	
Investment Income	\$ 12
Fees	41,901
State & Local Grants	3,725
Federal Grants	77,960
Other	<u>5,157</u>
Total Revenues	<u>128,755</u>
Expenditures	
Current	
Instruction	41,497
Support Services-General Administrative	793
Central Services	1,798
Food Service Operations	<u>63,148</u>
Total Expenditures	<u>107,236</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>21,519</u>
Other Financing Sources (Uses)	
Transfers In/(Out)	<u>1,980</u>
Total Other Sources (Uses)	<u>1,980</u>
Net Change in Fund Balance	23,499
Fund Balances at Beginning of Year	<u>120,340</u>
Fund Balance End of Year	<u>\$ 143,839</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND-FOOD SERVICE-21000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Investment Income	\$ 20	\$ 20	\$ 10	\$ (10)
Fees	18,000	18,000	23,056	5,056
Federal Grant	30,000	30,000	61,975	31,975
Total Revenues	<u>48,020</u>	<u>48,020</u>	<u>85,041</u>	<u>37,021</u>
Expenditures				
Food Service Operations				
Personnel Services	14,999	14,999	0	14,999
Employee Benefits	8,195	8,195	0	8,195
Professional & Technical Service	6,400	6,400	898	5,502
Purchased Property Services	2,500	2,500	0	2,500
Other Purchased Services	600	600	464	136
Supplies	104,766	104,766	56,313	48,453
Supply Assets	7,500	7,500	0	7,500
Total Food Service Operations	<u>144,960</u>	<u>144,960</u>	<u>57,675</u>	<u>87,285</u>
Total Expenditures	<u>144,960</u>	<u>144,960</u>	<u>57,675</u>	<u>87,285</u>
Excess (Deficiency) of Revenues Over Expenditures	(96,940)	(96,940)	27,366	124,306
Cash Balance Beginning of Year	<u>97,458</u>	<u>97,458</u>	<u>97,458</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 518</u>	<u>\$ 518</u>	<u>\$ 124,824</u>	<u>\$ 124,306</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 27,366	
Net change in Inventory			(316)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 27,050</u>	

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND-ATHLETICS-22000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Investment Income	\$ 15	\$ 15	\$ 2	\$ (13)
Fees	21,322	21,322	18,845	(2,477)
Total Revenues	<u>21,337</u>	<u>21,337</u>	<u>18,847</u>	<u>(2,490)</u>
Expenditures				
Other Support Services				
Other Charges	7,000	7,000	5,415	1,585
Purchased Property Services	2,500	2,500	0	2,500
Student Travel	20,000	20,000	15,323	4,677
Supplies	5,000	5,000	1,260	3,740
Supply Assets	7,876	7,876	400	7,476
Total Other Support Services	<u>42,376</u>	<u>42,376</u>	<u>22,398</u>	<u>19,978</u>
Total Expenditures	<u>42,376</u>	<u>42,376</u>	<u>22,398</u>	<u>19,978</u>
Excess (Deficiency) of Revenues Over Expenditures	(21,039)	(21,039)	(3,551)	17,488
Cash Balance Beginning of Year	<u>21,039</u>	<u>21,039</u>	<u>21,039</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,488</u>	<u>\$ 17,488</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (3,551)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (3,551)</u>	

