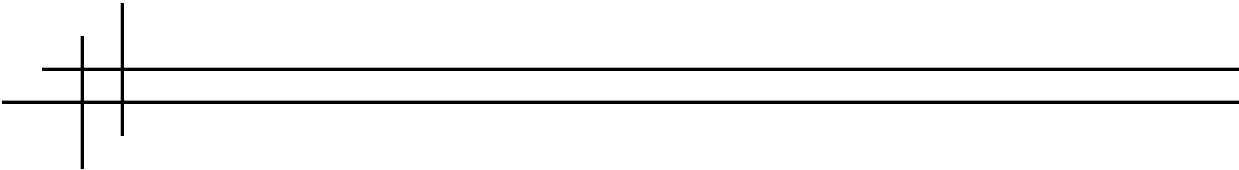




STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT
June 30, 2015

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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STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
Official Roster
June 30, 2015

BOARD OF EDUCATION

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

SCHOOL OFFICIALS

Steve Barron	Superintendent
Carol Gonzales	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101

(855) 253-4313

Independent Auditor's Report

Mr. Tim Keller
State Auditor of the State of New Mexico
Board Members of the Dora Consolidated School District

Mr. Keller 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, 2015, 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 funds and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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, 2015, 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, 2015, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital projects 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

Required Supplementary Information

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.

Other Information

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The 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.

Accounting principles generally accepted in the United States of America require that the Schedules of Required Supplementary Information for the Pension Plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 30, 2015, 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 30, 2015

FINANCIAL SECTION

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
 Government-Wide Statement of Net Position
 June 30, 2015

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 1,630,813
Investments	46
Taxes Receivable	3,633
Due From Grantor	256,495
Inventory	1,722
Total Current Assets	<u>1,892,709</u>
Noncurrent Assets	
Capital Assets	20,376,999
Less: Accumulated Depreciation	<u>(11,596,355)</u>
Total Noncurrent Assets	<u>8,780,644</u>
Total Assets	<u>10,673,353</u>
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	303,794
Total Deferred Outflows of Resources	<u>303,794</u>
Liabilities	
Current Liabilities	
Accounts Payable	37,765
Accrued Interest	17,734
Compensated Absences	42,868
Current Portion of Long-Term Debt	170,000
Total Current Liabilities	<u>268,367</u>
Noncurrent Liabilities	
Bonds	1,415,000
Pension Liability	3,654,512
Total Noncurrent Liabilities	<u>5,069,512</u>
Total Liabilities	<u>5,337,879</u>
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions	386,654
Total Deferred Inflows of Resources	<u>386,654</u>
Net Position	
Invested in Net Capital Assets	8,780,644
Restricted for:	
Capital Projects	1,206,090
Debt Service	82,036
Unrestricted	<u>(4,816,156)</u>
Total Net Position	<u>\$ 5,252,614</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, 2015

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	\$ 2,191,795	\$ 20,500	\$ 206,815	\$ 0	\$ (1,964,480)
Support Services					
Students	171,589	0	24,401	0	(147,188)
Instruction	116,002	0	2,145	0	(113,857)
General Administration	220,952	0	8,539	0	(212,413)
School Administration	152,222	0	204	0	(152,018)
Central Services	152,464	0	0	0	(152,464)
Operation of Plant	486,071	0	0	195,300	(290,771)
Student Transportation	303,483	0	286,795	0	(16,688)
Other Support Services	8,203	0	0	0	(8,203)
Food Services Operations	146,648	26,201	60,549	0	(59,898)
Interest on Long-Term Obligations					
	36,959	0	0	0	(36,959)
Bond Issue Costs					
	43,540	0	0	0	(43,540)
Total Governmental Activities	\$ 4,029,928	\$ 46,701	\$ 589,448	\$ 195,300	(3,198,479)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					14,193
Property Taxes, Levied for Capital Projects					56,980
Property Taxes, Levied for Debt Service					102,806
Federal and State Aid Not Restricted to Specific Purpose					
General					2,693,427
Capital					42,027
Interest and Investment Earnings					
					317
Miscellaneous					
					38,085
Subtotal, General Revenues					2,947,835
Change in Net Position					
					(250,644)
Net Position - Beginning					
					9,226,504
Restatement					
					(3,723,246)
Restated Beginning Net Position					
					5,503,258
Net Position - Ending					
					\$ 5,252,614

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, 2015

	General Fund		
	Operational	Transportation	Instructional
	11000	13000	Materials 14000
Assets			
Cash and Cash Equivalents	\$ 279,231	\$ 0	\$ 24,474
Investments	46	0	0
Receivables			
Taxes	279	0	0
Due From Grantor	0	0	0
Interfund Balances	214,468	0	0
Inventory	0	0	0
Total Assets	<u>\$ 494,024</u>	<u>\$ 0</u>	<u>\$ 24,474</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 17,167	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>17,167</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted			
Special Revenue Funds	0	0	0
Capital Projects Funds	0	0	0
Debt Service Fund	0	0	0
Unassigned	476,857	0	24,474
Total Fund Balances	<u>476,857</u>	<u>0</u>	<u>24,474</u>
Total Liabilities and Fund Balances	<u>\$ 494,024</u>	<u>\$ 0</u>	<u>\$ 24,474</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, 2015

177,177

	Special Revenue Fund		Capital
	Title I 24101	NM Highway Department 28120	Projects
			Bond Building 31100
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 892,362
Investments	0	0	0
Receivables			
Taxes	0	0	0
Due From Grantor	29,745	60,150	0
Interfund Balances	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 29,745</u>	<u>\$ 60,150</u>	<u>\$ 892,362</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	29,745	60,150	0
Total Liabilities	<u>29,745</u>	<u>60,150</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted			
Special Revenue Funds	0	0	0
Capital Projects Funds	0	0	892,362
Debt Service Fund	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>892,362</u>
Total Liabilities and Fund Balances	<u>\$ 29,745</u>	<u>\$ 60,150</u>	<u>\$ 892,362</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, 2015

	Capital Projects		
	State Capital Outlay 31400	Senate Bill Nine 31700	Other Governmental
Assets			
Cash and Cash Equivalents	\$ 0	\$ 271,477	\$ 163,269
Investments	0	0	0
Receivables			
Taxes	0	1,120	2,234
Due From Grantor	75,000	42,027	49,573
Interfund Balances	0	0	0
Inventory	0	0	1,722
Total Assets	<u>\$ 75,000</u>	<u>\$ 314,624</u>	<u>\$ 216,798</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 896	\$ 19,702
Interfund Balances	75,000	0	49,573
Total Liabilities	<u>75,000</u>	<u>896</u>	<u>69,275</u>
Fund Balances			
Nonspendable-Inventory	0	0	1,722
Restricted			
Special Revenue Funds	0	0	63,765
Capital Projects Funds	0	313,728	0
Debt Service Fund	0	0	82,036
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>313,728</u>	<u>147,523</u>
Total Liabilities and Fund Balances	<u>\$ 75,000</u>	<u>\$ 314,624</u>	<u>\$ 216,798</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, 2015

	Total Governmental Funds
Assets	
Cash and Cash Equivalents	\$ 1,630,813
Investments	46
Receivables	
Taxes	3,633
Due From Grantor	256,495
Interfund Balances	214,468
Inventory	1,722
Total Assets	<u>\$ 2,107,177</u>
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	\$ 37,765
Interfund Balances	214,468
Total Liabilities	<u>252,233</u>
Fund Balances	
Nonspendable-Inventory	1,722
Restricted	
Special Revenue Funds	63,765
Capital Projects Funds	1,206,090
Debt Service Fund	82,036
Unassigned	501,331
Total Fund Balances	<u>1,854,944</u>
Total Liabilities and Fund Balances	<u>\$ 2,107,177</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, 2015

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

Total Fund Balance - Governmental Funds		\$	1,854,944
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	\$	20,376,999	
Accumulated depreciation		<u>(11,596,355)</u>	8,780,644
Deferred Outflows and Inflows Related to Pensions are the results of differences in expected and actual actuary experience and the difference in actuary projected and actual earnings. Also changes in proportion and differences between contributions and proportionate share of contributions.			
Deferred Outflows Related to Pensions		303,794	
Deferred Inflows Related to Pensions		<u>(386,654)</u>	(82,860)
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 :			
Bonds		(1,585,000)	
Pension Liability		(3,654,512)	
Accrued Interest		(17,734)	
Compensated Absences		<u>(42,868)</u>	<u>(5,300,114)</u>
Total Net Position - Governmental Activities		\$	<u><u>5,252,614</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, 2015

	General Fund		
	Operational	Transportation	Instructional
	11000	13000	Materials 14000
Revenues			
Property Taxes	\$ 14,193	\$ 0	\$ 0
Interest Income	68	0	0
Fees	0	0	0
State & Local Grants	2,693,427	286,795	16,506
Federal Grants	0	0	0
Miscellaneous	38,085	0	0
Total Revenues	2,745,773	286,795	16,506
Expenditures			
Current			
Instruction	1,564,996	0	13,231
Support Services			
Students	144,166	0	0
Instruction	113,857	0	0
General Administration	202,817	0	0
School Administration	148,215	0	0
Central Services	152,765	0	0
Operation of Plant	423,220	0	0
Student Transportation	6,454	293,565	0
Other Support Services	8,203	0	0
Food Services Operations	0	0	0
Capital Outlay	6,500	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Cost	0	0	0
Total Expenditures	2,771,193	293,565	13,231
Excess (Deficiency) of Revenues Over Expenditures	(25,420)	(6,770)	3,275
Other Financing Sources (Uses)			
Bond Issue Proceeds	0	0	0
Total Other Sources (Uses)	0	0	0
Net Change in Fund Balance	(25,420)	(6,770)	3,275
Fund Balances at Beginning of Year	502,277	6,770	21,199
Fund Balance End of Year	\$ 476,857	\$ 0	\$ 24,474

