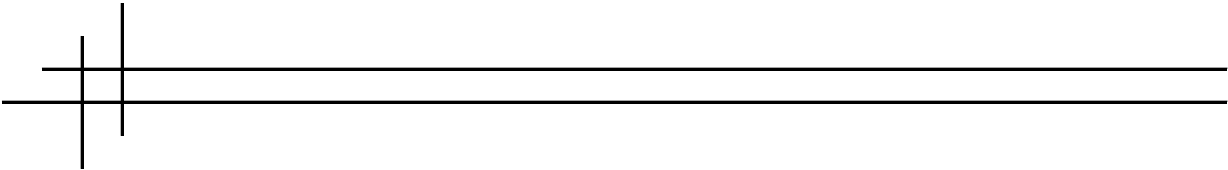


STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL

ANNUAL FINANCIAL REPORT
June 30, 2014

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



	<u>Page</u>
Official Roster.....	5
Independent Auditor's Report.....	6-7

FINANCIAL SECTION

Basic Financial Statements

Government Wide Financial Statements

Statement of Net Position.....	9
Statement of Activities.....	10

Fund Financial Statements

Government Funds - Balance Sheet.....	11-14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	15

Statement of Revenues, Expenditures, and Changes in Fund Balances.....	16-19
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities.....	20

General Funds

Operational Fund-11000

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	21-22
--	-------

Teacherage-12000

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	23
--	----

Transportation-13000

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	24
--	----

Instructional Material-14000

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	25
--	----

Major Special Revenue Funds

Title I-24101

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	26
--	----

IDEA B Entitlement-24106

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	27
--	----

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 Table of Contents
 For the Year Ended June 30, 2014

	<u>Page</u>
New Mexico Reads to Lead-27114	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	28
Wind Farm Projects-29134	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	29
Statement of Fiduciary Assets and Liabilities-Agency Funds	30
Notes to Financial Statements.....	31-45
SUPPLEMENTAL INFORMATION RELATED TO MAJOR FUNDS	
Senate Bill Nine-31700	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	47
SUPPLEMENTAL INFORMATION RELATED TO NON MAJOR FUNDS	
Non-Major Special Revenue Funds	
Combining Balance Sheet.....	50-53
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	54-57
Food Service-21000	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	58
Athletics-22000	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	59
IDEA Preschool-24109	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	60
Improving Teacher Quality-24154	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	61
Rural Education Achievement Program-25233	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	62
Dual Credit-27103	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	63

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 Table of Contents
 For the Year Ended June 30, 2014

	<u>Page</u>
2010 GO Library Books-27106	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	64
2012 GO Library Books-27107	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	65
Non- Major Capital Projects	
Bond Building-31100	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	66
Non- Major Debt Service	
Debt Service-41000	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	67
OTHER SUPPLEMENTAL INFORMATION	
Agency	
Schedule of Changes in Assets and Liabilities - Agency Funds	70
Cash Reconciliations-All Funds.....	71
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	72-73
Schedule of Findings and Responses.....	74-76

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Official Roster
June 30, 2014

BOARD OF EDUCATION

Emiliano Jasso Jr.	President
Scott Burton	Vice-President
Garland Creighton	Secretary
Jenny Clemmons	Member
Wayne Kinman	Member

SCHOOL OFFICIALS

Jim Daugherty	Superintendent
Susan Lambirth	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

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

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Elida Municipal School

Mr. Balderas and Members of the Board

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general funds and major special revenue funds of Elida Municipal School (District), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, and the budgetary comparisons for the major capital projects and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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, 2014, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2014, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital projects and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the Management's Discussion and Analysis which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 16, 2014, 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 16, 2014

FINANCIAL SECTION

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 Government-Wide Statement of Net Position
 June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 639,118
Investments	300
Receivables	
Property Taxes	1,336
Due From Grantor	28,603
Inventory	<u>3,820</u>
Total Current Assets	<u>673,177</u>
Noncurrent Assets	
Capital Assets	5,934,333
Less: Accumulated Depreciation	<u>(3,904,742)</u>
Total Noncurrent Assets	<u>2,029,591</u>
Total Assets	<u>2,702,768</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	<u>1,914</u>
Total Current Liabilities	<u>1,914</u>
Total Liabilities	<u>1,914</u>
NET POSITION	
Invested in Net Capital Assets	2,029,591
Restricted for:	
Capital Projects	147,076
Debt Service	9,743
Unrestricted	<u>514,444</u>
Total Net Position	<u>\$ 2,700,854</u>

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 Government-Wide Statement of Activities
 For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 1,272,519	\$ 10,270	\$ 124,634	\$ 0	\$ (1,137,615)
Support Services					
Students	51,533	0	2,493	0	(49,040)
General Administration	141,314	0	0	0	(141,314)
School Administration	86,856	0	0	0	(86,856)
Central Services	56,251	0	0	0	(56,251)
Operation of Plant	307,841	13,950	0	0	(293,891)
Transportation	218,802	0	204,224	0	(14,578)
Food Services	123,061	11,566	60,909	0	(50,586)
Interest on Long-Term Obligations	2,946	0	0	0	(2,946)
Total Governmental Activities	<u>\$ 2,261,123</u>	<u>\$ 35,786</u>	<u>\$ 392,260</u>	<u>\$ 0</u>	<u>(1,833,077)</u>
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					11,805
Property Taxes, Levied for Capital Projects					47,977
Property Taxes, Levied for Debt Service					7,242
Federal and State aid not restricted to specific purpose					
General					1,880,265
Capital					68,095
Interest Income					834
Miscellaneous					43,750
Subtotal, General Revenues					<u>2,059,968</u>
Change in Net Position					226,891
Net Position - Beginning					<u>2,473,963</u>
Net Position - Ending					<u>\$ 2,700,854</u>

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2014

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
ASSETS			
Cash and Cash Equivalents	\$ 54,440	\$ 32,298	\$ 0
Investments	300	0	0
Receivables			
Property Taxes	222	0	0
Due From Grantor	0	0	0
Interfund Balances	28,603	0	0
Inventory	0	0	0
Total Assets	<u>\$ 83,565</u>	<u>\$ 32,298</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 1,075	\$ 422	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>1,075</u>	<u>422</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	82,490	31,876	0
Total Fund Balances	<u>82,490</u>	<u>31,876</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 83,565</u>	<u>\$ 32,298</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2014

	<u>General Fund</u>			<u>Special Revenue Funds</u>		
	<u>Instructional</u>			<u>IDEA B</u>		
	<u>Materials</u>	<u>Title I</u>	<u>Entitlement</u>			
	<u>14000</u>	<u>24101</u>	<u>24106</u>			
ASSETS						
Cash and Cash Equivalents	\$ 9,423	\$ 0	\$ 0			
Investments	0	0	0			
Receivables						
Property Taxes	0	0	0			
Due From Grantor	0	3,380	7,592			
Interfund Balances	0	0	0			
Inventory	0	0	0			
Total Assets	\$ 9,423	\$ 3,380	\$ 7,592			
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts Payable	\$ 0	\$ 0	\$ 0			
Interfund Balances	0	3,380	7,592			
Total Liabilities	0	3,380	7,592			
Fund Balances						
Nonspendable-Inventory	0	0	0			
Restricted for						
Special Revenue Funds	0	0	0			
Capital Projects	0	0	0			
Debt Service	0	0	0			
Unassigned	9,423	0	0			
Total Fund Balances	9,423	0	0			
Total Liabilities and Fund Balances	\$ 9,423	\$ 3,380	\$ 7,592			