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND-IDEA PRESCHOOL-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 13,740	\$ 22,229	\$ 8,559	\$ (13,670)
Total Revenues	<u>13,740</u>	<u>22,229</u>	<u>8,559</u>	<u>(13,670)</u>
Expenditures				
Instruction				
Personnel Services	1,500	1,500	1,500	0
Employee Benefits	232	1,932	1,237	695
Professional & Technical Services	0	3,989	1,984	2,005
Other Purchased Services	0	4,000	0	4,000
Supplies	3,000	1,800	308	1,492
Supply Assets	2,365	2,365	79	2,286
Total Instruction	<u>7,097</u>	<u>15,586</u>	<u>5,108</u>	<u>10,478</u>
Total Expenditures	<u>7,097</u>	<u>15,586</u>	<u>5,108</u>	<u>10,478</u>
Excess (Deficiency) of Revenues Over Expenditures	6,643	6,643	3,451	(3,192)
Cash Balance Beginning of Year	<u>(6,643)</u>	<u>(6,643)</u>	<u>(6,643)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,192)</u>	<u>\$ (3,192)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,451	
Net Change in Due from Grantor			<u>(3,451)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND-IMPROVING TEACHER QUALITY-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 8,707	\$ 20,762	\$ 8,707	\$ (12,055)
Total Revenues	<u>8,707</u>	<u>20,762</u>	<u>8,707</u>	<u>(12,055)</u>
Expenditures				
Instruction				
Professional & Tech Services	0	5,000	0	5,000
Other Purchased Services	0	1,000	0	1,000
Supplies	0	5,055	0	5,055
Total Instruction	<u>0</u>	<u>11,055</u>	<u>0</u>	<u>11,055</u>
Support Services-Students				
Professional & Tech Services	0	1,000	0	1,000
Total Support Services-Students	<u>0</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Support Services-General Administration				
Professional & Tech Services	0	1,000	0	1,000
Total Support Services-General Administration	<u>0</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Support Services-School Administration				
Professional & Tech Services	0	2,500	0	2,500
Total Support Services-School Administration	<u>0</u>	<u>2,500</u>	<u>0</u>	<u>2,500</u>
Total Expenditures	<u>0</u>	<u>12,055</u>	<u>0</u>	<u>12,055</u>
Excess (Deficiency) of Revenues Over Expenditures	8,707	8,707	8,707	0
Cash Balance Beginning of Year	<u>(8,707)</u>	<u>(8,707)</u>	<u>(8,707)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 8,707	
Net Change in Due from Grantor			<u>(8,707)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND-RURAL EDUCATION ACHIEVEMENT PROGRAM-25233
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 50,281	\$ 50,281	\$ 38,810	\$ (11,471)
Total Revenues	<u>50,281</u>	<u>50,281</u>	<u>38,810</u>	<u>(11,471)</u>
Expenditures				
Instruction				
Supplies	7,800	7,800	2,333	5,467
Supply Assets	10,000	10,000	5,952	4,048
Total Instruction	<u>17,800</u>	<u>17,800</u>	<u>8,285</u>	<u>9,515</u>
Support Services-General Administration				
Supply Assets	4,000	1,500	793	707
Total Support Services-General Administration	<u>4,000</u>	<u>1,500</u>	<u>793</u>	<u>707</u>
Central Services				
Supply Assets	0	2,500	1,798	702
Total Central Services	<u>0</u>	<u>2,500</u>	<u>1,798</u>	<u>702</u>
Total Expenditures	<u>21,800</u>	<u>21,800</u>	<u>10,876</u>	<u>10,924</u>
Excess (Deficiency) of Revenues Over Expenditures	28,481	28,481	27,934	(547)
Cash Balance Beginning of Year	<u>(28,481)</u>	<u>(28,481)</u>	<u>(28,481)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(547)</u>	\$ <u>(547)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 27,934	
Net Change in Due from Grantor			<u>(27,934)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND-DUAL CREDITS INSTRUCTIONAL MATERIAL-27103
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 1,405	\$ 1,656	\$ 1,405	\$ (251)
Total Revenues	<u>1,405</u>	<u>1,656</u>	<u>1,405</u>	<u>(251)</u>
Expenditures				
Instruction				
Supplies	969	1,220	1,220	0
Total Instruction	<u>969</u>	<u>1,220</u>	<u>1,220</u>	<u>0</u>
Total Expenditures	<u>969</u>	<u>1,220</u>	<u>1,220</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	436	436	185	(251)
Cash Balance Beginning of Year	<u>(436)</u>	<u>(436)</u>	<u>(436)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (251)</u>	<u>\$ (251)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 185	
Net change in Due from Grantor			<u>(185)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND-2010 GO STUDENT LIBRARY-27106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 6,947	\$ 6,947	\$ 2,706	\$ (4,241)
Total Revenues	<u>6,947</u>	<u>6,947</u>	<u>2,706</u>	<u>(4,241)</u>
Expenditures				
Instruction				
Supplies	4,241	4,241	0	4,241
Total Instruction	<u>4,241</u>	<u>4,241</u>	<u>0</u>	<u>4,241</u>
Total Expenditures	<u>4,241</u>	<u>4,241</u>	<u>0</u>	<u>4,241</u>
Excess (Deficiency) of Revenues Over Expenditures	2,706	2,706	2,706	0
Cash Balance Beginning of Year	<u>(2,706)</u>	<u>(2,706)</u>	<u>(2,706)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,706	
Net change in Due from Grantor			<u>(2,706)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND-FORMATIVE ASSESSMENTS-27111
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 1,751	\$ 1,751	\$ 0	\$ (1,751)
Total Revenues	<u>1,751</u>	<u>1,751</u>	<u>0</u>	<u>(1,751)</u>
Expenditures				
Instruction				
Supplies	1,751	1,751	1,751	0
Total Instruction	<u>1,751</u>	<u>1,751</u>	<u>1,751</u>	<u>0</u>
Total Expenditures	<u>1,751</u>	<u>1,751</u>	<u>1,751</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(1,751)</u>	<u>(1,751)</u>
Other Financing Sources (Uses)				
Transfers	0	0	1,751	1,751
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>1,751</u>	<u>1,751</u>
Net Change in Cash Balance	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 0	
Net Change in Fund Balance			\$ 0	

