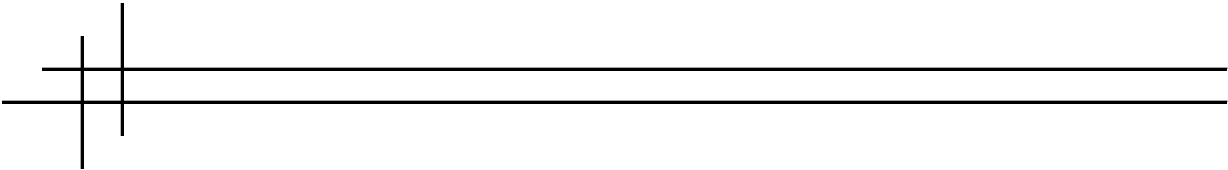


STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL

ANNUAL FINANCIAL REPORT
June 30, 2015

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



STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 Table of Contents
 For the Year Ended June 30, 2015

	<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-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
--	----

2012 GO Library Books-27107

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, 2015

	<u>Page</u>
Wind Farm Projects-29134	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	28
Statement of Fiduciary Assets and Liabilities-Agency Funds	29
Notes to Financial Statements.....	30-47
SUPPLEMENTAL INFORMATION RELATED TO MAJOR FUNDS	
Senate Bill Nine-31700	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	49
SUPPLEMENTAL INFORMATION RELATED TO NON MAJOR FUNDS	
Non-Major Special Revenue Funds	
Combining Balance Sheet.....	52-55
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	56-59
Food Service-21000	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	60
Athletics-22000	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	61
IDEA B Entitlement-24106	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	62
IDEA Preschool-24109	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	63
Improving Teacher Quality-24154	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	64
Rural Education Achievement Program-25233	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	65
Dual Credit-27103	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	66
New Mexico Reads to Lead-27114	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	67

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 Table of Contents
 For the Year Ended June 30, 2015

	<u>Page</u>
Breakfast for Elementary-27155	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	68
Non- Major Capital Projects	
Bond Building-31100	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	69
Non- Major Debt Service	
Debt Service-41000	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	70
REQUIRED SUPPLEMENTAL INFORMATION	
Schedules of Required Supplementary Information.....	72
Notes to Required Supplementary Information.....	73
OTHER SUPPLEMENTAL INFORMATION	
Agency	
Schedule of Changes in Assets and Liabilities - Agency Funds	76
Cash Reconciliations-All Funds.....	77
Vendor Schedule	78
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>	79-80
Schedule of Findings and Responses.....	81-83

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Official Roster
June 30, 2015

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. Tim Keller
State Auditor of the State of New Mexico
Board Members of the Elida Municipal School

Mr. Keller and Members of the Board

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general funds and major special revenue funds of Elida Municipal School (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the District's basic financial statements 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, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2015, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital projects and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The schedule required by 2.2.2.NMAC and 2.2.2.10(A)(2)(g)NMAC are presented for purposes of additional analysis and are 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 6, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

 CPA PC

Clovis, New Mexico
October 6, 2015

FINANCIAL SECTION

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 Government-Wide Statement of Net Position
 June 30, 2015

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 224,923
Investments	180
Receivables	
Property Taxes	441
Due From Grantor	20,443
Inventory	4,581
Total Current Assets	<u>250,568</u>
Noncurrent Assets	
Capital Assets	6,221,619
Less: Accumulated Depreciation	<u>(3,700,923)</u>
Total Noncurrent Assets	<u>2,520,696</u>
Total Assets	<u>2,771,264</u>
 Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	159,244
Total Deferred Outflows of Resources	<u>159,244</u>
 Liabilities	
Current Liabilities	
Accounts Payable	9,914
Total Current Liabilities	<u>9,914</u>
Long-Term Liabilities	
Pension Liability	2,228,078
Total Long-Term Liabilities	<u>2,228,078</u>
Total Liabilities	<u>2,237,992</u>
 Deferred Outflows of Resources	
Deferred Inflows Related to Pensions	282,313
Total Deferred Inflows of Resources	<u>282,313</u>
 Net Position	
Invested in Net Capital Assets	2,520,696
Restricted for:	
Capital Projects	2,602
Debt Service	10,223
Unrestricted	<u>(2,123,318)</u>
Total Net Position	<u>\$ 410,203</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, 2015