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2014

	<u>Special Revenue Funds</u>		<u>Capital Outlay</u>
	New Mexico Reads to Lead 27114	Wind Farm Projects 29134	Senate Bill Nine 31700
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 367,849	\$ 123,862
Investments	0	0	0
Receivables			
Property Taxes	0	0	904
Due From Grantor	13,152	0	0
Interfund Balances	0	0	0
Inventory	0	0	0
Total Assets	\$ 13,152	\$ 367,849	\$ 124,766
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	13,152	0	0
Total Liabilities	13,152	0	0
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for			
Special Revenue Funds	0	367,849	0
Capital Projects	0	0	124,766
Debt Service	0	0	0
Unassigned	0	0	0
Total Fund Balances	0	367,849	124,766
Total Liabilities and Fund Balances	\$ 13,152	\$ 367,849	\$ 124,766

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2014

	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 51,246	\$ 639,118
Investments	0	300
Receivables		
Property Taxes	210	1,336
Due From Grantor	4,479	28,603
Interfund Balances	0	28,603
Inventory	3,820	3,820
Total Assets	<u>\$ 59,755</u>	<u>\$ 701,780</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts Payable	\$ 417	\$ 1,914
Interfund Balances	4,479	28,603
Total Liabilities	<u>4,896</u>	<u>30,517</u>
Fund Balances		
Nonspendable-Inventory	3,820	3,820
Restricted for		
Special Revenue Funds	18,986	386,835
Capital Projects	22,310	147,076
Debt Service	9,743	9,743
Unassigned	0	123,789
Total Fund Balances	<u>54,859</u>	<u>671,263</u>
Total Liabilities and Fund Balances	<u>\$ 59,755</u>	<u>\$ 701,780</u>

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 June 30, 2014

Total Fund Balance - Governmental Funds \$ 671,263

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

	\$	5,934,333	
The cost of capital assets		(3,904,742)	2,029,591
Accumulated depreciation			
Total Net Position - Governmental Activities	\$		2,700,854

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2014

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
Revenues			
Property Taxes	\$ 11,805	\$ 0	\$ 0
Fees	0	13,950	0
Interest	0	0	0
Federal Grants	0	0	0
State & Local Grants	1,594,581	0	209,342
Miscellaneous	15,008	47	0
Total Revenues	<u>1,621,394</u>	<u>13,997</u>	<u>209,342</u>
Expenditures			
Current			
Instruction	991,265	0	0
Support Services			
Students	40,496	0	0
General Administration	133,875	0	0
School Administration	86,856	0	0
Central Services	53,153	0	0
Operation of Plant	246,590	12,388	0
Student Transportation	0	0	214,459
Food Services	47,373	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Total Expenditures	<u>1,599,608</u>	<u>12,388</u>	<u>214,459</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>21,786</u>	<u>1,609</u>	<u>(5,117)</u>
Other Financing Sources (Uses)			
Returned to State	0	0	(5,118)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(5,118)</u>
Net Change in Fund Balance	21,786	1,609	(10,235)
Fund Balances Beginning of Year	<u>60,704</u>	<u>30,267</u>	<u>10,235</u>
Fund Balances End of Year	<u>\$ 82,490</u>	<u>\$ 31,876</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2014

	General Fund	Special Revenue Funds	
	Instructional Materials 14000	Title I 24101	IDEA B Entitlement 24106
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Interest	0	0	0
Federal Grants	0	14,718	23,548
State & Local Grants	7,849	0	0
Miscellaneous	0	0	0
Total Revenues	7,849	14,718	23,548
Expenditures			
Current			
Instruction	6,834	14,718	23,548
Support Services			
Students	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Central Services	0	0	0
Operation of Plant	0	0	0
Student Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Total Expenditures	6,834	14,718	23,548
Excess (Deficiency) of Revenues Over Expenditures	1,015	0	0
Other Financing Sources (Uses)			
Returned to State	0	0	0
Total Other Sources (Uses)	0	0	0
Net Change in Fund Balance	1,015	0	0
Fund Balances Beginning of Year	8,408	0	0
Fund Balances End of Year	\$ 9,423	\$ 0	\$ 0

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 GOVERNMENTAL FUNDS
 Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended June 30, 2014

	<u>Special Revenue Funds</u>		<u>Capital Outlay</u>
	New Mexico	Wind Farm	Senate
	Reads to Lead 27114	Projects 29134	Bill Nine 31700
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 47,977
Fees	0	0	0
Interest	0	621	184
Federal Grants	0	0	0
State & Local Grants	47,396	298,650	68,095
Miscellaneous	0	28,695	0
Total Revenues	<u>47,396</u>	<u>327,966</u>	<u>116,256</u>
Expenditures			
Current			
Instruction	47,396	81,144	0
Support Services			
Students	0	0	0
General Administration	0	595	469
School Administration	0	0	0
Central Services	0	0	0
Operation of Plant	0	2,458	43,682
Student Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	29,083	0
Debt Service			
Principal	0	0	0
Total Expenditures	<u>47,396</u>	<u>113,280</u>	<u>44,151</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>214,686</u>	<u>72,105</u>
Other Financing Sources (Uses)			
Returned to State	<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	214,686	72,105
Fund Balances Beginning of Year	<u>0</u>	<u>153,163</u>	<u>52,661</u>
Fund Balances End of Year	<u>\$ 0</u>	<u>\$ 367,849</u>	<u>\$ 124,766</u>

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2014

	Other Governmental Funds	Total Governmental Funds
Revenues		
Property Taxes	\$ 7,242	\$ 67,024
Fees	21,836	35,786
Interest	29	834
Federal Grants	78,319	116,585
State & Local Grants	3,240	2,229,153
Miscellaneous	0	43,750
Total Revenues	<u>110,666</u>	<u>2,493,132</u>
Expenditures		
Current		
Instruction	29,129	1,194,034
Support Services		
Students	2,493	42,989
General Administration	76	135,015
School Administration	0	86,856
Central Services	0	53,153
Operation of Plant	0	305,118
Student Transportation	0	214,459
Food Services	70,253	117,626
Capital Outlay	9,850	38,933
Debt Service		
Principal	80,000	80,000
Total Expenditures	<u>191,801</u>	<u>2,268,183</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(81,135)</u>	<u>224,949</u>
Other Financing Sources (Uses)		
Returned to State	0	(5,118)
Total Other Sources (Uses)	<u>0</u>	<u>(5,118)</u>
Net Change in Fund Balance	(81,135)	219,831
Fund Balances Beginning of Year	<u>135,994</u>	<u>451,432</u>
Fund Balances End of Year	<u>\$ 54,859</u>	<u>\$ 671,263</u>

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2014

Net Change in Fund Balance \$ 219,831

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	\$ (108,927)	
Capital Outlays	<u>38,933</u>	(69,994)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

80,000

Bond issue costs are amortized in the Statement of Activities but are an expenditure in the governmental funds.