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND-SCIENCE INSTRUCTIONAL MATERIALS-27176
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 3,311	\$ 3,311	\$ 2,505	\$ (806)
Total Revenues	<u>3,311</u>	<u>3,311</u>	<u>2,505</u>	<u>(806)</u>
Expenditures				
Instruction				
Supplies	<u>3,311</u>	<u>3,311</u>	<u>2,734</u>	<u>577</u>
Instruction	<u>3,311</u>	<u>3,311</u>	<u>2,734</u>	<u>577</u>
Total Expenditures	<u>3,311</u>	<u>3,311</u>	<u>2,734</u>	<u>577</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(229)</u>	<u>(229)</u>
Other Financing Sources (Uses)				
Transfers	<u>0</u>	<u>0</u>	<u>229</u>	<u>229</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>229</u>	<u>229</u>
Net Change in Cash Balance	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (229)	
Net Change in Fund Balance			<u>\$ (229)</u>	

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

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND

Activity Trust Fund

To account for funds of various student groups that are custodial in nature.

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
 AGENCY FUNDS - ACTIVITY
 Schedule of Changes in Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2013

	Balance 6/30/12	Additions	Deletions	Balance 6/30/13
ASSETS				
23800 General Fund	\$ 341	\$ 3,194	\$ 719	\$ 2,816
23801 FFA	285	27,427	26,304	1,408
23802 Student Council	935	340	635	640
23803 Yearbook	4,624	6,585	7,463	3,746
23804 District III-Athletics	13,413	1,813	2,712	12,514
23805 ENMU Services	157	0	0	157
23806 Drama	48	0	0	48
23807 Art	273	50	0	323
23808 EPAC	2,248	0	0	2,248
23810 Cafeteria Account	410	0	0	410
23811 National Honor Society	1,266	618	170	1,714
23812 Flower Fund	364	320	284	400
23813 BPA	2,738	23,419	23,905	2,252
23814 Cheerleaders	867	283	442	708
23815 Girl's Athletics	1,441	4,080	5,050	471
23816 Boy's Athletics	2,279	4,632	5,119	1,792
23817 Resource Room	37	0	37	0
23818 Principal's Account	868	246	341	773
23819 3-4 Year Old Program	242	0	0	242
23820 Math/Science	645	165	84	726
23822 2nd Grade-Pennies	123	0	0	123
23822 Library	(1,841)	5,425	3,073	511
23824 H/S Accelerated Reader	279	0	0	279
23825 District 7 Baseball	97	0	0	97
23826 Track	0	2,794	1,920	874
23827 Student Travel	100	0	100	0
23828 Music	1,630	114	145	1,599
23830 Concession Stand	14,870	18,614	12,757	20,727
23831 Clinton Clark Scholarship	12,870	0	0	12,870
23832 FCA	700	0	63	637
23833 FFA Special Account	139	0	0	139
23834 Careers	200	0	0	200
23835 Baseball	825	0	620	205
23836 Elem Accelerated Reader	4,898	85	436	4,547
23837 Stockes Scholarship	800	0	800	0
23838 Clean & Beautiful Award	144	0	0	144
23839 Football	486	3,009	2,405	1,090
23841 Dora Booster Club	552	0	552	0
23842 Zune	250	0	250	0
23843 Education Enhancement	168	985	0	1,153
23844 James Polk Stone Tournament	1,687	6,345	5,376	2,656
23845 Earth Day	0	478	478	0
23846 Relay for Life	0	403	0	403
23901 Class of 2001	20	0	0	20
23907 Class of 2007	\$ 95	\$ 0	\$ 0	\$ 95