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, 2015

	Special Revenue Fund		Capital
	Title I 24101	NM Highway Department 28120	Projects Bond Building 31100
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	203
Fees	0	0	0
State & Local Grants	0	120,300	0
Federal Grants	62,205	0	0
Miscellaneous	0	0	0
Total Revenues	62,205	120,300	203
Expenditures			
Current			
Instruction	53,448	0	0
Support Services			
Students	218	0	0
Instruction	0	0	0
General Administration	8,539	0	0
School Administration	0	0	0
Central Services	0	0	0
Operation 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	120,300	465,192
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Cost	0	0	43,540
Total Expenditures	62,205	120,300	508,732
Excess (Deficiency) of Revenues Over Expenditures	0	0	(508,529)
Other Financing Sources (Uses)			
Bond Issue Proceeds	0	0	750,000
Total Other Sources (Uses)	0	0	750,000
Net Change in Fund Balance	0	0	241,471
Fund Balances at Beginning of Year	0	0	650,891
Fund Balance End of Year	\$ 0	\$ 0	\$ 892,362

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, 2015

	Capital Projects		
	State Capital	Senate	Other Governmental
	Outlay 31400	Bill Nine 31700	
Revenues			
Property Taxes	\$ 0	\$ 56,980	\$ 102,806
Interest Income	0	31	15
Fees	0	0	46,701
State & Local Grants	75,000	42,027	53,445
Federal Grants	0	0	170,497
Miscellaneous	0	0	0
Total Revenues	<u>75,000</u>	<u>99,038</u>	<u>373,464</u>
Expenditures			
Current			
Instruction	0	32,896	149,626
Support Services			
Students	0	0	24,183
Instruction	0	0	2,145
General Administration	0	334	661
School Administration	0	0	204
Central Services	0	0	0
Operation of Plant	0	54,617	0
Student Transportation	0	0	0
Other Support Services	0	0	0
Food Services Operations	0	0	145,091
Capital Outlay	75,000	67,379	6,500
Debt Service			
Principal	0	0	80,000
Interest	0	0	28,885
Bond Issue Cost	0	0	0
Total Expenditures	<u>75,000</u>	<u>155,226</u>	<u>437,295</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(56,188)</u>	<u>(63,831)</u>
Other Financing Sources (Uses)			
Bond Issue Proceeds	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	(56,188)	(63,831)
Fund Balances at Beginning of Year	<u>0</u>	<u>369,916</u>	<u>211,354</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 313,728</u>	<u>\$ 147,523</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, 2015

	Total Governmental Funds
Revenues	
Property Taxes	\$ 173,979
Interest Income	317
Fees	46,701
State & Local Grants	3,287,500
Federal Grants	232,702
Miscellaneous	38,085
Total Revenues	<u>3,779,284</u>
Expenditures	
Current	
Instruction	1,814,197
Support Services	
Students	168,567
Instruction	116,002
General Administration	212,351
School Administration	148,419
Central Services	152,765
Operation of Plant	477,837
Student Transportation	300,019
Other Support Services	8,203
Food Services Operations	145,091
Capital Outlay	740,871
Debt Service	
Principal	80,000
Interest	28,885
Bond Issue Cost	43,540
Total Expenditures	<u>4,436,747</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(657,463)</u>
Other Financing Sources (Uses)	
Bond Issue Proceeds	750,000
Total Other Sources (Uses)	<u>750,000</u>
Net Change in Fund Balance	92,537
Fund Balances at Beginning of Year	<u>1,762,407</u>
Fund Balance End of Year	<u>\$ 1,854,944</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, 2015

Net Change in Fund Balance-Governmental Funds \$ 92,537

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	\$ (348,581)	
Capital Outlays	<u>740,871</u>	392,290

The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net assets. (750,000)

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	80,000	
Accrued Interest on Bonds, June 30, 2014	9,663	
Accrued Interest on Bonds, June 30, 2015	<u>(17,734)</u>	71,929

Pension contributions are reported as expenses in the government funds but are deferred outflows in the Statement of Net Position. Pension Expense is reported in the Statement of Activities but not in the governmental funds.

Pension Contributions	225,995	
Pension Expense	<u>(280,027)</u>	(54,032)

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, 2014	39,500	
Compensated Absences, June 30, 2015	<u>(42,868)</u>	<u>(3,368)</u>

Changes in Net Position of Governmental Activities \$ (250,644)

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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 15,856	\$ 15,856	\$ 14,024	\$ (1,832)
Interest Income	0	0	68	68
State Grant	2,681,418	2,681,418	50,418	(2,631,000)
Miscellaneous	0	0	2,693,427	2,693,427
Total Revenues	<u>2,697,274</u>	<u>2,697,274</u>	<u>2,757,937</u>	<u>60,663</u>
Expenditures				
Instruction				
Personnel Services	1,099,736	1,099,736	1,032,017	67,719
Employee Benefits	475,845	475,845	411,679	64,166
Professional & Technical Services	14,750	14,750	23,596	(8,846)
Purchased Property Services	2,500	2,500	346	2,154
Other Purchased Services	41,750	41,750	39,447	2,303
Supplies	60,200	60,200	51,168	9,032
Fixed Assets	0	0	6,500	(6,500)
Supply Assets	31,500	31,500	14,561	16,939
Total Instruction	<u>1,726,281</u>	<u>1,726,281</u>	<u>1,579,314</u>	<u>146,967</u>
Support Services				
Students				
Personnel Services	96,904	96,904	86,317	10,587
Employee Benefits	34,120	45,176	36,070	9,106
Professional & Tech Services	27,000	27,000	22,529	4,471
Other Purchased Services	100	100	0	100
Supplies	250	250	0	250
Supply Assets	500	500	0	500
Total Students	<u>158,874</u>	<u>169,930</u>	<u>144,916</u>	<u>25,014</u>
Instruction				
Personnel Services	71,428	71,428	63,026	8,402
Employee Benefits	24,439	24,439	25,534	(1,095)
Professional & Technical Services	0	0	14,556	(14,556)
Other Purchased Services	2,500	2,500	1,108	1,392
Supplies	3,200	3,200	5,043	(1,843)
Total Instruction	<u>101,567</u>	<u>101,567</u>	<u>109,267</u>	<u>(7,700)</u>
General Administration				
Personnel Services	120,255	120,255	120,526	(271)
Employee Benefits	38,835	38,835	39,148	(313)
Professional & Technical Services	28,014	28,014	21,668	6,346
Other Purchased Services	11,450	11,450	12,880	(1,430)
Supplies	6,000	6,000	8,271	(2,271)
Total General Administration	<u>\$ 204,554</u>	<u>\$ 204,554</u>	<u>\$ 202,493</u>	<u>\$ 2,061</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Support Services-Continued				
School Administration				
Personnel Services	\$ 114,686	\$ 114,686	\$ 114,586	\$ 100
Employee Benefits	29,665	29,665	30,501	(836)
Professional & Technical Services	350	350	419	(69)
Other Purchased Services	2,500	2,500	2,125	375
Supplies	250	250	584	(334)
Supply Assets	100	100	0	100
Total School Administration	<u>147,551</u>	<u>147,551</u>	<u>148,215</u>	<u>(664)</u>
Central Services				
Personnel Services	87,239	87,239	93,850	(6,611)
Employee Benefits	31,019	31,019	30,960	59
Professional & Technical Services	1,300	1,300	10,458	(9,158)
Other Purchased Services	9,500	9,500	16,076	(6,576)
Supplies	800	800	1,921	(1,121)
Supply Assets	400	400	0	400
Total Central Services	<u>130,258</u>	<u>130,258</u>	<u>153,265</u>	<u>(23,007)</u>
Operation & Maintenance of Plant				
Personnel Services	124,330	124,330	115,151	9,179
Employee Benefits	29,491	29,491	31,122	(1,631)
Professional & Technical Services	10,150	10,150	1,864	8,286
Purchased Property Services	224,000	224,000	114,131	109,869
Other Purchased Services	118,750	118,750	110,269	8,481
Supplies	57,600	57,600	55,931	1,669
Fixed Assets	2,500	2,500	1,709	791
Total Operation & Maintenance of	<u>566,821</u>	<u>566,821</u>	<u>430,177</u>	<u>136,644</u>
Student Transportation				
Professional & Technical Services	2,000	2,000	3,490	(1,490)
Purchased Property Services	41,425	41,425	1,230	40,195
Other Purchased Services	4,060	4,060	334	3,726
Total Student Transportation	<u>47,485</u>	<u>47,485</u>	<u>5,054</u>	<u>42,431</u>
Other				
Miscellaneous	<u>11,438</u>	<u>11,438</u>	<u>8,201</u>	<u>3,237</u>
Total Other	<u>11,438</u>	<u>11,438</u>	<u>8,201</u>	<u>3,237</u>
Total Support Services	\$ <u>1,368,548</u>	\$ <u>1,379,604</u>	\$ <u>1,201,588</u>	\$ <u>178,016</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Food Service Operations				
Personnel Services	\$ 38,094	\$ 38,094	\$ 0	\$ 38,094
Total Food Service Operations	<u>38,094</u>	<u>38,094</u>	<u>0</u>	<u>38,094</u>
Total Expenditures	<u>3,132,923</u>	<u>3,143,979</u>	<u>2,780,902</u>	<u>363,077</u>
Excess (Deficiency) of Revenues Over Expenditures	(435,649)	(446,705)	(22,965)	423,740
Cash Balance Beginning of Year	<u>516,710</u>	<u>516,710</u>	<u>516,710</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 81,061</u>	<u>\$ 70,005</u>	<u>\$ 493,745</u>	<u>\$ 423,740</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (22,965)	
Net Change in Taxes Receivable			169	
Net Change in Due from Grantor			(12,334)	
Net Change in Accounts Payable			<u>9,710</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (25,420)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 276,236	\$ 276,236	\$ 286,795	\$ 10,559
Total Revenues	<u>276,236</u>	<u>276,236</u>	<u>286,795</u>	<u>10,559</u>
Expenditures				
Support Services				
Student Transportation				
Professional & Technical Services	6,365	6,365	14,666	(8,301)
Purchased Property Services	47,933	47,933	42,933	5,000
Professional & Technical Services	221,938	221,938	231,742	(9,804)
Supply Assets	0	0	839	(839)
Total Student Transportation	<u>276,236</u>	<u>276,236</u>	<u>290,180</u>	<u>(13,944)</u>
Total Support Services	<u>276,236</u>	<u>276,236</u>	<u>290,180</u>	<u>(13,944)</u>
Total Expenditures	<u>276,236</u>	<u>276,236</u>	<u>290,180</u>	<u>(13,944)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(3,385)</u>	<u>(3,385)</u>
Other Financing Sources (Uses)				
Returned to PED	0	0	(3,385)	(3,385)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(3,385)</u>	<u>(3,385)</u>
Net Change in Cash Balance	0	0	(6,770)	(6,770)
Cash Balance Beginning of Year	<u>6,770</u>	<u>6,770</u>	<u>6,770</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,770</u>	<u>\$ 6,770</u>	<u>\$ 0</u>	<u>\$ (6,770)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (6,770)	
Net Change in Fund Balance			\$ (6,770)	