(2,946)

Changes in Net Position of Governmental Activities

\$ 226,891

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 11,477	\$ 11,477	\$ 11,721	\$ 244
State & Local Grants	1,535,001	1,594,580	1,594,581	1
Miscellaneous	7,500	7,500	15,008	7,508
Total Revenues	<u>1,553,978</u>	<u>1,613,557</u>	<u>1,621,310</u>	<u>7,753</u>
Expenditures				
Instruction				
Personnel Services	760,918	749,078	726,040	23,038
Employee Benefits	234,089	263,680	238,397	25,283
Other Purchased Services	5,163	4,867	3,266	1,601
Supplies	17,062	17,891	23,990	(6,099)
Total Instruction	<u>1,017,232</u>	<u>1,035,516</u>	<u>991,693</u>	<u>43,823</u>
Support Services				
Students				
Personnel Services	15,201	17,541	17,439	102
Employee Benefits	3,502	3,502	3,461	41
Other Purchased Services	33,478	23,035	16,752	6,283
Supplies	0	2,791	2,791	0
Total Students	<u>52,181</u>	<u>46,869</u>	<u>40,443</u>	<u>6,426</u>
General Administration				
Personnel Services	89,993	92,056	92,056	0
Employee Benefits	24,478	27,640	27,395	245
Professional & Tech Services	8,482	10,162	9,720	442
Other Purchased Services	650	2,431	2,430	1
Supplies	2,000	1,852	1,852	0
Total General Administration	<u>125,603</u>	<u>134,141</u>	<u>133,453</u>	<u>688</u>
School Administration				
Personnel Services	70,700	70,700	70,700	0
Employee Benefits	16,156	16,156	16,156	0
Total School Administration	<u>86,856</u>	<u>86,856</u>	<u>86,856</u>	<u>0</u>
Central Services				
Personnel Services	38,639	38,639	38,639	0
Employee Benefits	12,583	12,042	11,802	240
Other Purchased Services	6,887	7,066	7,066	0
Supplies	1,850	2,541	2,541	0
Total Central Service	<u>\$ 59,959</u>	<u>\$ 60,288</u>	<u>\$ 60,048</u>	<u>\$ 240</u>

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Operation of Plant				
Personnel Services	\$ 66,547	\$ 67,547	\$ 67,547	\$ 0
Employee Benefits	28,704	29,310	28,175	1,135
Purchased Property Services	78,536	85,708	81,976	3,732
Other Purchased Services	50,811	50,933	50,933	0
Supplies	100	28,930	20,312	8,618
Total Operation of Plant	<u>224,698</u>	<u>262,428</u>	<u>248,943</u>	<u>13,485</u>
Other				
Other Purchased Services	1,946	1,946	0	1,946
Total Other	<u>1,946</u>	<u>1,946</u>	<u>0</u>	<u>1,946</u>
Total Support Services	<u>551,243</u>	<u>592,528</u>	<u>569,743</u>	<u>22,785</u>
Food Service Operations				
Personnel Services	31,700	31,684	31,371	313
Employee Benefits	16,440	16,462	16,002	460
Total Food Service Operations	<u>48,140</u>	<u>48,146</u>	<u>47,373</u>	<u>773</u>
Total Expenditures	<u>1,616,615</u>	<u>1,676,190</u>	<u>1,608,809</u>	<u>67,381</u>
Excess (Deficiency) of Revenues Over Expenditures	(62,637)	(62,633)	12,501	75,134
Cash Balance Beginning of Year	<u>70,842</u>	<u>70,842</u>	<u>70,842</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8,205</u>	<u>\$ 8,209</u>	<u>\$ 83,343</u>	<u>\$ 75,134</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 12,501	
Net Change in Taxes Receivables			84	
Net Change in Account Payables			9,201	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 21,786</u>	

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GENERAL FUND-TEACHERAGE-12000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Rents	\$ 12,000	\$ 13,950	\$ 13,950	\$ 0
Miscellaneous	0	0	47	47
Total Revenues	<u>12,000</u>	<u>13,950</u>	<u>13,997</u>	<u>47</u>
Expenditures				
Support Services				
Operation of Plant				
Purchased Property Services	28,489	25,989	8,267	17,722
Supplies	1,790	1,790	1,890	(100)
Supply Assets	16,498	18,998	2,600	16,398
Total Operation of Plant	<u>46,777</u>	<u>46,777</u>	<u>12,757</u>	<u>34,020</u>
Total Support Services	<u>46,777</u>	<u>46,777</u>	<u>12,757</u>	<u>34,020</u>
Total Expenditures	<u>46,777</u>	<u>46,777</u>	<u>12,757</u>	<u>34,020</u>
Excess (Deficiency) of Revenues Over Expenditures	(34,777)	(32,827)	1,240	34,067
Cash Balance Beginning of Year	<u>31,058</u>	<u>31,058</u>	<u>31,058</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (3,719)</u></u>	<u><u>\$ (1,769)</u></u>	<u><u>\$ 32,298</u></u>	<u><u>\$ 34,067</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,240	
Net Change in Accounts Payable			369	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ 1,609</u></u>	

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
GENERAL FUND-TRANSPORTATION-13000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 201,001	\$ 209,342	\$ 209,342	\$ 0
Total Revenues	<u>201,001</u>	<u>209,342</u>	<u>209,342</u>	<u>0</u>
Expenditures				
Support Services				
Student Transportation				
Personnel Services	69,632	63,830	63,828	2
Employee Benefits	25,601	27,146	27,132	14
Professional & Tech Services	0	139	139	0
Purchased Property Services	4,000	3,679	3,679	0
Other Purchased Services	92,568	114,191	115,332	(1,141)
Supplies	8,000	5,474	4,349	1,125
Supply Assets	1,200	0	0	0
Total Student Transportation	<u>201,001</u>	<u>214,459</u>	<u>214,459</u>	<u>0</u>
Total Support Services	<u>201,001</u>	<u>214,459</u>	<u>214,459</u>	<u>0</u>
Total Expenditures	<u>201,001</u>	<u>214,459</u>	<u>214,459</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(5,117)</u>	<u>(5,117)</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	(5,118)	(5,118)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(5,118)</u>	<u>(5,118)</u>
Net Change in Cash Balance	0	(5,117)	(10,235)	(5,118)
Cash Balance Beginning of Year	<u>10,235</u>	<u>10,235</u>	<u>10,235</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 10,235</u>	<u>\$ 5,118</u>	<u>\$ 0</u>	<u>\$ (5,118)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			<u>\$ (10,235)</u>	
Net Change in Fund Balance			<u>\$ (10,235)</u>	

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 6,834	\$ 6,834	\$ 7,849	\$ 1,015
Total Revenues	<u>6,834</u>	<u>6,834</u>	<u>7,849</u>	<u>1,015</u>
Expenditures				
Instruction				
Supplies	6,834	6,834	6,834	0
Total Instruction	<u>6,834</u>	<u>6,834</u>	<u>6,834</u>	<u>0</u>
Total Expenditures	<u>6,834</u>	<u>6,834</u>	<u>6,834</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	1,015	1,015
Cash Balance Beginning of Year	<u>8,408</u>	<u>8,408</u>	<u>8,408</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8,408</u>	<u>\$ 8,408</u>	<u>\$ 9,423</u>	<u>\$ 1,015</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>1,015</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>1,015</u>	