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	\$ 1,414,601	\$ 10,710	\$ 129,402	\$ 0	\$ (1,274,489)
Support Services					
Students	57,564	0	5,096	0	(52,468)
General Administration	139,574	0	0	0	(139,574)
School Administration	88,797	0	0	0	(88,797)
Central Services	61,761	0	0	0	(61,761)
Operation of Plant	338,106	12,685	0	0	(325,421)
Transportation	226,796	0	220,103	0	(6,693)
Food Services	111,225	10,753	56,596	0	(43,876)
Total Governmental Activities	\$ 2,438,424	\$ 34,148	\$ 411,197	\$ 0	(1,993,079)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					10,883
Property Taxes, Levied for Capital Projects					44,348
Property Taxes, Levied for Debt Service					488
Federal and State aid not restricted to specific purpose					
General					1,918,554
Capital					0
Interest Income					156
Miscellaneous					8,262
Subtotal, General Revenues					<u>1,982,691</u>
Change in Net Position					
					<u>(10,388)</u>
Net Position - Beginning					
Restatement					2,700,855
Restated Beginning Net Position					<u>(2,280,264)</u>
					<u>420,591</u>
Net Position - Ending					
					<u>\$ 410,203</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, 2015

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
ASSETS			
Cash and Cash Equivalents	\$ 62,929	\$ 7,463	\$ 2,353
Investment	0	0	0
Receivables			
Property Taxes	85	0	0
Due From Grantor	0	0	0
Interfund Balances	20,443	0	0
Inventory	0	0	0
Total Assets	<u>\$ 83,457</u>	<u>\$ 7,463</u>	<u>\$ 2,353</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 8,925	\$ 254	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>8,925</u>	<u>254</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	74,532	7,209	2,353
Total Fund Balances	<u>74,532</u>	<u>7,209</u>	<u>2,353</u>
Total Liabilities and Fund Balances	<u>\$ 83,457</u>	<u>\$ 7,463</u>	<u>\$ 2,353</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, 2015

	General Fund		Special Revenue Funds	
	Instructional	2012 GO		
	Materials	Title I	Library Books	
	14000	24101	27107	
ASSETS				
Cash and Cash Equivalents	\$ 6,910	\$ 0	\$ 0	
Investment	0	0	0	
Receivables				
Property Taxes	0	0	0	
Due From Grantor	0	15,347	5,096	
Interfund Balances	0	0	0	
Inventory	0	0	0	
Total Assets	\$ 6,910	\$ 15,347	\$ 5,096	
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts Payable	\$ 277	\$ 0	\$ 0	
Interfund Balances	0	15,347	5,096	
Total Liabilities	277	15,347	5,096	
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	6,633	0	0	
Total Fund Balances	6,633	0	0	
Total Liabilities and Fund Balances	\$ 6,910	\$ 15,347	\$ 5,096	

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, 2015

	Special Revenue Fund Wind Farm Projects 29134	Capital Outlay Senate Bill Nine 31700	Other Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 64,603	\$ 46,754	\$ 33,911
Investment	148	26	6
Receivables			
Property Taxes	0	356	0
Due From Grantor	0	0	0
Interfund Balances	0	0	0
Inventory	0	0	4,581
Total Assets	<u>\$ 64,751</u>	<u>\$ 47,136</u>	<u>\$ 38,498</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 226	\$ 232	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>226</u>	<u>232</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	4,581
Restricted for			
Special Revenue Funds	64,525	46,904	21,092
Capital Projects	0	0	2,602
Debt Service	0	0	10,223
Unassigned	0	0	0
Total Fund Balances	<u>64,525</u>	<u>46,904</u>	<u>38,498</u>
Total Liabilities and Fund Balances	<u>\$ 64,751</u>	<u>\$ 47,136</u>	<u>\$ 38,498</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, 2015