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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 11,771	\$ 11,771	\$ 16,506	\$ 4,735
Total Revenues	<u>11,771</u>	<u>11,771</u>	<u>16,506</u>	<u>4,735</u>
Expenditures				
Instruction				
Supplies	11,771	16,714	13,231	3,483
Total Instruction	<u>11,771</u>	<u>16,714</u>	<u>13,231</u>	<u>3,483</u>
Total Expenditures	<u>11,771</u>	<u>16,714</u>	<u>13,231</u>	<u>3,483</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(4,943)	3,275	8,218
Cash Balance Beginning of Year	<u>21,199</u>	<u>21,199</u>	<u>21,199</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 21,199</u>	<u>\$ 16,256</u>	<u>\$ 24,474</u>	<u>\$ 8,218</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,275	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 3,275</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 65,699	\$ 84,533	\$ 44,128	\$ (40,405)
Total Revenues	<u>65,699</u>	<u>84,533</u>	<u>44,128</u>	<u>(40,405)</u>
Expenditures				
Instruction				
Personnel Services	33,945	33,945	33,764	181
Employee Benefits	18,684	19,184	8,007	11,177
Professional & Tech Services	108	108	0	108
Other Purchased Services	100	100	0	100
Supplies	1,304	9,004	11,787	(2,783)
Supply Assets	0	1,680	0	1,680
Total Instruction	<u>54,141</u>	<u>64,021</u>	<u>53,558</u>	<u>10,463</u>
Support Services				
Students				
Supplies	0	634	218	416
Total Students	<u>0</u>	<u>634</u>	<u>218</u>	<u>416</u>
General Administration				
Personnel Services	0	6,000	5,918	82
Employee Benefits	0	1,820	1,538	282
Professional & Technical Service	0	0	1,083	(1,083)
Total General Administration	<u>0</u>	<u>7,820</u>	<u>8,539</u>	<u>(719)</u>
School Administration				
Other Purchased Services	0	500	0	500
Total School Administration	<u>0</u>	<u>500</u>	<u>0</u>	<u>500</u>
Total Support Services	<u>0</u>	<u>8,954</u>	<u>8,757</u>	<u>197</u>
Total Expenditures	<u>54,141</u>	<u>72,975</u>	<u>62,315</u>	<u>10,660</u>
Excess (Deficiency) of Revenues Over Expenditures	11,558	11,558	(18,187)	(29,745)
Cash Balance Beginning of Year	<u>(11,558)</u>	<u>(11,558)</u>	<u>(11,558)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (29,745)</u>	<u>\$ (29,745)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (18,187)	
Net Change in Due from Grantor			18,077	
Net change in Accounts Payable			110	
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-NM HIGHWAY DEPARTMENT-28120
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 120,300	\$ 60,150	\$ (60,150)
Total Revenues	<u>0</u>	<u>120,300</u>	<u>60,150</u>	<u>(60,150)</u>
Expenditures				
Capital Outlay				
Purchased Property	0	120,300	120,300	0
Total Capital Outlay	<u>0</u>	<u>120,300</u>	<u>120,300</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>120,300</u>	<u>120,300</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(60,150)	(60,150)
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>\$ (60,150)</u>	<u>\$ (60,150)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (60,150)	
Net Change in Due from Grantor			<u>60,150</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, 2015

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 121,348
Total Assets	<u>\$ 121,348</u>
Liabilities	
Deposits Held for Others	\$ 121,348
Total Liabilities	<u>\$ 121,348</u>

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

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, 2015

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.

NM Highway Department (28120). Accounts for funds received from the NM Department of Transportation to assist with surface needs such as paving school parking areas and bus areas. The fund was created by the authority of state grant provisions.

Major Capital Projects Funds

Bond Building (31100). The revenues are derived from a School Building Bond Issue. The expenditures are restricted to major capital improvements.

Special School Capital Outlay State (31400). To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading buildings.

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

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.

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2015

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

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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

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.
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.

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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.

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.

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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

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.

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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

Long-Term Liabilities include bonds, pension liabilities and compensated absences that are paid for over several years. Long-Term Liabilities are included in the government wide financial statements but not in the fund financial statements. Only the current portion due within 30 days is included in the fund financial statements. The District does not have any activity in long-term liabilities.

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 Inflow of Resources

The District reports deferred revenues on its Statement of Net Position and Fund Balance Sheet. Deferred inflow of resources 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 inflow of resources is removed from the combined balance sheet and the revenue is recognized. Deferred inflow of resources 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.

A. Deposits 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.

Stone Community Bank	Balance Per Bank 6/30/15	Reconciled Balance	Type	
Debt Service	\$ 79,802	\$ 79,802	Checking	Interest
Bond Account	817,364	817,364	Checking	Interest
Capital Improvements	277,182	277,182	Checking	Interest
Dora Schools Capital Imp.	13,220	13,220	Savings	Interest
Operational	376,103	374,120	Checking	Interest
Payroll Clearing	206,881	5,111	Checking	Non-Interest
Athletic Fund	18,099	17,746	Checking	Interest
Lunch Fund	46,219	46,219	Checking	Interest
Activity Fund	109,168	108,130	Checking	Interest
Total Deposited	<u>1,944,038</u>	<u>\$ 1,738,894</u>		
Less: FDIC Coverage	<u>(250,000)</u>			
Uninsured Amount	1,694,038			
50% collateral requirement	847,019			
Pledged securities	<u>996,219</u>			
Over (Under) requirement	<u>\$ 149,200</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:

<u>Description</u>	<u>CUSIP #</u>	<u>Par/ Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FNMA Call Qtrly Step	3136G0VH1	\$ 49,500	11/15/2014 *	TIB
Luna Co NM SD #1 BQ	550340DN0	205,328	7/15/2014 *	TIB
Lea Co NM PSD #8 Eunice BQ GO	521513BQ3	100,842	1/15/2016 *	TIB
Roswell NM ISD	778550HJ5	50,065	8/1/2013 *	TIB
Clovis NM Muni SD #1 BQ GO	189414HE8	337,428	8/1/2015 *	TIB
Clovis NM Muni SD #1 BQ GO	189414JW6	102,783	8/1/2014 *	TIB
Portales NM Muni SD #1 BQ Call GO	736151CZ2	150,273	8/1/2016 *	TIB
		<u>\$ 996,219</u>		

* Texas Independent Bank,
Dallas, Texas

Wells Fargo

<u>Name of Account</u>	<u>Balance Per Bank 6/30/15</u>	<u>Reconciled Balance</u>	<u>Type</u>	<u>Interest</u>
Clinton Clark Scholarship	\$ 1,759	\$ 1,759	CD	Interest
Clinton Clark Scholarship	11,508	11,508	CD	Interest
TOTAL Deposited	<u>13,267</u>	<u>\$ 13,267</u>		
Less: FDIC Coverage	<u>(13,267)</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 Balance</u>
Insured	\$ 263,267
Collateralized:	
Collateral held by the pledging bank in District's name	996,219
Uninsured and uncollateralized	697,819
Total Deposits	<u>\$ 1,957,305</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, 2015 \$697,819 of the District's bank balance of \$1,957,305 was exposed to custodial credit risk.