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 28,818	\$ 44,797	\$ 21,841	\$ (22,956)
Total Revenues	<u>28,818</u>	<u>44,797</u>	<u>21,841</u>	<u>(22,956)</u>
Expenditures				
Instruction				
Personnel Services	13,266	13,259	12,560	699
Employee Benefits	4,048	3,947	969	2,978
Supplies	<u>1,000</u>	<u>17,087</u>	<u>1,188</u>	<u>15,899</u>
Total Instruction	<u>18,314</u>	<u>34,293</u>	<u>14,717</u>	<u>19,576</u>
Total Expenditures	<u>18,314</u>	<u>34,293</u>	<u>14,717</u>	<u>19,576</u>
Excess (Deficiency) of Revenues Over Expenditures	10,504	10,504	7,124	(3,380)
Cash Balance Beginning of Year	<u>(10,504)</u>	<u>(10,504)</u>	<u>(10,504)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,380)</u>	<u>\$ (3,380)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 7,124	
Net Change in Due from Grantor			<u>(7,124)</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
ELIDA MUNICIPAL SCHOOL
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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 30,952	\$ 30,953	\$ 21,575	\$ (9,378)
Total Revenues	<u>30,952</u>	<u>30,953</u>	<u>21,575</u>	<u>(9,378)</u>
Expenditures				
Instruction				
Personnel Services	21,503	20,726	19,416	1,310
Employee Benefits	<u>3,830</u>	<u>4,608</u>	<u>4,132</u>	<u>476</u>
Total Instruction	<u>25,333</u>	<u>25,334</u>	<u>23,548</u>	<u>1,786</u>
Total Expenditures	<u>25,333</u>	<u>25,334</u>	<u>23,548</u>	<u>1,786</u>
Excess (Deficiency) of Revenues Over Expenditures	5,619	5,619	(1,973)	(7,592)
Cash Balance Beginning of Year	<u>(5,619)</u>	<u>(5,619)</u>	<u>(5,619)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (7,592)</u>	<u>\$ (7,592)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,973)	
Net Change in Due from Grantor			<u>1,973</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
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-NEW MEXICO READS TO LEAD-27114
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 47,419	\$ 51,419	\$ 34,244	\$ (17,175)
Total Revenues	<u>47,419</u>	<u>51,419</u>	<u>34,244</u>	<u>(17,175)</u>
Expenditures				
Instruction				
Personnel Services	20,000	26,840	26,840	0
Employee Benefits	12,000	4,923	3,836	1,087
Professional & Tech Services	7,919	3,869	1,125	2,744
Supplies	7,500	15,787	15,595	192
Total Instruction	<u>47,419</u>	<u>51,419</u>	<u>47,396</u>	<u>4,023</u>
Total Expenditures	<u>47,419</u>	<u>51,419</u>	<u>47,396</u>	<u>4,023</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(13,152)	(13,152)
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>\$ (13,152)</u>	<u>\$ (13,152)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (13,152)	
Net Change in Due from Grantor			13,152	
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
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-WIND FARM PROJECTS-29134
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources	\$ 246,000	\$ 257,000	\$ 257,000	\$ 0
Interest	0	0	621	621
State Grant	0	41,650	41,650	0
Miscellaneous	0	25,000	28,696	3,696
Total Revenues	<u>246,000</u>	<u>323,650</u>	<u>327,967</u>	<u>4,317</u>
Expenditures				
Instruction				
Personnel Services	0	0	2,460	(2,460)
Employee Benefits	0	0	561	(561)
Supplies	102,000	102,000	79,338	22,662
Fixed Assets	0	0	29,083	(29,083)
Supply Assets	368,594	368,594	0	368,594
Total Instruction	<u>470,594</u>	<u>470,594</u>	<u>111,442</u>	<u>359,152</u>
Support Services				
General Administration				
Personnel Services	0	0	551	(551)
Employee Benefits	0	0	44	(44)
Total General Administration	<u>0</u>	<u>0</u>	<u>595</u>	<u>(595)</u>
Operation of Plant				
Supplies	0	0	2,458	(2,458)
Total Operation of Plant	<u>0</u>	<u>0</u>	<u>2,458</u>	<u>(2,458)</u>
Total Support Services	<u>0</u>	<u>0</u>	<u>3,053</u>	<u>(3,053)</u>
Total Expenditures	<u>470,594</u>	<u>470,594</u>	<u>114,495</u>	<u>356,099</u>
Excess (Deficiency) of Revenues Over Expenditures	(224,594)	(146,944)	213,472	360,416
Cash Balance Beginning of Year	<u>154,377</u>	<u>154,377</u>	<u>154,377</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (70,217)</u></u>	<u><u>\$ 7,433</u></u>	<u><u>\$ 367,849</u></u>	<u><u>\$ 360,416</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 213,472	
Net Change in Accounts Payable			1,214	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ 214,686</u></u>	

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Statement of Fiduciary Assets and Liabilities-Agency Fund
June 30, 2014

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 30,117
Total Assets	<u>\$ 30,117</u>
Liabilities	
Deposits Held for Others	\$ 30,117
Total Liabilities	<u>\$ 30,117</u>

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

Summary of Significant Accounting Policies

The financial statements of the Elida Municipal School (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 is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds.

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.

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 accounting reflects the District's agency relationship with the student activity organizations.

Major Funds

The District reports the following major governmental funds:

General Fund (11000)(12000)(13000)(14000)

The General Fund consist of four 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 second is the Teacherage fund of the District and accounts for rental properties that are rented to teachers and administrators that work at the school. 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.

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

IDEA B Entitlement (24106). To account for funds for free appropriate public education to all children with disabilities. The program id funded by Federal Government and pass through the State Department of Education under the individuals with Disabilities Education Act, Part B, Sections 611-617, and Part O, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

New Mexico Reads to Lead (27114). To account for funds provided by a state grant to teach reading to students grades K-3. Funding provides reading coaches, supports intervention and professional

Wind Farm Projects (29134). To account for revenue from the wind farm in lieu of property taxes. The fund was created by definition.

Capital Projects

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

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

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

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

Program Revenues

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

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.

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

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

Expenditures

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

Other Financing Sources (Uses)

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

Basis of Budgeting

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

Budgets for the General, Special Revenue, Capital Projects and Debt Service 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 Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) 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 SBFAU 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 SBFAU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBFAU.
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 SBFAU.
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.

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 Food Service 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	30-50 Years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	5-30 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.

Long-Term Liabilities

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

Restricted Net Position

For the government-wide statement of net position, net position are reported as restricted when constraints placed on net position 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 represents assets that are other than cash such as inventory.

Restricted fund balance indicates that portion of fund equity which has been segregated for specific purposes.

Assigned fund balance classification are intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance indicates that portion of fund equity which is available for budgeting in future periods.

Interfund Transfers

In governmental funds, transfers should be reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Deferred Revenue

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

Compensated Absences

The District permits the administrative and non-administrative employees to accumulate earned but unused vacation and sick leave, however, the accrued amounts are not monetarily compensated to employees, and therefore, no accrual for compensated absences is recorded.