	Total Governmental Funds
	<u> </u>
ASSETS	
Cash and Cash Equivalents	\$ 224,923
Investment	180
Receivables	
Property Taxes	441
Due From Grantor	20,443
Interfund Balances	20,443
Inventory	4,581
Total Assets	<u>\$ 271,011</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ 9,914
Interfund Balances	20,443
Total Liabilities	<u>30,357</u>
Fund Balances	
Nonspendable-Inventory	4,581
Restricted for	
Special Revenue Funds	132,521
Capital Projects	2,602
Debt Service	10,223
Unassigned	90,727
Total Fund Balances	<u>240,654</u>
Total Liabilities and Fund Balances	<u>\$ 271,011</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, 2015

Total Fund Balance - Governmental Funds \$ 240,654

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.

The Cost of Capital Assets	\$ 6,221,619	
Accumulated Depreciation	<u>(3,700,923)</u>	2,520,696

Deferred Outflows and Inflows Related to Pensions are the results of differences in expected and actual actuary experience and the difference in actuary projected and actual earnings. Also changes in proportion and differences between contributions and proportionate share of contributions.

Deferred Outflows Related to Pensions	159,244	
Deferred Inflows Related to Pensions	<u>(282,313)</u>	(123,069)

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

Pension Liability		<u>(2,228,078)</u>
-------------------	--	--------------------

Total Net Position - Governmental Activities		<u><u>\$ 410,203</u></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, 2015

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
Revenues			
Property Taxes	\$ 10,883	\$ 0	\$ 0
Fees	0	12,685	0
Federal Grants	0	0	0
State & Local Grants	1,634,961	0	220,103
Interest	0	33	0
Miscellaneous	8,262	0	0
Total Revenues	<u>1,654,106</u>	<u>12,718</u>	<u>220,103</u>
Expenditures			
Current			
Instruction	1,003,910	0	0
Support Services			
Students	46,964	0	0
General Administration	140,731	0	0
School Administration	88,233	0	0
Central Services	62,449	0	0
Operation of Plant	272,703	11,961	0
Student Transportation	0	0	217,750
Food Services	47,074	0	0
Capital Outlay	0	25,424	0
Total Expenditures	<u>1,662,064</u>	<u>37,385</u>	<u>217,750</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,958)	(24,667)	2,353
Fund Balances Beginning of Year	<u>82,490</u>	<u>31,876</u>	<u>0</u>
Fund Balances End of Year	<u>\$ 74,532</u>	<u>\$ 7,209</u>	<u>\$ 2,353</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, 2015

	General Fund	Special Revenue Funds	
	Instructional Materials 14000	Title I 24101	2012 GO Library Books 27107
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Federal Grants	0	26,220	0
State & Local Grants	8,466	0	5,096
Interest	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>8,466</u>	<u>26,220</u>	<u>5,096</u>
Expenditures			
Current			
Instruction	11,256	26,220	0
Support Services			
Students	0	0	5,096
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
Total Expenditures	<u>11,256</u>	<u>26,220</u>	<u>5,096</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,790)	0	0
Fund Balances Beginning of Year	<u>9,423</u>	<u>0</u>	<u>0</u>
Fund Balances End of Year	<u>\$ 6,633</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
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2015

	Special Revenue Fund Wind Farm Projects 29134	Capital Outlay Senate Bill Nine 31700	Other Governmental Funds
Revenues			
Property Taxes	\$ 0	\$ 44,348	\$ 488
Fees	0	0	21,463
Federal Grants	0	0	97,867
State & Local Grants	283,593	0	53,445
Interest	0	97	26
Miscellaneous	0	0	0
Total Revenues	<u>283,593</u>	<u>44,445</u>	<u>173,289</u>
Expenditures			
Current			
Instruction	192,758	0	105,232
Support Services			
Students	0	0	0
General Administration	0	444	8
School Administration	1,775	0	0
Central Services	0	0	0
Operation of Plant	0	40,535	8,560
Student Transportation	0	0	0
Food Services	0	0	64,676
Capital Outlay	392,384	81,328	11,174
Total Expenditures	<u>586,917</u>	<u>122,307</u>	<u>189,650</u>
Excess (Deficiency) of Revenues Over Expenditures	(303,324)	(77,862)	(16,361)
Fund Balances Beginning of Year	<u>367,849</u>	<u>124,766</u>	<u>54,859</u>
Fund Balances End of Year	<u>\$ 64,525</u>	<u>\$ 46,904</u>	<u>\$ 38,498</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, 2015