New Mexico State Treasurer

<u>Name of Account</u>	<u>Balance</u>
Dora	\$ 46
TOTAL Deposited	<u>\$ 46</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.org. As of June 30, 2015, the LGIP WAM(R) is 54.6 days and WAM(F) is 77.7 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.

B. Receivables

Following is a schedule of property taxes receivable as of June 30, 2015:

	General Fund 11000	Senate Bill Nine 31700	Debt Service 41000
Property Taxes Receivable:			
Available	\$ 279	1,120	2,234
Unavailable	0	0	0
TOTAL Property Taxes Receivable	<u>\$ 279</u>	<u>\$ 1,120</u>	<u>\$ 2,234</u>

C. Interfund Receivables, Payables and Transfers

Loans and transfers to and from funds during the year ending June 30, 2015 were as follows:

Interfund Balances		Amount:
From:	To:	
Operational Fund	Title I	\$ 29,745
	NM Highway Department	60,150
	Special Capital Outlay State	75,000
	Other Governmental Funds	49,573
	Total Interfund Balances	<u>\$ 214,468</u>

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

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Amounts due from other agencies and units of government were as follows as of June 30, 2015:

Federal Agencies	\$ 77,103
State Agencies	179,392
Total	<u>\$ 256,495</u>

D. Capital Assets

Capital assets balances and activity for the year ended June 30, 2015, is as follows:

	Balance 6/30/14	Increases	Decreases	Balance 6/30/15
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 39,620	\$ 0	\$ 0	\$ 39,620
Total Capital Assets, not being Depreciated	<u>39,620</u>	<u>0</u>	<u>0</u>	<u>39,620</u>
Capital Assets, being Depreciated				
Buildings & Improvements	19,073,627	727,870	0	19,801,497
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>522,882</u>	<u>13,000</u>	<u>0</u>	<u>535,882</u>
Total Capital Assets, being Depreciated	<u>19,596,508</u>	<u>740,870</u>	<u>0</u>	<u>20,337,379</u>
Total Capital Assets	<u>19,636,128</u>	<u>740,870</u>	<u>0</u>	<u>20,376,999</u>
Less Accumulated Depreciation				
Buildings & Improvements	10,887,909	312,473	0	11,200,382
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>359,865</u>	<u>36,108</u>	<u>0</u>	<u>395,973</u>
Total Accumulated Depreciation	<u>11,247,774</u>	<u>348,581</u>	<u>0</u>	<u>11,596,355</u>
Capital Assets, net	<u>\$ 8,388,354</u>	<u>\$ 392,289</u>	<u>\$ 0</u>	<u>\$ 8,780,644</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 343,581
General Administration	1,678
Operation of Plant	3,322
Total Depreciation Expenses	<u>\$ 348,581</u>

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E. Long-Term and Other Liabilities

A summary of activity in the noncurrent liabilities is as follows:

	Balance 6/30/14	Additions	Reductions	Balance 6/30/15	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 915,000	\$ 750,000	\$ 80,000	\$ 1,585,000	\$ 170,000
Other Liabilities					
Compensated Absences	\$ 39,500	\$ 14,867	\$ 11,499	\$ 42,868	\$ 42,868

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%	\$ 85,000
2014	3/1/14	750,000	3%-3.6%	750,000
2015	1/29/15	750,000	2.85%	750,000
				\$ 1,585,000

The annual requirements to amortize the general obligation bonds as of June 30, 2015, including interest payments are as follows:

	Principal	Interest	Total
2016	\$ 170,000	\$ 45,957	\$ 215,957
2017	100,000	42,535	142,535
2018	105,000	39,535	144,535
2019	105,000	36,385	141,385
2020	105,000	33,235	138,235
2021-2025	590,000	118,580	708,580
2026-2027	410,000	26,180	436,180
	\$ 1,585,000	\$ 342,407	\$ 1,927,407

F. Commitments

The District has various construction commitments at June 30, 2015. Bond issue proceeds will be used to fund the projects.

G. Retirement Plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan description. ERB was created by the state's Educational Retirement Act, Section 22-11-1 through 22-11-52, NMSA 1978, as amended, to administer the New Mexico Educational Employees' Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer plan established to provide retirement and disability benefits for certified teachers and other employees of the state's public schools, institutions of higher learning, and agencies providing educational programs. The Plan is a pension trust fund of the State of New Mexico. The New Mexico legislature has the authority to set or amend contribution rates.

ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at www.nmerb.org.

Benefits provided. A member's retirement benefit is determined by a formula which includes three component parts: the member's final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions

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

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

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

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

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

The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$241,695 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the District reported a liability of \$3,654,512 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the District proportion was .06405 percent, which was an increase of .00167 percent from its proportion measured as of June 30, 2013.

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2015

For the year ended June 30, 2015, the District recognized pension expense of \$225,995. At the June 30, 2015, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ (54,440)
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	(332,214)
Changes in proportion and differences between the District's contributions and proportionate share of contributions	77,799	0
District's contributions subsequent to the measurement date	225,995	0
Total	<u>\$ 303,794</u>	<u>\$ (386,654)</u>

\$225,995 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (74,942)
2017	(74,942)
2018	(75,915)
2019	(83,056)
Total	<u>\$ (308,855)</u>

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

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2015

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

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

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

Asset Class	2014 Long-Term Expected Real Rate of Return	2013 Long-Term Expected Real Rate of Return
Cash	1.50%	75.00%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	75.00%
Global Bonds (Hedged)	1.38%	93.00%
EMD External	5.00%	4.00%

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DORA CONSOLIDATED SCHOOL DISTRICT
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June 30, 2015

EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

Discount rate: A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB's defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The District's proportionate share of the net pension liability	\$ 4,972,387	\$ 3,654,512	\$ 2,553,745

Pension plan fiduciary net position. Detailed information about the ERB's fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2014 and 2013 which are publicly available at www.nmerb.org.

H. Retiree Health Care

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

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

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

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

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June 30, 2015

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, 2015, the statutes 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, 2015, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$34,780, \$35,309 and \$34,343 respectively, which equal the required contributions for each year.

I. Reconciliation of Budgetary Basis to GAAP Basis Statements

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are included on each Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

J. Risk Management

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

K. 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.

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
 Notes to the Financial Statements
 June 30, 2015

L. Subsequent Events

Subsequent events were evaluated through October 30, 2015 which is the date the financial statements were available to be issued.

M. Contingent Liabilities

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

N. 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.

O. Budget Violations

Generally accepted accounting principles require disclosures of certain information concerning individual

The following funds had budget violations as of June 30, 2015.

	<u>Original</u>		<u>Final</u>		<u>Actual</u>		<u>Variance</u>
Transportation-13000							
Transportation	\$ 276,236	\$	276,236	\$	290,180	\$	(13,944)

P. Restatement

Net Position was decreased by \$(3,683,343) for the pension liability and increased by \$39,903 for net bond issue costs for a total of \$(3,723,246).

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
 CAPITAL PROJECT FUND-BOND BUILDING-31100
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest Income	\$ 0	\$ 0	\$ 203	\$ 203
Bond Issue	0	750,000	750,000	0
Total Revenues	<u>0</u>	<u>750,000</u>	<u>750,203</u>	<u>203</u>
Expenditures				
Capital Outlay				
Professional & Tech Services	0	110,000	100,318	9,682
Purchased Property	0	1,065,891	364,875	701,016
Fixed Assets	0	225,000	0	225,000
Bond Issue Cost	0	0	43,539	(43,539)
Total Capital Outlay	<u>0</u>	<u>1,400,891</u>	<u>508,732</u>	<u>892,159</u>
Total Expenditures	<u>0</u>	<u>1,400,891</u>	<u>508,732</u>	<u>892,159</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(650,891)	241,471	892,362
Cash Balance Beginning of Year	<u>650,891</u>	<u>650,891</u>	<u>650,891</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 650,891</u>	<u>\$ 0</u>	<u>\$ 892,362</u>	<u>\$ 892,362</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 241,471</u>	
Net Change in Fund Balance-GAAP Basis			<u>\$ 241,471</u>	

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
 CAPITAL PROJECT FUND-SPECIAL CAPITAL OUTLAY-STATE-31400
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 75,000	\$ 0	\$ (75,000)
Total Revenues	<u>0</u>	<u>75,000</u>	<u>0</u>	<u>(75,000)</u>
Expenditures				
Capital Outlay				
Purchased Property Services	0	75,000	75,000	0
Total Capital Outlay	<u>0</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(75,000)	(75,000)
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>\$ (75,000)</u>	<u>\$ (75,000)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (75,000)	
Net change in Due from Grantor			<u>75,000</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
 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 63,639	\$ 63,639	\$ 56,306	\$ (7,333)
Interest Income	0	0	31	31
State Grant	0	42,334	42,334	0
Total Revenues	<u>63,639</u>	<u>105,973</u>	<u>98,671</u>	<u>(7,302)</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	0	1,500	334	1,166
Total General Administration	<u>0</u>	<u>1,500</u>	<u>334</u>	<u>1,166</u>
Total Support Services	<u>0</u>	<u>1,500</u>	<u>334</u>	<u>1,166</u>
Capital Outlay				
Purchased Property Services	300,000	299,500	67,378	232,122
Supplies	25,000	25,000	9,956	15,044
Supply Assets	40,000	81,027	76,662	4,365
Total Capital Outlay	<u>365,000</u>	<u>405,527</u>	<u>153,996</u>	<u>251,531</u>
Total Expenditures	<u>365,000</u>	<u>407,027</u>	<u>154,330</u>	<u>252,697</u>
Excess (Deficiency) of Revenues Over Expenditures	(301,361)	(301,054)	(55,659)	245,395
Cash Balance Beginning of Year	<u>327,136</u>	<u>327,136</u>	<u>327,136</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 25,775</u>	<u>\$ 26,082</u>	<u>\$ 271,477</u>	<u>\$ 245,395</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (55,659)	
Net change in Taxes Receivable			674	
Net change in Due from Grantor			(307)	
Net Change in Accounts Payable			(896)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (56,188)</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

Non-Major Special Revenue Fund

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 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 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.