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.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Notes to the Financial Statements
June 30, 2014

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

<u>Name of Account</u>	Balance Per Bank 6/30/14	Reconciled Balance	<u>Type</u>
Elida Municipal School	\$ 344,827	\$ 212,308	Checking-Non-Int.
Elida Municipal School-Activity	30,742	30,722	Checking-Interest
Elida Municipal School	12,092	12,092	Checking-Interest
TOTAL Deposited	<u>387,661</u>	<u>\$ 255,122</u>	
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	137,661		
50% collateral requirement	68,831		
Pledged securities	<u>200,000</u>		
Over (Under) requirement	<u>\$ 131,170</u>		

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

The following securities are pledged at Stone Community Bank:

<u>Description</u>	<u>Number</u>	<u>Amount</u>	<u>Maturity Date</u>	<u>Place of Safe Keeping</u>
Hatch Vly NM Muni SD #11 BQ GO	418839CN4	100,000	8/1/16	TIB Irving TX
Dona Ana Co NM Cmnty Clg Dist Go	257584AF9	100,000	8/1/15	TIB Irving TX
		<u>\$ 200,000</u>		

NM Bank & Trust

<u>Name of Account</u>	Balance Per Bank 6/30/14	Reconciled Balance	<u>Type</u>
Elida Municipal School	\$ 221,208	\$ 221,208	Checking-Interest
TOTAL Deposited	<u>221,208</u>	<u>\$ 221,208</u>	
Less: FDIC Coverage	<u>(221,208)</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

Western Bank

<u>Name of Account</u>	Balance Per Bank 6/30/14	Reconciled Balance	<u>Type</u>
Elida Municipal School	\$ 192,905	\$ 192,905	Checking-Interest
TOTAL Deposited	<u>192,905</u>	<u>\$ 192,905</u>	
Less: FDIC Coverage	<u>(192,905)</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	\$ 664,113
Collateralized:	
Collateral held by the pledging bank in District's name	200,000
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 801,774</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, 2014 none of the District's bank balance of \$801,774 was exposed to custodial credit risk.

NM State Treasurer

<u>Name of Account</u>	<u>Value 6/30/14</u>	<u>Type</u>
Elida Municipal School	\$ 300	Investment
Total Investments	<u>\$ 300</u>	

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 portfolio is posted on the State Treasurer's website www.stonm.org 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, 2014, the LGIP WAM(R) is 59 days and WAM(F) is 96 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.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Notes to the Financial Statements
June 30, 2014

B. Receivables

Following is a schedule of receivables as of June 30, 2014:

	General Fund 11000	Title I 24101	IDEA B Entitlement 24106	New Mexico Reads to Lead 27114
Property Taxes Available	\$ 222	\$ 0	\$ 0	\$ 0
Due From State	0	0	0	13,152
Federal	0	3,380	7,592	0
	<u>\$ 222</u>	<u>\$ 3,380</u>	<u>\$ 7,592</u>	<u>\$ 13,152</u>
		Senate Bill Nine 31700	Total Governmental Funds	Total
Property Taxes Available		\$ 904	\$ 210	\$ 1,336
Due From State		0	1,986	15,138
Federal		0	2,493	13,465
		<u>\$ 904</u>	<u>\$ 4,689</u>	<u>\$ 29,939</u>

C. Interfund Receivables, Payables and Transfers

Interfund Balances during the year ending June 30, 2014 were as follows:

Due to General Fund from:

Major Funds	
Title I - 24101	\$ 3,380
IDEA B Entitlement-24106	7,592
NM Reads to Lead-27114	13,152
Other Governmental Funds	4,479
Totals	<u>\$ 28,603</u>

D. Capital Assets

Capital Assets Balances and Activity for the fiscal year end is as follows:

	Beginning Balance 6/30/13	Additions	Deletions	Ending Balance 6/30/14
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 9,000	\$ 0	\$ 0	\$ 9,000
Total Capital Assets not being Depreciated	<u>9,000</u>	<u>0</u>	<u>0</u>	<u>9,000</u>
Capital Assets, being Depreciated				
Buildings & Improvements	5,346,082	16,392	0	5,362,474
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	\$ 540,318	\$ 22,541	\$ 0	\$ 562,859

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Notes to the Financial Statements
June 30, 2014

Total Capital Assets being Depreciated	\$	<u>5,886,400</u>	\$	<u>38,933</u>	\$	<u>0</u>	\$	<u>5,925,333</u>
Total Capital Assets		<u>5,895,400</u>		<u>38,933</u>		<u>0</u>		<u>5,934,333</u>
Less Accumulated Depreciation								
Buildings & Improvements		3,467,659		81,323		0		3,548,982
Equipment, Vehicles, Information Technology Equipment, Software & Library Books		<u>328,156</u>		<u>27,604</u>		<u>0</u>		<u>355,760</u>
Total Accumulated Depreciation		<u>3,795,815</u>		<u>108,927</u>		<u>0</u>		<u>3,904,742</u>
Capital Assets, net	\$	<u><u>2,099,585</u></u>	\$	<u><u>(69,994)</u></u>	\$	<u><u>0</u></u>	\$	<u><u>2,029,591</u></u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$	78,485
Support Services-Students		8,544
Support Services-General Administration		6,299
Central Services		3,098
Operation & Maintenance of Plant		2,723
Transportation		4,343
Food Services		5,435
Total depreciation expenses	\$	<u><u>108,927</u></u>

E. Long-Term Debt

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

	Beginning Balance 6/30/13	Additions	Reductions	Ending Balance 6/30/14	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ <u>80,000</u>	\$ <u>0</u>	\$ <u>80,000</u>	\$ <u>0</u>	\$ <u>0</u>
Total Bonds	<u>80,000</u>	<u>0</u>	<u>80,000</u>	<u>0</u>	<u>0</u>
Total Long-Term Liabilities	\$ <u><u>80,000</u></u>	\$ <u><u>0</u></u>	\$ <u><u>80,000</u></u>	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

General Obligation Bonds.

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Notes to the Financial Statements
June 30, 2014

<u>Series</u>	<u>Date of Issue</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance</u>
2001	04-01-01	770,000	4.9%-5.25%	\$ 0
				\$ 0

F. Commitments

The District has no construction commitments on June 30, 2014.

G. Retirement Plan

Plan Description

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

Funding Policy

Member Contributions-Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required make the following contributions to the Plan: 10.10% of their gross salary in the fiscal year 2014; and 10.17% of their gross salary in fiscal year 2015 and thereafter.

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

The contribution requirements of the plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2014, 2013, and 2012, were \$141,528, \$120,034, and \$106,067, respectively, which equal the amount of the required contributions for each fiscal year.

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 the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2014, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act. The District is not a member of the enhanced retirement plan.

The District's contributions to the RHCA for the years ended June 30, 2014, 2013 and 2012 were \$21,854.83, \$22,167 and \$18,844 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.

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Notes to the Financial Statements
June 30, 2014

M. Budget Violations

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

The following funds had budget violations as of June 30, 2014.