	Total Governmental Funds
Revenues	
Property Taxes	\$ 55,719
Fees	34,148
Federal Grants	124,087
State & Local Grants	2,205,664
Interest	156
Miscellaneous	8,262
Total Revenues	<u>2,428,036</u>
Expenditures	
Current	
Instruction	1,339,376
Support Services	
Students	52,060
General Administration	141,183
School Administration	90,008
Central Services	62,449
Operation of Plant	333,759
Student Transportation	217,750
Food Services	111,750
Capital Outlay	510,310
Total Expenditures	<u>2,858,645</u>
Excess (Deficiency) of Revenues Over Expenditures	(430,609)
Fund Balances Beginning of Year	<u>671,263</u>
Fund Balances End of Year	<u>\$ 240,654</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, 2015

Net Change in Fund Balance \$ (430,609)

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	\$ (111,295)	
Capital Outlays	<u>510,310</u>	399,015

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

Pension Contributions	159,244	
Pension Expense	<u>(138,038)</u>	<u>21,206</u>

Changes in Net Position of Governmental Activities \$ (10,388)

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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 11,750	\$ 11,750	\$ 11,019	\$ (731)
State & Local Grants	7,500	7,500	10,754	3,254
Miscellaneous	1,633,986	1,634,806	1,634,961	155
Total Revenues	<u>1,653,236</u>	<u>1,654,056</u>	<u>1,656,734</u>	<u>2,678</u>
Expenditures				
Instruction				
Personnel Services	752,010	752,225	742,434	9,791
Employee Benefits	249,770	250,858	236,758	14,100
Other Purchased Services	4,215	1,817	352	1,465
Supplies	19,440	21,915	21,668	247
Total Instruction	<u>1,025,435</u>	<u>1,026,815</u>	<u>1,001,212</u>	<u>25,603</u>
Support Services				
Students				
Personnel Services	15,553	15,553	15,553	0
Employee Benefits	3,682	3,685	3,681	4
Professional & Tech Services	14,532	18,582	16,500	2,082
Other Purchased Services	36,412	32,362	10,843	21,519
Supplies	650	650	439	211
Total Students	<u>70,829</u>	<u>70,832</u>	<u>47,016</u>	<u>23,816</u>
General Administration				
Personnel Services	94,818	94,818	94,818	0
Employee Benefits	30,172	30,175	28,649	1,526
Professional & Tech Services	12,565	13,578	13,533	45
Other Purchased Services	2,300	1,962	1,955	7
Supplies	1,275	1,613	1,561	52
Total General Administration	<u>141,130</u>	<u>142,146</u>	<u>140,516</u>	<u>1,630</u>
School Administration				
Personnel Services	72,821	72,821	71,385	1,436
Employee Benefits	17,186	17,186	16,848	338
Supplies	250	0	0	0
Total School Administration	<u>90,257</u>	<u>90,007</u>	<u>88,233</u>	<u>1,774</u>
Central Services				
Personnel Services	40,698	40,646	40,500	146
Employee Benefits	13,461	13,449	12,458	991
Other Purchased Services	7,200	7,262	7,262	0
Supplies	2,000	2,252	2,251	1
Total Central Service	<u>\$ 63,359</u>	<u>\$ 63,609</u>	<u>\$ 62,471</u>	<u>\$ 1,138</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Operation of Plant				
Personnel Services	\$ 68,549	\$ 69,611	\$ 69,609	\$ 2
Employee Benefits	30,055	30,123	29,480	643
Purchased Property Services	95,394	95,394	87,416	7,978
Other Purchased Services	53,162	53,162	53,162	0
Supplies	48,414	47,289	28,025	19,264
Total Operation of Plant	<u>295,574</u>	<u>295,579</u>	<u>267,692</u>	<u>27,887</u>
Other				
Other Purchased Services	<u>1,736</u>	<u>1,736</u>	<u>0</u>	<u>1,736</u>
Total Other	<u>1,736</u>	<u>1,736</u>	<u>0</u>	<u>1,736</u>
Total Support Services	<u>662,885</u>	<u>663,909</u>	<u>605,928</u>	<u>57,981</u>
Food Service Operations				
Personnel Services	31,700	31,475	30,840	635