IDEA B Risk Pool (24120). 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.

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 (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.

2012 GO Student Library (27107). 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.

Non-Major Special Revenue Fund

NM Reads to Lead (27114). To account for revenue and expenditures received from a state grant for the purpose of improving skills of young students in the area of reading. The fund was created by the authority of state grant provisions.

NM Grown Fresh Fruits & Vegetables-(27183) To account for revenues and expenditures from a state appropriation for the purchase of New Mexico grown fresh fruits and vegetables for school meal programs. The fund was created by grant provisions.

Parent Advocacy Project-(27193) To account for revenue and expenditures to enhance parent support of failing students in public schools. The fund was created by grant provisions.

Non-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.

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue		
	Food Service 21000	Athletics 22000	IDEA B Entitlement 24106
Assets			
Cash and Cash Equivalents	\$ 46,219	\$ 17,746	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	25,002
Inventory	1,722	0	0
Total Assets	<u>\$ 47,941</u>	<u>\$ 17,746</u>	<u>\$ 25,002</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 200	\$ 0	\$ 0
Interfund Balances	0	0	25,002
Total Liabilities	<u>200</u>	<u>0</u>	<u>25,002</u>
Fund Balances			
Nonspendable-Inventory	1,722	0	0
Restricted-Reported In			
Special Revenue Funds	46,019	17,746	0
Debt Service Fund	0	0	0
Total Fund Balances	<u>47,741</u>	<u>17,746</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 47,941</u>	<u>\$ 17,746</u>	<u>\$ 25,002</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue		
	IDEA Preschool 24109	IDEA B Risk Pool 24120	Improving Teacher Quality 24154
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	22,356	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 22,356</u>	<u>\$ 0</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	22,356	0
Total Liabilities	<u>0</u>	<u>22,356</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	0	0	0
Debt Service Fund	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 22,356</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 GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue		
	Rural Education 25233	Duel Credit Instructional Materials 27103	2010 GO Student Library 27106
Assets			
Cash and Cash Equivalents	\$ 19,502	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	217	0
Inventory	0	0	0
Total Assets	<u>\$ 19,502</u>	<u>\$ 217</u>	<u>\$ 0</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 19,502	\$ 0	\$ 0
Interfund Balances	0	217	0
Total Liabilities	<u>19,502</u>	<u>217</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	0	0	0
Debt Service Fund	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 19,502</u>	<u>\$ 217</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 GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue		
	2012 GO Student Library 27107	NM Reads to Lead 27114	NM Grown Fresh Fruit & Vegetables 27183
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	\$ 0	\$ 0	\$ 0
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	0	0	0
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	0	0	0
Debt Service Fund	0	0	0
Total Fund Balances	0	0	0
Total Liabilities and Fund Balance	\$ 0	\$ 0	\$ 0

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue			
	Parent Advocacy Project 27193	Debt Service 41000	Total	
Assets				
Cash and Cash Equivalents	\$ 0	\$ 79,802	\$ 163,269	
Receivables				
Taxes	0	2,234	2,234	
Due From Grantor	1,998	0	49,573	
Inventory	0	0	1,722	
Total Assets	\$ 1,998	\$ 82,036	\$ 216,798	
Liabilities and Fund Balance				
Liabilities				
Accounts Payable	\$ 0	\$ 0	\$ 19,702	
Interfund Balances	1,998	0	49,573	
Total Liabilities	1,998	0	69,275	
Fund Balances				
Nonspendable-Inventory	0	0	1,722	
Restricted-Reported In				
Special Revenue Funds	0	0	63,765	
Debt Service Fund	0	82,036	82,036	
Total Fund Balances	0	82,036	147,523	
Total Liabilities and Fund Balance	\$ 1,998	\$ 82,036	\$ 216,798	

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, 2015

	Special Revenue		
	Food Service 21000	Athletics 22000	IDEA B Entitlement 24106
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	9	2	0
Fees	26,201	20,500	0
State & Local Grants	0	0	0
Federal Grants	60,549	0	42,665
Total Revenues	<u>86,759</u>	<u>20,502</u>	<u>42,665</u>
Expenditures			
Current			
Instruction	0	12,765	42,665
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administrative	0	0	0
School Administrative	0	0	0
Food Service Operations	145,091	0	0
Capital Outlay	0	6,500	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>145,091</u>	<u>19,265</u>	<u>42,665</u>
Excess (Deficiency) of Revenues Over Expenditures	(58,332)	1,237	0
Fund Balances at Beginning of Year	<u>106,073</u>	<u>16,509</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 47,741</u>	<u>\$ 17,746</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, 2015

	Special Revenue		
	IDEA Preschool 24109	IDEA B Risk Pool 24120	Improving Teacher Quality 24154
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	5,102	22,356	1,683
Total Revenues	<u>5,102</u>	<u>22,356</u>	<u>1,683</u>
Expenditures			
Current			
Instruction	5,102	22,356	1,479
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administrative	0	0	0
School Administrative	0	0	204
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>5,102</u>	<u>22,356</u>	<u>1,683</u>
Excess (Deficiency) of Revenues Over Expenditures	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, 2015

	Special Revenue		
	Rural Education 25233	Duel Credit Instructional Materials 27103	2010 GO Student Library 27106
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	1,447	0
Federal Grants	38,142	0	0
Total Revenues	38,142	1,447	0
Expenditures			
Current			
Instruction	35,997	1,447	0
Support Services			
Students	0	0	0
Instruction	2,145	0	0
General Administrative	0	0	0
School Administrative	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	38,142	1,447	0
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	0	0	0
Fund Balance End of Year	\$ 0	\$ 0	\$ 0

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, 2015

	Special Revenue		
	2012 GO Student Library 27107	NM Reads to Lead 27114	NM Grown Fresh Fruit & Vegetables 27183
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	50,000	0
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>50,000</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	25,817	0
Support Services			
Students	0	24,183	0
Instruction	0	0	0
General Administrative	0	0	0
School Administrative	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>50,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	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, 2015