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<u>Major Funds</u>				
Wind Farm Projects-29134				
Support Services	\$ 0	\$ 0	3,053	\$ (3,053)
Senate Bill Nine-31700				
Support Services	423	423	469	(46)
<u>Non-Major Funds</u>				
Capital Outlay	\$ 0	\$ 1,051	\$ 2,493	(1,442)

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 46,958	\$ 46,958	\$ 47,662	\$ 704
Interest Income	202	202	184	(18)
State Grant	0	68,000	68,095	95
Total Revenues	<u>47,160</u>	<u>115,160</u>	<u>115,941</u>	<u>781</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	423	423	469	(46)
Total General Administration	<u>423</u>	<u>423</u>	<u>469</u>	<u>(46)</u>
Total Support Services	<u>423</u>	<u>423</u>	<u>469</u>	<u>(46)</u>
Capital Outlay				
Maintenance	68,276	70,445	9,541	60,904
Supplies	60,459	64,731	37,434	27,297
Total Capital Outlay	<u>128,735</u>	<u>135,176</u>	<u>46,975</u>	<u>88,201</u>
Total Expenditures	<u>129,158</u>	<u>135,599</u>	<u>47,444</u>	<u>88,155</u>
Excess (Deficiency) of Revenues Over Expenditures	(81,998)	(20,439)	68,497	88,936
Cash Balance Beginning of Year	<u>55,365</u>	<u>55,365</u>	<u>55,365</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (26,633)</u>	<u>\$ 34,926</u>	<u>\$ 123,862</u>	<u>\$ 88,936</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 68,497	
Net Change in Receivables			315	
Net Change in Accounts Payable			3,293	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 72,105</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

Improving Teacher Quality (24154). To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

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

Dual Credit 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 Library Books (27106). To provide funding for the purchase of library books. The fund was created by the authority of state grant provision.

2012 GO Library Books (27107). To provide funding for the purchase of library books. The fund was created by the authority of state grant provision.

NONMAJOR CAPITAL OUTLAY

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

NONMAJOR 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.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2014

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	IDEA Preschool 24109
ASSETS			
Cash and Cash Equivalents	\$ 19,087	\$ 316	\$ 0
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	0	0
Inventory	3,820	0	0
Total Assets	<u>\$ 22,907</u>	<u>\$ 316</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 417	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>417</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	3,820	0	0
Restricted for			
Special Revenue Funds	18,670	316	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>22,490</u>	<u>316</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 22,907</u>	<u>\$ 316</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2014

	Special Revenue Funds		
	Improving Teacher Quality 24154	Rural Education Achievement Program 25233	Dual Credit Instructional Materials 27103
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due from Grantor	1,986	0	0
Inventory	0	0	0
Total Assets	<u>\$ 1,986</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	1,986	0	0
Total Liabilities	<u>1,986</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 1,986</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2014

	<u>Special Revenue Funds</u>		<u>Capital Project</u>
	2010 GO Library Books 27106	2012 GO Library Books 27107	Bond Building 31100
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 22,310
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	2,493	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 2,493</u>	<u>\$ 22,310</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	2,493	0
Total Liabilities	<u>0</u>	<u>2,493</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for			
Special Revenue Funds	0	0	0
Capital Projects	0	0	22,310
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>22,310</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 2,493</u>	<u>\$ 22,310</u>

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2014

	Debt Service 41000	Total
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 9,533	\$ 51,246
Receivables		
Property Taxes	210	210
Due from Grantor	0	4,479
Inventory	0	3,820
Total Assets	<u>\$ 9,743</u>	<u>\$ 59,755</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts Payable	\$ 0	\$ 417
Interfund Balances	0	4,479
Total Liabilities	<u>0</u>	<u>4,896</u>
Fund Balance		
Nonspendable-Inventory	0	3,820
Restricted for		
Special Revenue Funds	0	18,986
Capital Projects	0	22,310
Debt Service	9,743	9,743
Total Fund Balance	<u>9,743</u>	<u>54,859</u>
Total Liabilities and Fund Balance	<u>\$ 9,743</u>	<u>\$ 59,755</u>

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2014

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	IDEA Preschool 24109
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	11,566	10,270	0
Interest	0	0	0
Federal Grants	60,909	0	3,159
State & Local Grants	0	0	0
Total Revenues	<u>72,475</u>	<u>10,270</u>	<u>3,159</u>
Expenditures			
Current			
Instruction	0	10,972	3,159
Support Services			
Students	0	0	0
General Administration	0	0	0
Food Services Operations	70,253	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Total Expenditures	<u>70,253</u>	<u>10,972</u>	<u>3,159</u>
Excess (Deficiency) of Revenues Over Expenditures	2,222	(702)	0
Fund Balances at Beginning of Year	<u>20,268</u>	<u>1,018</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 22,490</u>	<u>\$ 316</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2014

	Special Revenue Funds		
	Improving Teacher Quality 24154	Rural Education Achievement Program 25233	Dual Credit Instructional Materials 27103
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Interest	0	0	0
Federal Grants	2,331	11,920	0
State & Local Grants	0	0	747
Total Revenues	<u>2,331</u>	<u>11,920</u>	<u>747</u>
Expenditures			
Current			
Instruction	2,331	11,920	747
Support Services			
Students	0	0	0
General Administration	0	0	0
Food Services Operations	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Total Expenditures	<u>2,331</u>	<u>11,920</u>	<u>747</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
ELIDA MUNICIPAL SCHOOL
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2014

	Special Revenue Funds		Capital Project
	2010 GO Library Books 27106	2012 GO Library Books 27107	Bond Building 31100
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Interest	0	0	29
Federal Grants	0	0	0
State & Local Grants	0	2,493	0
Total Revenues	<u>0</u>	<u>2,493</u>	<u>29</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services			
Students	0	2,493	0
General Administration	0	0	0
Food Services Operations	0	0	0
Capital Outlay	0	0	9,850
Debt Service			
Principal	0	0	0
Total Expenditures	<u>0</u>	<u>2,493</u>	<u>9,850</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(9,821)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>32,131</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 22,310</u>

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2014

	Debt Service 41000	Total
	<u>41000</u>	<u>Total</u>
Revenues		
Property Taxes	\$ 7,242	\$ 7,242
Fees	0	21,836
Interest	0	29
Federal Grants	0	78,319
State & Local Grants	0	3,240
Total Revenues	<u>7,242</u>	<u>110,666</u>
Expenditures		
Current		
Instruction	0	29,129
Support Services		
Students	0	2,493
General Administration	76	76
Food Services Operations	0	70,253
Capital Outlay	0	9,850
Debt Service		
Principal	80,000	80,000
Total Expenditures	<u>80,076</u>	<u>191,801</u>
Excess (Deficiency) of Revenues Over Expenditures	(72,834)	(81,135)
Fund Balances at Beginning of Year	<u>82,577</u>	<u>135,994</u>
Fund Balance End of Year	<u>\$ 9,743</u>	<u>\$ 54,859</u>

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 5,950	\$ 5,950	\$ 11,566	\$ 5,616
Federal Grant	50,000	55,000	55,152	152
Total Revenues	<u>55,950</u>	<u>60,950</u>	<u>66,718</u>	<u>5,768</u>
Expenditures				
Food Service Operations				
Other Purchased Services	500	500	482	18
Supplies	64,116	64,116	60,496	3,620
Supply Assets	<u>5,247</u>	<u>5,247</u>	<u>0</u>	<u>5,247</u>
Total Food Service Operations	<u>69,863</u>	<u>69,863</u>	<u>60,978</u>	<u>8,885</u>
Total Expenditures	<u>69,863</u>	<u>69,863</u>	<u>60,978</u>	<u>8,885</u>
Excess (Deficiency) of Revenues Over Expenditures	(13,913)	(8,913)	5,740	14,653
Cash Balance Beginning of Year	<u>13,347</u>	<u>13,347</u>	<u>13,347</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (566)</u>	<u>\$ 4,434</u>	<u>\$ 19,087</u>	<u>\$ 14,653</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,740	
Net Change in Inventory			(3,100)	
Net Change in Accounts Payable			<u>(418)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,222</u>	