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
 AGENCY FUNDS - ACTIVITY
 Schedule of Changes in Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2013

	Balance 6/30/12	Additions	Deletions	Balance 6/30/13
23912 Class of 2012	\$ 0	\$ 120	\$ 112	\$ 8
23913 Class of 2013	1,609	685	1,661	633
23914 Class of 2014	168	7,050	4,311	2,907
23915 Class of 2015	409	2,944	50	3,303
23916 Class of 2016	862	912	329	1,445
23917 Class of 2017	73	304	0	377
23918 Class of 2018	0	194	0	194
Total Assets	<u>\$ 75,694</u>	<u>\$ 123,633</u>	<u>\$ 108,703</u>	<u>\$ 90,624</u>
LIABILITIES				
Deposits Held for Others	<u>\$ 75,694</u>	<u>\$ 123,633</u>	<u>\$ 108,703</u>	<u>\$ 90,624</u>
Total Liabilities	<u>\$ 75,694</u>	<u>\$ 123,633</u>	<u>\$ 108,703</u>	<u>\$ 90,624</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
Cash Reconciliations - All Funds
For the Year Ended June 30, 2013

		Beginning Cash 6/30/12	Revenues	Expenditures	Transfers	Ending Cash 6/30/13
Operational	11000	\$ 921,846	\$ 2,558,812	\$ 2,643,480	\$ (1,980)	\$ 835,198
Transportation	13000	2	278,768	272,000	0	6,770
Instructional Materials	14000	16,622	16,451	6,172	0	26,901
Food Services	21000	97,458	85,041	57,675	0	124,824
Athletics	22000	21,038	18,847	22,398	0	17,487
Agency Funds	23000	75,694	123,633	108,703	0	90,624
Federal Flowthrough	24000	(56,731)	220,836	205,144	0	(41,039)
Federal Direct	25000	(28,480)	38,809	10,876	0	(547)
State Flowthrough	27000	(3,141)	6,616	5,705	1,980	(250)
Senate Bill 9	31700	249,318	174,496	102,250	0	321,564
Debt Service	41000	109,249	96,674	86,420	0	119,503
Total		\$ <u>1,402,875</u>	\$ <u>3,618,983</u>	\$ <u>3,520,823</u>	\$ <u>0</u>	\$ <u>1,501,035</u>

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

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101

(855) 253-4313

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 Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Dora Consolidated School District

Mr. Balderas and Members of the Board

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 Dora Consolidated School (District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Districts basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated October 22, 2013.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that are 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 Responses, that we consider to be significant deficiencies. 12-1, 12-2, 12-4, 13-2

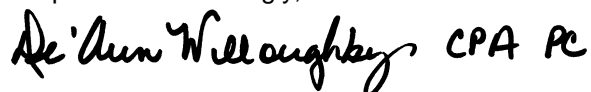
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses; 12-1, 12-2, 12-4, 13-1, 13-2

The District's Responses to Findings

The District's responses to the findings identified in our audit as described in the accompanying Schedule of Findings and Responses. The District's response was not subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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.



Clovis, New Mexico

November 7, 2013

Financial Statement Audit Findings

Prior Year Audit Findings

	<u>Status</u>
12-1 Budget Violations	Repeated
12-2 PED Cash Reports	Repeated
12-3 Stale Date Transactions	Resolved
12-4 Expenditure Issues	Repeated & Modified
12-5 Cash Appropriations in Excess of Available Cash Balances	Resolved

Current Year Audit Findings

12-1 Budget Violations-Compliance and Internal Control-Significant Deficiency

Condition

The district has maintained expenditures at the function level in which actual expenditures exceeded budgetary authority in the following funds:

	Budget		Actual	Over Budget
	<u>Original</u>	<u>Final</u>		
General Fund-Food Service-31000	68,396	\$ 72,033	\$ 74,690	\$ (2,657)

Criteria

Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control. For School District's, the expenditure function is the legal level of control.