	Special Revenue		
	Parent Advocacy Project 27193	Debt Service 41000	Total
Revenues			
Property Taxes	\$ 0	\$ 102,806	\$ 102,806
Interest Income	0	4	15
Fees	0	0	46,701
State & Local Grants	1,998	0	53,445
Federal Grants	0	0	170,497
Total Revenues	<u>1,998</u>	<u>102,810</u>	<u>373,464</u>
Expenditures			
Current			
Instruction	1,998	0	149,626
Support Services			
Students	0	0	24,183
Instruction	0	0	2,145
General Administrative	0	661	661
School Administrative	0	0	204
Food Service Operations	0	0	145,091
Capital Outlay	0	0	6,500
Debt Service			
Principal	0	80,000	80,000
Interest	0	28,885	28,885
Total Expenditures	<u>1,998</u>	<u>109,546</u>	<u>437,295</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(6,736)	(63,831)
Fund Balances at Beginning of Year	<u>0</u>	<u>88,772</u>	<u>211,354</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 82,036</u>	<u>\$ 147,523</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest Income	\$ 0	\$ 0	\$ 9	\$ 9
Fees	18,500	18,500	26,201	7,701
Federal Grant	50,000	50,000	56,745	6,745
Total Revenues	<u>68,500</u>	<u>68,500</u>	<u>82,955</u>	<u>14,455</u>
Expenditures				
Food Service Operations				
Personnel Services	36,260	36,260	51,775	(15,515)
Employee Benefits	22,629	22,629	31,159	(8,530)
Professional & Technical Service	1,500	1,500	848	652
Purchased Property Services	1,500	1,500	0	1,500
Other Purchased Services	325	325	0	325
Supplies	107,546	107,546	57,387	50,159
Total Food Service Operations	<u>169,760</u>	<u>169,760</u>	<u>141,169</u>	<u>28,591</u>
Total Expenditures	<u>169,760</u>	<u>169,760</u>	<u>141,169</u>	<u>28,591</u>
Excess (Deficiency) of Revenues Over Expenditures	(101,260)	(101,260)	(58,214)	43,046
Cash Balance Beginning of Year	<u>104,433</u>	<u>104,433</u>	<u>104,433</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,173</u>	<u>\$ 3,173</u>	<u>\$ 46,219</u>	<u>\$ 43,046</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (58,214)	
Net Change in Inventory			42	
Net Change in Accounts Payable			(160)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (58,332)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest Income	\$ 0	\$ 0	\$ 2	\$ 2
Fees	20,000	20,000	20,500	500
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>20,502</u>	<u>502</u>
Expenditures				
Instruction				
Professional & Technical Service	10,215	10,215	3,071	7,144
Other Purchased Services	15,000	15,000	8,567	6,433
Supplies	5,000	5,000	1,127	3,873
Fixed Assets	5,000	5,000	6,500	(1,500)
Total Instruction	<u>35,215</u>	<u>35,215</u>	<u>19,265</u>	<u>15,950</u>
Total Expenditures	<u>35,215</u>	<u>35,215</u>	<u>19,265</u>	<u>15,950</u>
Excess (Deficiency) of Revenues Over Expenditures	(15,215)	(15,215)	1,237	16,452
Cash Balance Beginning of Year	<u>16,509</u>	<u>16,509</u>	<u>16,509</u>	<u>0</u>
Cash Balance End of Year	\$ <u>1,294</u>	\$ <u>1,294</u>	\$ <u>17,746</u>	\$ <u>16,452</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>1,237</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>1,237</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 10,644	\$ 96,356	\$ 28,308	\$ (68,048)
Total Revenues	<u>10,644</u>	<u>96,356</u>	<u>28,308</u>	<u>(68,048)</u>
Expenditures				
Instruction				
Personnel Services	0	35,000	24,875	10,125
Employee Benefits	0	8,900	13,493	(4,593)
Professional & Tech Services	0	2,306	0	2,306
Other Purchased Services	0	10,500	1,782	8,718
Supplies	0	4,000	2,516	1,484
Supply Assets	0	506	0	506
Total Instruction	<u>0</u>	<u>61,212</u>	<u>42,666</u>	<u>18,546</u>
Support Services				
Students				
Professional & Tech Services	0	5,000	0	5,000
Other Purchased Services	0	5,000	0	5,000
Supplies	0	11,500	0	11,500
Total Students	<u>0</u>	<u>21,500</u>	<u>0</u>	<u>21,500</u>
General Administration				
Professional & Tech Services	0	1,000	0	1,000
Total General Administration	<u>0</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
School Administration				
Professional & Tech Services	0	1,000	0	1,000
Other Purchased Services	0	1,000	0	1,000
Total School Administration	<u>0</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Total Support Services	<u>0</u>	<u>24,500</u>	<u>0</u>	<u>24,500</u>
Total Expenditures	<u>0</u>	<u>85,712</u>	<u>42,666</u>	<u>43,046</u>
Excess (Deficiency) of Revenues Over Expenditures	10,644	10,644	(14,358)	(25,002)
Cash Balance Beginning of Year	<u>(10,644)</u>	<u>(10,644)</u>	<u>(10,644)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (25,002)</u>	<u>\$ (25,002)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (14,358)	
Net change in Due from Grantor			<u>14,358</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 PRESCHOOL-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 2,838	\$ 11,010	\$ 7,940	\$ (3,070)
Total Revenues	<u>2,838</u>	<u>11,010</u>	<u>7,940</u>	<u>(3,070)</u>
Expenditures				
Instruction				
Personnel Services	0	6,714	2,818	3,896
Employee Benefits	0	1,458	2,284	(826)
Total Instruction	<u>0</u>	<u>8,172</u>	<u>5,102</u>	<u>3,070</u>
Total Expenditures	<u>0</u>	<u>8,172</u>	<u>5,102</u>	<u>3,070</u>
Excess (Deficiency) of Revenues Over Expenditures	2,838	2,838	2,838	0
Cash Balance Beginning of Year	<u>(2,838)</u>	<u>(2,838)</u>	<u>(2,838)</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			\$ 2,838	
Net Change in Due from Grantor			<u>(2,838)</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 RISK POOL-24120
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 24,031	\$ 46,426	\$ 24,031	\$ (22,395)
Total Revenues	<u>24,031</u>	<u>46,426</u>	<u>24,031</u>	<u>(22,395)</u>
Expenditures				
Instruction				
Personnel Services	0	15,000	17,725	(2,725)
Employee Benefits	0	7,395	4,631	2,764
Total Instruction	<u>0</u>	<u>22,395</u>	<u>22,356</u>	<u>39</u>
Total Expenditures	<u>0</u>	<u>22,395</u>	<u>22,356</u>	<u>39</u>
Excess (Deficiency) of Revenues Over Expenditures	24,031	24,031	1,675	(22,356)
Cash Balance Beginning of Year	<u>(24,031)</u>	<u>(24,031)</u>	<u>(24,031)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(22,356)</u>	\$ <u>(22,356)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,675	
Net Change in Due from Grantor			<u>(1,675)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 9,314	\$ 18,893	\$ 6,729	\$ (12,164)
Total Revenues	<u>9,314</u>	<u>18,893</u>	<u>6,729</u>	<u>(12,164)</u>
Expenditures				
Instruction				
Professional & Tech Services	3,500	6,280	1,146	5,134
Other Purchased Services	682	2,361	332	2,029
Supplies	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Instruction	<u>4,182</u>	<u>13,641</u>	<u>1,478</u>	<u>12,163</u>
Support Services				
School Administration				
Professional & Tech Services	<u>85</u>	<u>205</u>	<u>204</u>	<u>1</u>
Total School Administration	<u>85</u>	<u>205</u>	<u>204</u>	<u>1</u>
Total Support Services	<u>85</u>	<u>205</u>	<u>204</u>	<u>1</u>
Total Expenditures	<u>4,267</u>	<u>13,846</u>	<u>1,682</u>	<u>12,164</u>
Excess (Deficiency) of Revenues Over Expenditures	5,047	5,047	5,047	0
Cash Balance Beginning of Year	<u>(5,047)</u>	<u>(5,047)</u>	<u>(5,047)</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			\$ 5,047	
Net Change in Due from Grantor			<u>(5,047)</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-25233
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 886	\$ 20,388	\$ 39,027	\$ 18,639
Total Revenues	<u>886</u>	<u>20,388</u>	<u>39,027</u>	<u>18,639</u>
Expenditures				
Instruction				
Supplies	0	7,357	1,887	5,470
Supply Assets	0	10,000	14,607	(4,607)
Total Instruction	<u>0</u>	<u>17,357</u>	<u>16,494</u>	<u>863</u>
Support Services				
Instruction				
Supply Assets	0	1,645	2,145	(500)
Total Instruction	<u>0</u>	<u>1,645</u>	<u>2,145</u>	<u>(500)</u>
School Administration				
Supply Assets	0	500	0	500
Total School Administration	<u>0</u>	<u>500</u>	<u>0</u>	<u>500</u>
Total Support Services	<u>0</u>	<u>2,145</u>	<u>2,145</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>19,502</u>	<u>18,639</u>	<u>863</u>
Excess (Deficiency) of Revenues Over Expenditures	886	886	20,388	19,502
Cash Balance Beginning of Year	<u>(886)</u>	<u>(886)</u>	<u>(886)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 19,502</u>	<u>\$ 19,502</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 20,388	
Net Change in Due from Grantor			(886)	
Net Change in Accounts Payable			<u>(19,502)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 2,815	\$ 4,262	\$ 4,045	\$ (217)
Total Revenues	<u>2,815</u>	<u>4,262</u>	<u>4,045</u>	<u>(217)</u>
Expenditures				
Instruction				
Supplies	0	1,447	1,447	0
Total Instruction	<u>0</u>	<u>1,447</u>	<u>1,447</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,447</u>	<u>1,447</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	2,815	2,815	2,598	(217)
Cash Balance Beginning of Year	<u>(2,815)</u>	<u>(2,815)</u>	<u>(2,815)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (217)</u>	<u>\$ (217)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,598	
Net Change in Due from Grantor			<u>(2,598)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 1,536	\$ 1,536	\$ 1,536	\$ 0
Total Revenues	<u>1,536</u>	<u>1,536</u>	<u>1,536</u>	<u>0</u>
Expenditures				
Support Services				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1,536	1,536	1,536	0
Cash Balance Beginning of Year	<u>(1,536)</u>	<u>(1,536)</u>	<u>(1,536)</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			\$ 1,536	
Net Change in Due from Grantor			<u>(1,536)</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-2012 GO STUDENT LIBRARY-27107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 5,924	\$ 5,924	\$ 5,924	\$ 0
Total Revenues	<u>5,924</u>	<u>5,924</u>	<u>5,924</u>	<u>0</u>
Expenditures				
Support Services				
Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	5,924	5,924	5,924	0
Cash Balance Beginning of Year	<u>(5,924)</u>	<u>(5,924)</u>	<u>(5,924)</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			\$ 5,924	
Net change in Due from Grantor			<u>(5,924)</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-NM READS TO LEAD-27114
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 72,502	\$ 72,502	\$ 72,502	\$ 0
Total Revenues	<u>72,502</u>	<u>72,502</u>	<u>72,502</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	16,000	16,000	19,796	(3,796)
Employee Benefits	19,000	9,817	4,706	5,111
Other Purchased Services	15,000	0	0	0
Supplies	0	0	1,315	(1,315)
Total Instruction	<u>50,000</u>	<u>25,817</u>	<u>25,817</u>	<u>0</u>
Support Services				
Students				
Personnel Services	0	14,157	14,156	1
Employee Benefits	0	10,026	10,027	(1)
Total Students	<u>0</u>	<u>24,183</u>	<u>24,183</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>24,183</u>	<u>24,183</u>	<u>0</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	22,502	22,502	22,502	0
Cash Balance Beginning of Year	<u>(22,502)</u>	<u>(22,502)</u>	<u>(22,502)</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			\$ 22,502	
Net Change in Due from Grantor			<u>(22,502)</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-NM GROWN FRESH FRUIT & VEGTABLES-27183
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 591	\$ 591	\$ 591	\$ 0
Total Revenues	<u>591</u>	<u>591</u>	<u>591</u>	<u>0</u>
Expenditures				
Food Service Operations				
Supplies	0	0	0	0
Total Food Service Operations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	591	591	591	0
Cash Balance Beginning of Year	<u>(591)</u>	<u>(591)</u>	<u>(591)</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			\$ 591	
Net change in Due from Grantor			<u>(591)</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-PARENT ADVOCACY PROJECT-27193
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 1,998	\$ 0	\$ (1,998)
Total Revenues	<u>0</u>	<u>1,998</u>	<u>0</u>	<u>(1,998)</u>
Expenditures				
Instruction				
Professional & Tech Services	0	1,998	1,998	0
Total Instruction	<u>0</u>	<u>1,998</u>	<u>1,998</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,998</u>	<u>1,998</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(1,998)	(1,998)
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>\$ (1,998)</u>	<u>\$ (1,998)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,998)	
Net change in Due from Grantor			<u>1,998</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
DEBT SERVICE-41000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 70,000	\$ 70,000	\$ 101,046	\$ 31,046
Investment Income	0	0	4	4
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>101,050</u>	<u>31,050</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	1,088	1,588	661	927
Total General Administration	<u>1,088</u>	<u>1,588</u>	<u>661</u>	<u>927</u>
Total Support Services	<u>1,088</u>	<u>1,588</u>	<u>661</u>	<u>927</u>
Debt Service				
Debt Service				
Principal	80,000	80,000	80,000	0
Interest	29,000	29,000	28,885	115
Total Debt Service	<u>109,000</u>	<u>109,000</u>	<u>108,885</u>	<u>115</u>
Total Expenditures	<u>110,088</u>	<u>110,588</u>	<u>109,546</u>	<u>1,042</u>
Excess (Deficiency) of Revenues Over Expenditures	(40,088)	(40,588)	(8,496)	32,092
Cash Balance Beginning of Year	<u>88,298</u>	<u>88,298</u>	<u>88,298</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 48,210</u>	<u>\$ 47,710</u>	<u>\$ 79,802</u>	<u>\$ 32,092</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (8,496)	
Net Change in Taxes Receivable			<u>1,760</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (6,736)</u>	