Employee Benefits	16,708	16,936	16,232	704
Total Food Service Operations	<u>48,408</u>	<u>48,411</u>	<u>47,072</u>	<u>1,339</u>
Total Expenditures	<u>1,736,728</u>	<u>1,739,135</u>	<u>1,654,212</u>	<u>84,923</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(83,492)</u>	<u>(85,079)</u>	<u>2,522</u>	<u>87,601</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	<u>0</u>	<u>0</u>	<u>(2,493)</u>	<u>(2,493)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(2,493)</u>	<u>(2,493)</u>
Net Change in Cash Balance	(83,492)	(85,079)	29	85,108
Cash Balance Beginning of Year	<u>83,343</u>	<u>83,343</u>	<u>83,343</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (149)</u>	<u>\$ (1,736)</u>	<u>\$ 83,372</u>	<u>\$ 85,108</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 29	
Net Change in Taxes Receivables			(136)	
Net Change in Account Payables			(7,851)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (7,958)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Rents	\$ 14,200	\$ 14,200	\$ 12,685	\$ (1,515)
Miscellaneous	50	50	33	(17)
Total Revenues	<u>14,250</u>	<u>14,250</u>	<u>12,718</u>	<u>(1,532)</u>
Expenditures				
Support Services				
Operation of Plant				
Purchased Property Services	23,152	8,891	4,322	4,569
Other Purchased Services	13,151	13,241	9,037	4,204
Supply Assets	10,155	24,416	24,194	222
Total Operation of Plant	<u>46,458</u>	<u>46,548</u>	<u>37,553</u>	<u>8,995</u>
Total Support Services	<u>46,458</u>	<u>46,548</u>	<u>37,553</u>	<u>8,995</u>
Total Expenditures	<u>46,458</u>	<u>46,548</u>	<u>37,553</u>	<u>8,995</u>
Excess (Deficiency) of Revenues Over Expenditures	(32,208)	(32,298)	(24,835)	7,463
Cash Balance Beginning of Year	<u>32,298</u>	<u>32,298</u>	<u>32,298</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 90</u>	<u>\$ 0</u>	<u>\$ 7,463</u>	<u>\$ 7,463</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (24,835)	
Net Change in Accounts Payable			168	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (24,667)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 206,437	\$ 220,103	\$ 220,103	\$ 0
Total Revenues	<u>206,437</u>	<u>220,103</u>	<u>220,103</u>	<u>0</u>
Expenditures				
Support Services				
Student Transportation				
Personnel Services	63,210	34,959	34,957	2
Employee Benefits	26,863	25,166	10,113	15,053
Professional & Tech Services	75	75	43	32
Purchased Property Services	4,991	18,020	16,209	1,811
Other Purchased Services	101,298	132,527	153,179	(20,652)
Supplies	10,000	9,356	3,249	6,107
Total Student Transportation	<u>206,437</u>	<u>220,103</u>	<u>217,750</u>	<u>2,353</u>
Total Support Services	<u>206,437</u>	<u>220,103</u>	<u>217,750</u>	<u>2,353</u>
Total Expenditures	<u>206,437</u>	<u>220,103</u>	<u>217,750</u>	<u>2,353</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	2,353	2,353
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>\$ 2,353</u>	<u>\$ 2,353</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			<u>\$ 2,353</u>	
Net Change in Fund Balance			<u>\$ 2,353</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 17,889	\$ 8,466	\$ (9,423)
Total Revenues	<u>0</u>	<u>17,889</u>	<u>8,466</u>	<u>(9,423)</u>
Expenditures				
Instruction				
Supplies	0	17,889	10,979	6,910
Total Instruction	<u>0</u>	<u>17,889</u>	<u>10,979</u>	<u>6,910</u>
Total Expenditures	<u>0</u>	<u>17,889</u>	<u>10,979</u>	<u>6,910</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(2,513)	(2,513)