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 17,000	\$ 17,000	\$ 10,270	\$ (6,730)
Total Revenues	<u>17,000</u>	<u>17,000</u>	<u>10,270</u>	<u>(6,730)</u>
Expenditures				
Instruction				
Student Travel	11,435	11,435	5,988	5,447
Supplies	<u>5,925</u>	<u>5,925</u>	<u>4,984</u>	<u>941</u>
Total Instruction	<u>17,360</u>	<u>17,360</u>	<u>10,972</u>	<u>6,388</u>
Total Expenditures	<u>17,360</u>	<u>17,360</u>	<u>10,972</u>	<u>6,388</u>
Excess (Deficiency) of Revenues Over Expenditures	(360)	(360)	(702)	(342)
Cash Balance Beginning of Year	<u>1,018</u>	<u>1,018</u>	<u>1,018</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 658</u>	<u>\$ 658</u>	<u>\$ 316</u>	<u>\$ (342)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (702)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (702)</u>	

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 1,778	\$ 3,842	\$ 3,159	\$ (683)
Total Revenues	<u>1,778</u>	<u>3,842</u>	<u>3,159</u>	<u>(683)</u>
Expenditures				
Instruction				
Supplies	1,778	3,842	3,159	683
Total Instruction	<u>1,778</u>	<u>3,842</u>	<u>3,159</u>	<u>683</u>
Total Expenditures	<u>1,778</u>	<u>3,842</u>	<u>3,159</u>	<u>683</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</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
ELIDA MUNICIPAL SCHOOL
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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 4,816	\$ 9,595	\$ 813	\$ (8,782)
Total Revenues	<u>4,816</u>	<u>9,595</u>	<u>813</u>	<u>(8,782)</u>
Expenditures				
Instruction				
Professional & Tech Services	4,348	9,127	2,331	6,796
Total Instruction	<u>4,348</u>	<u>9,127</u>	<u>2,331</u>	<u>6,796</u>
Total Expenditures	<u>4,348</u>	<u>9,127</u>	<u>2,331</u>	<u>6,796</u>
Excess (Deficiency) of Revenues Over Expenditures	468	468	(1,518)	(1,986)
Cash Balance Beginning of Year	<u>(468)</u>	<u>(468)</u>	<u>(468)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,986)</u>	<u>\$ (1,986)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,518)	
Net Change in Deferred Revenue			<u>1,518</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
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-RURAL EDUCATION ACHIEVEMENT PROGRAM-25233
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 14,257	\$ 14,257	\$ 11,920	\$ (2,337)
Total Revenues	<u>14,257</u>	<u>14,257</u>	<u>11,920</u>	<u>(2,337)</u>
Expenditures				
Instruction				
Supplies	14,257	14,257	11,920	2,337
Total Instruction	<u>14,257</u>	<u>14,257</u>	<u>11,920</u>	<u>2,337</u>
Total Expenditures	<u>14,257</u>	<u>14,257</u>	<u>11,920</u>	<u>2,337</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
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
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-DUAL CREDIT INSTRUCTIONAL MATERIALS-27103
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 878	\$ 747	\$ (131)
Total Revenues	<u>0</u>	<u>878</u>	<u>747</u>	<u>(131)</u>
Expenditures				
Instruction				
Supplies	0	878	747	131
Total Instruction	<u>0</u>	<u>878</u>	<u>747</u>	<u>131</u>
Total Expenditures	<u>0</u>	<u>878</u>	<u>747</u>	<u>131</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
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
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-2010 GO LIBRARY BOOKS-27106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 1,405	\$ 1,405	\$ 1,405	\$ 0
Total Revenues	<u>1,405</u>	<u>1,405</u>	<u>1,405</u>	<u>0</u>
Expenditures				
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 Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1,405	1,405	1,405	0
Cash Balance Beginning of Year	<u>(1,405)</u>	<u>(1,405)</u>	<u>(1,405)</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			\$ 1,405	
Net Change in Due from Grantor			<u>(1,405)</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
ELIDA MUNICIPAL SCHOOL
SPECIAL REVENUE FUND-2012 GO LIBRARY BOOKS-27107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 1,051	\$ 0	\$ (1,051)
Total Revenues	<u>0</u>	<u>1,051</u>	<u>0</u>	<u>(1,051)</u>
Expenditures				
Support Services				
Students				
Supplies	0	1,051	2,493	(1,442)
Total Students	<u>0</u>	<u>1,051</u>	<u>2,493</u>	<u>(1,442)</u>
Total Support Services	<u>0</u>	<u>1,051</u>	<u>2,493</u>	<u>(1,442)</u>
Total Expenditures	<u>0</u>	<u>1,051</u>	<u>2,493</u>	<u>(1,442)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(2,493)	(2,493)
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>\$ (2,493)</u>	<u>\$ (2,493)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,493)	
Net Change in Due from Grantor			<u>2,493</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
ELIDA MUNICIPAL SCHOOL
 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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 30	\$ 30	\$ 29	\$ (1)
Total Revenues	<u>30</u>	<u>30</u>	<u>29</u>	<u>(1)</u>
Expenditures				
Capital Outlay				
Professional & Tech Services	<u>32,128</u>	<u>32,128</u>	<u>9,850</u>	<u>22,278</u>
Total Capital Outlay	<u>32,128</u>	<u>32,128</u>	<u>9,850</u>	<u>22,278</u>
Total Expenditures	<u>32,128</u>	<u>32,128</u>	<u>9,850</u>	<u>22,278</u>
Excess (Deficiency) of Revenues Over Expenditures	(32,098)	(32,098)	(9,821)	22,277
Cash Balance Beginning of Year	<u>32,131</u>	<u>32,131</u>	<u>32,131</u>	<u>0</u>
Cash Balance End of Year	\$ <u>33</u>	\$ <u>33</u>	\$ <u>22,310</u>	\$ <u>22,277</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(9,821)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(9,821)</u>	

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

STATE OF NEW MEXICO

ELIDA MUNICIPAL SCHOOL

DEBT SERVICE-41000

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 8,234	\$ 8,234	\$ 8,234	\$ 0
Total Revenues	<u>8,234</u>	<u>8,234</u>	<u>8,234</u>	<u>0</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	844	844	77	767
Total General Administration	<u>844</u>	<u>844</u>	<u>77</u>	<u>767</u>
Total Support Services	<u>844</u>	<u>844</u>	<u>77</u>	<u>767</u>
Debt Service				
Principal	80,000	80,000	80,000	0
Interest	2,100	2,100	2,100	0
Total Debt Service	<u>82,100</u>	<u>82,100</u>	<u>82,100</u>	<u>0</u>
Total Expenditures	<u>82,944</u>	<u>82,944</u>	<u>82,177</u>	<u>767</u>
Excess (Deficiency) of Revenues Over Expenditures	(74,710)	(74,710)	(73,943)	767
Cash Balance Beginning of Year	<u>83,476</u>	<u>83,476</u>	<u>83,476</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8,766</u>	<u>\$ 8,766</u>	<u>\$ 9,533</u>	<u>\$ 767</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (73,943)	
Net Change in Receivables			(991)	
Net Change in Current Portion Interest			2,100	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (72,834)</u>	