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

REQUIRED SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
Schedules of Required Supplementary Information for Pension Plan

Schedule of the District's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years*

	<u>2015</u>
District's proportion of the net pension liability	0.06405%
District's proportionate share of the net pension liability	\$ 3,654,512
District's covered-employee payroll	\$ 1,738,812
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	210.17%
Plan fiduciary net position as a percentage of the total pension liability	66.54%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Schedule of District's Contributions

Last 10 Fiscal Years*

	<u>2015</u>
Contractually required contribution	\$ 241,695
Contributions in relation to the contractually required contribution	\$ 241,695
Contribution deficiency (excess)	0
District's covered-employee payroll	\$ 1,738,812
Contributions as a percentage of covered-employee payroll	13.69%

* These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

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

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

Changes of assumptions.

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

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:

- a. Lower wage inflation from 4.75% to 4.25%
- b. Lower payroll growth from 3.75% to 3.50%
- c. Minor changes to demographic assumptions
- d. Population growth per year from 0.75% to 0.50%

2. Assumptions that were not changed:

- a. Investment return will remain at 7.75%
- b. Inflation will remain at 3.00%

See also the Actuarial Assumptions subsection of the financial statement note disclosure General Information on the Pension Plan.

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, 2015

	Balance 6/30/14	Additions	Deductions	Balance 6/30/15
Assets				
23800 General Fund	\$ 3,677	\$ 918	\$ 3,051	\$ 1,543
23801 FFA	5,553	21,824	16,509	10,868
23802 Student Council	502	40	316	226
23803 Yearbook	4,364	5,635	4,143	5,857
23804 District III-Athletic	11,990	1,903	80	13,813
23805 ENMU Services	157	0	0	157
23806 Drama	48	0	0	48
23807 Art	323	50	0	373
23808 EPAC	2,249	2,098	516	3,831
23809 BPA Region III	0	992	0	992
23810 Cafeteria Act.	410	270	680	0
23811 Notional Honor Society	2,324	530	170	2,684
23812 Flower Fund	136	390	484	42
23813 BPA	2,574	18,797	19,217	2,154
23814 Cheerleaders	284	1,350	624	1,009
23815 Girl's Athletics	3,596	7,385	8,518	2,464
23816 Boy's Athletics	3,741	5,474	6,929	2,287
23818 Principal's Account	855	588	187	1,255
23819 3-4 Year Old Program	242	0	8	234
23820 Math/Science	845	0	0	845
23821 2nd Grade-Pennies	123	0	0	123
23822 Library	1,018	2,426	2,786	658
23824 H/S Accelerated Reader	279	0	0	279
23825 District 7 Baseball	97	0	0	97
23826 Track	1,859	3,230	3,524	1,564
23828 Music	1,480	0	98	1,383
23830 Concession Stand	26,534	24,672	22,037	29,169
23831 Clinton Clark Scholarship	13,011	256	250	13,017
23832 FCA	574	691	597	668
23833 FFA Special Account	139	0	0	139
23834 Careers	200	0	0	200
23835 Baseball	1,080	2,394	3,326	147
23836 Elem. Accelerated Reader	3,890	0	883	3,007
23838 Clean & Beautiful Awards	144	0	0	144
23839 Football	2,622	4,894	5,073	2,443
23843 Education Enhancement	1,153	0	0	1,153
23844 James Polk Stone Tournament	2,656	7,913	7,769	2,800
23846 Relay for Life	403	0	0	403
23901 Class of 2001	20	0	0	20
23907 Class of 2007	95	0	0	95
23912 Class of 2012	8	0	0	8
23913 Class of 2013	633	0	0	633
23914 Class of 2014	2,045	0	0	2,045
23915 Class of 2015	1,109	215	1,304	20
23916 Class of 2016	\$ 1,633	\$ 4,528	\$ 4,485	\$ 1,677

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, 2015

	Balance 6/30/14	Additions	Deductions	Balance 6/30/15
23917 Class of 2017	\$ 978	\$ 3,251	\$ 718	\$ 3,511
23918 Class of 2018	542	3,150	1,838	1,855
23919 Class of 2019	1,199	3,337	1,309	3,228
23920 Class of 2020	0	184	0	184
Total Assets	<u>\$ 109,389</u>	<u>\$ 129,384</u>	<u>\$ 117,426</u>	<u>\$ 121,348</u>
Liabilities				
Deposits Held for Others	\$ 109,389	\$ 129,384	\$ 117,426	\$ 121,348
Total Liabilities	<u>\$ 109,389</u>	<u>\$ 129,384</u>	<u>\$ 117,426</u>	<u>\$ 121,348</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, 2015

		Beginning Cash 6/30/14	Revenues	Expenditures	Transfers	Ending Cash 6/30/15
Operational	11000	\$ 516,710	\$ 2,757,937	\$ 2,780,902	\$ 0	\$ 493,745
Transportation	13000	6,770	286,795	293,565	0	0
Instructional Materials	14000	21,199	16,505	13,230	0	24,474
Food Services	21000	104,433	82,955	141,169	0	46,219
Athletics	22000	16,509	20,502	19,265	0	17,746
Agency Funds	23000	109,389	129,384	117,426	0	121,348
Federal Flowthrough	24000	(54,118)	111,136	134,121	0	(77,103)
Federal Direct	25000	(886)	39,027	18,639	0	19,502
State Flowthrough	27000	(33,368)	144,748	173,745	0	(62,365)
Bond Building	31100	650,891	750,202	508,731	0	892,362
Special Capital Outlay	31400	0	0	75,000	0	(75,000)
Senate Bill 9	31700	327,136	98,671	154,330	0	271,477
Debt Service	41000	88,298	101,051	109,547	0	79,802
Total		\$ <u>1,734,198</u>	\$ <u>4,538,913</u>	\$ <u>4,539,670</u>	\$ <u>0</u>	\$ <u>1,752,207</u>

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

STATE OF NEW MEXICO
DORA CONSOLIDATED SCHOOL DISTRICT
Vendor Schedule
For the Year Ended June 30, 2015

There were no vendors that met the reporting criteria for this entity for the Fiscal year ending June 30, 2015.

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. Tim Keller
State Auditor of the State of New Mexico
Board Members of the Dora Consolidated School District

Mr. Keller 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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated October 30, 2015.

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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses, that we consider to be significant deficiencies. 2012-001, 2012-002, 2014-002, 2015-001, 2015-002, 2015-003, 2015-004, 2015-005, 2015-006, 2015-007, 2015-008.

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; 2012-001, 2012-002, 2014-002, 2015-001, 2015-002, 2015-003, 2015-004, 2015-005, 2015-006, 2015-007, 2015-008.

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.

Purpose of this Report

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

 CPA PC

Clovis, New Mexico
October 30, 2015

Financial Statement Audit Findings

Prior Year Audit Findings

	<u>Status</u>
2012-001 Budget Violations	Repeated & Modified
2012-002 PED Cash Reports	Repeated & Modified
2014-001 1099's	Resolved
2014-002 Payroll	Repeated & Modified

Current Year Audit Findings

2012-001 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:

	<u>Budget</u>			<u>Over</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budget</u>
Transportation-13000				
Transportation	\$ <u>276,236</u>	\$ <u>276,236</u>	\$ <u>290,180</u>	\$ <u>(13,944)</u>

Management is making progress resolving this finding.