Cash Balance Beginning of Year	<u>9,423</u>	<u>9,423</u>	<u>9,423</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 9,423</u>	<u>\$ 9,423</u>	<u>\$ 6,910</u>	<u>\$ (2,513)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,513)	
Net Change in Accounts Payable			<u>(277)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (2,790)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 19,858	\$ 49,673	\$ 14,253	\$ (35,420)
Total Revenues	<u>19,858</u>	<u>49,673</u>	<u>14,253</u>	<u>(35,420)</u>
Expenditures				
Instruction				
Personnel Services	13,664	29,900	14,900	15,000
Employee Benefits	1,082	2,301	1,149	1,152
Professional & Tech Services	0	1,599	0	1,599
Supplies	<u>1,732</u>	<u>12,493</u>	<u>10,171</u>	<u>2,322</u>
Total Instruction	<u>16,478</u>	<u>46,293</u>	<u>26,220</u>	<u>20,073</u>
Total Expenditures	<u>16,478</u>	<u>46,293</u>	<u>26,220</u>	<u>20,073</u>
Excess (Deficiency) of Revenues Over Expenditures	3,380	3,380	(11,967)	(15,347)
Cash Balance Beginning of Year	<u>(3,380)</u>	<u>(3,380)</u>	<u>(3,380)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (15,347)</u>	<u>\$ (15,347)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (11,967)	
Net Change in Due from Grantor			<u>11,967</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 7,994	\$ 7,994	\$ 0	\$ (7,994)
Total Revenues	<u>7,994</u>	<u>7,994</u>	<u>0</u>	<u>(7,994)</u>
Expenditures				
Support Services				
Students				
Supplies	5,501	5,501	5,096	405
Total Students	<u>5,501</u>	<u>5,501</u>	<u>5,096</u>	<u>405</u>
Total Support Services	<u>5,501</u>	<u>5,501</u>	<u>5,096</u>	<u>405</u>
Total Expenditures	<u>5,501</u>	<u>5,501</u>	<u>5,096</u>	<u>405</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,493</u>	<u>2,493</u>	<u>(5,096)</u>	<u>(7,589)</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	2,493	2,493
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>2,493</u>	<u>2,493</u>
Net Change in Cash Balance	2,493	2,493	(2,603)	(5,096)
Cash Balance Beginning of Year	<u>(2,493)</u>	<u>(2,493)</u>	<u>(2,493)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (5,096)</u>	<u>\$ (5,096)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,603)	
Net Change in Due from Grantor			<u>2,603</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-WIND FARM PROJECTS-29134
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources	\$ 246,000	\$ 247,913	\$ 283,593	\$ 35,680
Total Revenues	<u>246,000</u>	<u>247,913</u>	<u>283,593</u>	<u>35,680</u>
Expenditures				
Instruction				
Personnel Services	0	71,902	71,902	0
Employee Benefits	0	21,869	21,860	9
Supplies	0	210,076	210,076	0
Fixed Assets	0	217,955	188,893	29,062
Supply Assets	87,000	92,186	92,186	0
Total Instruction	<u>87,000</u>	<u>613,988</u>	<u>584,917</u>	<u>29,071</u>
Support Services				
School Administration				
Personnel Services	0	1,436	1,436	0
Employee Benefits	0	338	338	0
Total School Administration	<u>0</u>	<u>1,774</u>	<u>1,774</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>1,774</u>	<u>1,774</u>	<u>0</u>
Total Expenditures	<u>87,000</u>	<u>615,762</u>	<u>586,691</u>	<u>29,071</u>
Excess (Deficiency) of Revenues Over Expenditures	159,000	(367,849)	(303,098)	64,751
Cash Balance Beginning of Year	<u>367,849</u>	<u>367,849</u>	<u>367,849</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 526,849</u>	<u>\$ 0</u>	<u>\$ 64,751</u>	<u>\$ 64,751</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (303,098)	
Net Change in Accounts Payable			<u>(226)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (303,324)</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, 2015