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

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND

Activity Trust Fund

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 AGENCY FUNDS - ACTIVITY
 Statement of Fiduciary Assets and Liabilities-Agency Fund
 For the Year Ended June 30, 2014

	Beginning Balance 6/30/13	Additions	Deletions	Ending Balance 6/30/14
ASSETS				
Annual	\$ 2,468	\$ 5,750	\$ 5,927	\$ 2,291
Art	50	0	0	50
Baseball	3,939	2,240	1,613	4,566
Cheerleaders	1,003	0	0	1,003
Elementary Computers	1,240	52	10	1,283
FCCLA	2,024	925	547	2,401
FFA	5,666	22,025	21,459	6,231
Greenhouse	1,190	0	165	1,024
Miscellaneous	394	1,163	215	1,342
National Honor Society	1,329	1,675	1,083	1,922
Student Council	1,152	17	600	570
A+ Energy Grant	937	0	0	937
Zune	204	0	0	204
Football	1,478	0	0	1,478
Robotics	602	0	0	602
Class of 2014	2,452	0	1,370	1,082
Class of 2015	844	5,629	5,142	1,331
Class of 2016	173	2,342	1,061	1,454
Class of 2017	347	0	0	347
Total Assets	<u>\$ 27,491</u>	<u>\$ 41,818</u>	<u>\$ 39,192</u>	<u>\$ 30,117</u>
LIABILITIES				
Deposits Held for Others	<u>\$ 27,491</u>	<u>\$ 41,818</u>	<u>\$ 39,192</u>	<u>\$ 30,117</u>
Total Liabilities	<u>\$ 27,491</u>	<u>\$ 41,818</u>	<u>\$ 39,192</u>	<u>\$ 30,117</u>

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Cash Reconciliations - All Funds
For the Year Ended June 30, 2014

		Beginning Cash Balance 6/30/13	Revenue	Expenditures	Adjustments/ Transfers/ Loans	Ending Cash Balance 6/30/14
Operational	11000	\$ 70,842	\$ 1,621,310	\$ 1,608,809	\$	\$ 83,343
Teacherage	12000	31,057	13,997	12,756	0	32,298
Transportation	13000	10,234	209,342	219,576	0	0
Instructional Materials	14000	8,408	7,848	6,833	0	9,423
Food Service	21000	13,347	66,718	60,978	0	19,087
Athletics	22000	1,018	10,270	10,972	0	316
Agency Funds	23000	27,491	41,818	39,192	0	30,117
Federal Flowthrough	24000	(16,589)	47,387	43,755	0	(12,957)
Federal Direct	25000	0	11,920	11,920	0	0
State Flowthrough	27000	(1,405)	36,396	50,636	0	(15,645)
Local Grants	29000	154,377	327,967	114,496	0	367,848
Bond Building	31100	32,131	29	9,849	0	22,311
Senate Bill Nine	31700	55,365	115,941	47,444	0	123,862
Debt Service	41000	83,476	8,234	82,177	0	9,533
Total		\$ <u>469,752</u>	\$ <u>2,519,177</u>	\$ <u>2,319,393</u>	\$ <u>0</u>	\$ <u>669,536</u>

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

De'Aun Willoughby CPA, PC

Certified Public Accountant

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

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Elida Municipal School

Mr. Balderas and Members of the Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of Elida Municipal School (District) as of and for the year ended June 30, 2014, 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 16, 2014.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that are less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses, that we consider to be significant deficiencies. 2011-003 (11-3), 2011-007 (11-7), 2014-001, 2014-002


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; 2011-003 (11-3), 2011-007 (11-7), 2014-001, 2014-002

The District's Responses to Findings

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

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

 De'Ann Willoughby CPA PC

Clovis, New Mexico

October 16, 2014

FINANCIAL STATEMENT FINDINGS

Prior Year Audit Findings

		<u>Status</u>
11-3	Payroll	Repeated & Modified
11-7	PED Cash Report	Repeated
13-1	Late Audit Contract	Resolved

Current Year Audit Findings

2011-003 Payroll - Compliance and Internal Control-Significant Deficiency

(11-3) Condition

Of a sample size of 9 employees we noted the following:

(1) Social Security and Medicare Wages are not the same on the 941. After further research we found that a substitute teacher was setup incorrectly in the software program and that social security and Medicare was not withheld.

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.

Cause

There was a typographical mistake when inputting the substitute into the software.

Effect

The District will owe additional tax, penalties and interest.

Recommendation

Training, review and supervision could have mitigated both errors.

Response

We will review the contracts before signing them and review the quarterly reports before they are mailed.

2011-007 PED Cash Reports -Compliance and Internal Control-Significant Deficiency

(11-7) Condition

The District's PED Cash Report at year end did not properly reflect the June 30, 2014 audited cash balances. The difference was \$(7,782.22)

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

Our reconciled balances did not agree with the District's PED cash report balances. When the information was uploaded from the District's software into OMBS, the numbers were not complete causing the reconciliation or 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

We recommend the District contact the software company to discover why the unloaded data was incorrect. We also recommend the District contact PED to produce the upload data in a viewable report format to compare numbers before the data is submitted through OBMS.

Response

We have contacted both the software company and PED. The outcome is still unknown at this time.

2014-001 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:

	Budget		Actual	Over Budget
	Original	Final		
<u>Major Funds</u>				
Wind Farm Projects-29134				
Support Services	\$ 0	\$ 0	\$ 3,053	\$ (3,053)
Senate Bill Nine-31700				
Support Services	423	423	469	(46)
<u>Non-Major Funds</u>				
2012 GO Bond-27107				
Support Services	\$ 0	\$ 1,051	\$ 2,493	\$ (1,442)

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 function 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 should 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.

2014-002 Cash Appropriations in Excess of Available Cash Balances-Compliance & Internal Control-Significant Deficiency

Condition

The District maintained a deficit budget in excess of available cash balance in the Teacherage-General Fund (12000) of \$(1,769).

Criteria

Section 2.2.210. (P) (1), NMAC, requires all school district funds, with the exception of agency funds, to be budgeted by the local governing body and submitted to the PED for approval. Cash balances re-budgeted to make up the deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

Effect

The District will be required to supplement this budget deficit in this fund with cash reserves from other funds. This supplement may lead to financial difficulties and deplete the budget in other funds.

Cause

The District lacks a proper procedure to ensure that sufficient beginning cash balances exist to absorb budget deficits later in the fiscal year.

Recommendation

The District should review the budget for future years to insure that all funds have adequate budget authority for budgeted expenditures. Greater attention should be given to the budget monitoring process and the end of the year cash balance estimates.

Response

The District has implemented a policy whereby they will review and compare the June 30th reconciled cash balances in each fund to ensure that budgeted cash balances are sufficient for the fund's purposes. If this review reveals a that there is not sufficient cash to balance the budget, budget amendments will be made.

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 16, 2014 with Jim Daugherty-Superintendent, Wayne Kinman-Board Member, Susan Lambirth-Business Manager and De'Aun Willoughby, CPA.