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

As a result, the district is in non compliance with New Mexico law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to absorb over-expenditures.

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. The business manager is confident this finding will be resolved by the current fiscal year end.

2012-002 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. The difference was \$3,898.97.

Management is making progress resolving this finding.

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

Failure to deal with stale dated checks caused the audited cash balance and cash report to PED to be different.

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

Stale dated checks should be resolved by year end and submitting the PED report.

Response

We agree with the recommendation and will implement the procedures. The business manager expects to resolve this finding before the end of the fiscal year.

2014-002 Payroll-Compliance and Internal Control-Significant Deficiency**Condition**

The District is prepaying for services not rendered for the 12 month non-professional positions. Management is making progress resolving this finding.

Criteria

The New Mexico Criminal Code makes it a fourth-degree felony for a public official to pay public money for services that have not been rendered. "Paying or receiving public money for services not rendered consists of knowingly making or receiving payment or causing payment to be made from public funds where such payment purports to be for wages, salary or remuneration for personal services [services] which have not in fact been rendered." NMSA 1978, § 30-23-2.

Cause

Payroll has been handled in this manner for many years and the District has no record of how or when the first payroll was made with this method. This method has been continued as it would be a hardship on employees to adjust the payment date.

Effect

Paying wages before earned is a violation of NMSA 1978 30-23-2. If an employee terminates, the District may not recover the unearned wages the employee has received and the employee will have received payment for services they have not rendered.

Recommendation

Although this auditor agrees that it would be a hardship to correct the paydays to match the pay periods, statute requires such adjustment to be made. It is a very serious issue to continue in this manner and it could potentially subject District personnel to criminal implications.

Response

Management has corrected this issue beginning July 1, 2015.

2015-001 941 Tax Deposits-Compliance and Internal Control-Significant Deficiency**Condition**

During the 3rd quarter of 2014 two of the six federal tax deposits were not paid timely causing a failure to make a proper tax deposit penalty of \$301.61.

Criteria

IRS Publication 15 Employer's Tax Guide-Semiweekly schedule depositors have at least 3 business days to make a deposit. If any of the 3 weekdays after the end of a semiweekly period is a legal holiday, you will have an additional day for each day that is a legal holiday to make the required deposit.

Cause

It is not known why the tax deposits were not paid timely. There was a change in personnel and no one at the District knows why they were paid late.

Effect

If you fail to make a timely deposit, you may be subject to a failure-to-deposit penalty of up to 15 percent.

Recommendation

Additional training and monitoring is necessary to avoid late payment penalties from the Internal Revenue Service.

Response

We will monitor the payments.

2015-002 Stale Dated Checks-Compliance and Internal Control-Significant Deficiency

Condition

The District has not resolved unpaid checks that are over a year old. The Operational account had four stale checks totaling \$1,233.39 and the Payroll Clearing account had two checks totaling \$2,661.22

Criteria

In accordance with 6.20.2.14 whenever any check is unpaid for one year, the fiscal officer shall cancel it in accordance with Section 6-10-57(A), NMSA 1978.

Cause

A change in personnel, lack of training and supervision caused the stale dated checks to be overlooked in the year end wrap up process.

Effect

Carrying numerous bank reconciling items could result in a misstatement in the accounting records or related misappropriation of funds.

Recommendation

A review of all checks issued over one year should occur at year end. All uncleared checks should be researched and resolved before year end process is complete.

Response

We will review the outstanding check listing and resolve the checks dated over one year old.

2015-003 Clearing Account not Reconciling to Zero-Compliance and Internal Control-Significant Deficiency

Condition

Payroll clearing account did not reconcile to 0 or a set dollar amount each month ranging anywhere from \$(2,277.03) to \$2,487.50. It also had negative general ledger balances 7 of the 12 months. On June 30th the general ledger showed a negative balance of \$(22,819.64).

Criteria

6.20.2.14.G. NMAC. Clearing accounts or pooled accounts may be used to combine more than one fund in one bank account. Clearing accounts shall reconcile to a zero balance at the end of each month. Bank reconciliations for clearing accounts shall be completed on a monthly basis.

Cause

The Districts' management did not ensure the clearing account was reconciled to a zero or a set amount each month.

Effect

Failing to reconcile clearing bank accounts to zero or a set amount each month does not give assurance the general ledger accounts are correct.

Recommendation

The clearing accounts and all bank accounts should be consolidated into one bank account resolving the issue.

Response

We have consolidated the bank accounts and closed the clearing account.

2015-004 Variances on Bank Reconciliations-Compliance and Internal Control-Significant Deficiency Condition

On June 30, 2015 the bank reconciliations that had variances were as follows: Operational \$(1,919.78), Capital Improvements \$(2.53), Bond \$.88, and Payroll Clearing \$(22,819.64)

Criteria

NMAC 2.2.5.8 (4) Bank reconciliations are to be performed timely and agreed to the general ledger.

Cause

The business manager retired before the year of the fiscal year. Personnel were not adequately trained to perform the reconciliation process. A consultant was hired to complete the reporting process.

Effect

When bank statements are not reconciled to the general ledger there is an opportunity for misappropriation of cash assets and incorrect financial reporting. Management decisions may be skewed by the incorrect financials.

Recommendation

Because of the timing differences, if the reconciliation process doesn't improve, we recommend closing the clearing account and only using the one bank account for all expenditures.

Response

We will reconcile the bank statements correctly and timely and have consolidated all bank accounts into one including closing the clearing account.

2015-005 Background Checks-Compliance and Internal Control-Significant Deficiency Condition

5 of 9 background checks could not be found. The audit has revealed that the District is not requiring background checks on an applicant who has been offered employment.

Criteria

NM Statute 22-10-3.3 on background checks. Applicants that are over 12 months of receiving their initial certificate are required to submit another background check by providing two fingerprint cards or the equivalent electronic fingerprints to the local school board to obtain his federal bureau of investigation record.

Cause

Because of the small district, management personally knows the applicants that did not have background checks.

Effect

As a safety measure, people with serious criminal records may not be fit to have responsibility for the safety and well being of children.

Recommendation

All personnel files should be reviewed and missing background checks should be completed as soon as possible.

Response

We have started the review of the files and are obtaining background checks as required.

2015-006 I-9's-Compliance and Internal Control-Significant Deficiency

Condition

6 of the 9 I-9's were incomplete.

Criteria

NMAC 6.20.2.18 states the local board shall establish written policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School district shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, direct deposit authorizations, pay or position change notices and ERA plan application.

Cause

A lack of training and attention to detail caused the I-9s to be incomplete.

Effect

The District is subject to penalties. The penalties can include \$250 to \$3,000 for improper completion of the I-9 form. Improper completion, retention or making it available for inspection fines range from \$100 to \$1,100 for each I-9. Knowingly hiring or continuing to employ unauthorized workers fines range from \$250 up to \$11,000 per violation.

Recommendation

All I-9 should be reviewed and completed correctly.

Response

We are in the process of reviewing the I-9s and completing new ones when necessary.

2015-007 New Hire Reporting-Compliance and Internal Control-Significant Deficiency

Condition

All 9 new hires sampled could not be confirmed if they were submitted timely.

Criteria

New Mexico law (§50-13-1 to 50-13-4) and Federal law (42 USC §653.a.(b)(1)(A)), all public, private, non-profit, and government employers are required to report all newly hired employees within 20 days of hire.

Cause

A change in personnel, lack of training and supervision caused the new hire reporting requirements process to fail.

Effect

Pursuant to federal law, states have the option of imposing civil monetary penalties on employers who fail to report new hires. The fine can be up to \$20 per newly hired employee, and if there is a conspiracy between the employer and employee not to report, the penalty can be up to \$500 per newly hired employee.

Recommendation

All new hires should be reported as soon as all employment documents are received to assure the 20 day deadline is met.

Response

We will report the new hires when the payroll documents are received insuring they will be reported and timely.

2015-008 Certification of Inventory-Compliance and Internal Control-Significant Deficiency Condition

The District did not certify the inventory for the fiscal year ended June 30, 2015.

Criteria

Section 12-6-10(A) NMSA 1978 requires each agency to conduct an annual physical inventory of movable chattels and equipment on the inventory list at the end of each fiscal year. The agency shall certify the correctness of the inventory after the physical inventory. This certification should be provided to the agency's auditors. In addition according to NMAC 2.20.1.16 (E) the results of the physical inventory shall be recorded in a written inventory report, certified as to correctness and signed by the governing authority of the agency.

Effect

Items that cost less than \$5,000 could be misappropriated intentionally or not intentionally. Without taking inventory and certifying it is not known if all inventory has been accounted for. Replacing items cost the District funds that could be spent on educating the students.

Cause

Management was not aware they had to obtain certification of the annual asset inventory.

Recommendation

We recommend a physical inventory be taken annually and certified as to its correctness. The certification should be made available to the auditors.

Response

We do conduct an annual inventory but have not certified it. We will certify the inventory in the future.

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 30, 2015. Those present were Steve Barron-Superintendent, Kenneth Cox-Board President, Bill Prater-Board Member, Gowan Hays-Business Manager, and De'Aun Willoughby CPA.