Cause

The District did not make the appropriate budgetary adjustments requests and transfers to the funds mentioned in the condition, which would alleviate over-expenditure within the functions prior to the year end.

Effect

The users of the financial statements such as legislators, creditors, bondholders, state and federal grantors, etc., do not have timely audit reports and financial statements for their review. Late audit report could have an effect on state and federal funding.

Recommendation

The District must establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

Response

We will monitor the budget more closely and amend it as necessary.

12-2 PED Cash Reports-Compliance and Internal Control-Significant Deficiency

Condition

The District's PED Cash Report at year end does not agree with the audited cash balances.

Criteria

6.20.2.11 (B) (6) NMAC and Regulation SBE-6 the reports sent to the New Mexico Public Education Department (PED) must agree to the District's general ledger and must be submitted quarterly and annually by July 31.

Cause

Receipts had not been entered into the general ledger causing the cash balance reported to PED to be less than the actual reconciled amount.

Effect

The District is not in compliance with NMAC 6.20.2.11 (b) (6) and Regulation SBE-6. Noncompliance may result in poor decision making by the District's governing board.

Recommendation

We recommend all revenues and reconcile the bank statements to the general ledger monthly.

Response

We will reconcile the bank statement to the funds.

12-4 Expenditure Issues-Compliance and Internal Control-Significant Deficiency

Condition

During our sampling we noted:

- 1) Two had after the fact PO's totaling \$4,578.00
- 2) Two checks written for \$1,000.00 and \$2,000.00 did not have adequate supporting documentation. There was no invoices with vendors information on them.

Criteria

In accordance with 6.20.2.17 Purchasing each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq, NMSA 1978.

Cause

Employees made purchases without following the procurement process and documentation was not received by central office to support expenditures made.

Effect

Without proper documentation and following the procurement act, there are not adequate controls over expenditures which could result in over spending.

Recommendation

Employees should receive training regarding the procurement process, sign an acknowledgement of receipt of written procedures required for procurement and have some type of penalty for violations.

Response

We will implement the above recommendation.

13-1 Late Audit Contract-Other Matter

Condition

The audit contract was not received by the Office of the State Auditor by the required due date of May 1, 2013.

Criteria

Paragraph (6) or Subsection G of 2.2.2.8 NMAC requires the contract be received by the Office of the State Auditor by May 1, 2013.

Cause

The auditor was not on the approved audit list until after that date.

Effect

Paragraph (6) or Subsection G of 2.2.2.8 NMAC was violated.

Recommendation

The District should contract with an auditor by the deadline.

Agency Response

We will contract with an approved auditor timely.

13-2 Lack of Pledged Securities-Compliance and Internal Control-Significant Deficiency

Condition

Portales National Bank has not pledged enough securities for the public monies held by the institution over the insured amount. The securities were under pledged by \$45,892.

Criteria

Pursuant to Section 6-10-16, NMSA 1978 and Section 6-10-17, NMSA 1978 securities with an aggregate value equal to one-half the amount of public money deposited shall be provided by the depository.

Cause

Management depended upon the institution to adequately pledge securities to cover public funds. The institution completed the Bank Report disclosing the amount of deficiency but did not increase the amount of the pledge.

Effect

Under collateralization results in lack of guarantee of the District's money in case of institutional failure.

Recommendation

We recommend that the District monitor the Bank Report and request additional securities when necessary.

Response

We will monitor the Bank Report and will request additional pledged securities when necessary.

Financial Statement Preparation

The financial statements were prepared by De'Aun Willoughby CPA. However, they are the responsibility of management.

Exit Conference

An exit conference was held on October 22, 2013. Those present were Steve Barron-Superintendent, Roberta Trujillo-Business Manager, Kenneth Cox-Board President, and De'Aun Willoughby CPA.