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 29,006
Total Assets	<u>\$ 29,006</u>
Liabilities	
Deposits Held for Others	\$ 29,006
Total Liabilities	<u>\$ 29,006</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.

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.

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.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Notes to the Financial Statements
June 30, 2015

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.

Short -Term Debt

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

Long-Term Liabilities

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

Restricted Net Position

For the government-wide statement of net position, net 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, 2015

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 6/30/15	Reconciled Balance	<u>Type</u>
Elida Municipal School	\$ 268,800	\$ 117,861	Checking-Non-Int.
Elida Municipal School-Activity	29,605	29,006	Checking-Interest
Elida Municipal School	4,546	4,546	Checking-Interest
TOTAL Deposited	<u>302,950</u>	<u>\$ 151,413</u>	
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	52,950		
50% collateral requirement	26,475		
Pledged securities	<u>205,632</u>		
Over (Under) requirement	<u>\$ 179,157</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	102,764	8/1/16	TIB Irving TX
Dona Ana Co NM Cmnty Clg Dist Go	257584AF9	102,868	8/1/15	TIB Irving TX
		<u>\$ 205,632</u>		

NM Bank & Trust

<u>Name of Account</u>	Balance Per Bank 6/30/15	Reconciled Balance	<u>Type</u>
Elida Municipal School	\$ 54,614	\$ 54,614	Checking-Interest
TOTAL Deposited	<u>54,614</u>	<u>\$ 54,614</u>	
Less: FDIC Coverage	<u>(54,614)</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 6/30/15	Reconciled Balance	<u>Type</u>
Elida Municipal School	\$ 47,902	\$ 47,902	Checking-Interest
TOTAL Deposited	<u>47,902</u>	<u>\$ 47,902</u>	
Less: FDIC Coverage	<u>(47,902)</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	\$ 352,516
Collateralized:	
Collateral held by the pledging bank in District's name	205,632
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 405,466</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2015 none of the District's bank balance of \$405,466 was exposed to custodial credit risk.

NM State Treasurer

<u>Name of Account</u>	<u>Value 6/30/15</u>	<u>Type</u>
Elida Municipal School	\$ 180	Investment
Total Investments	<u>\$ 180</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, 2015, the LGIP WAM(R) is 54.6 days and WAM(F) is 77.7 days.
4. Finally, with respect to foreign currency risk, all investments in the LGIP are in U.S. dollar denominated assets. Therefore, the LGIP has no foreign currency risk.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Notes to the Financial Statements
June 30, 2015

B. Receivables

Following is a schedule of receivables as of June 30, 2015:

	General Fund 11000	Title I 24101	2012 GO Library Books 27107	Senate Bill Nine 31700
Property Taxes Available	\$ 85	\$ 0	\$ 0	\$ 356
Due From Federal	0	15,347	5,096	0
	<u>\$ 85</u>	<u>\$ 15,347</u>	<u>\$ 5,096</u>	<u>\$ 356</u>
				<u>Total</u>
Property Taxes Available				\$ 441
Due From Federal				20,443
				<u>\$ 20,884</u>

C. Interfund Receivables, Payables and Transfers

Interfund Balances during the year ending June 30, 2015 were as follows:

Due to General Fund from:

Major Funds	
Title I - 24101	\$ 15,347
2012 GO Library Books-27107	5,096
Totals	<u>\$ 20,443</u>

D. Capital Assets

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

	Beginning Balance 6/30/14	Additions	Deletions	Ending Balance 6/30/15
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 9,000	\$ 300	\$ 0	\$ 9,300
Total Capital Assets not being Depreciated	<u>9,000</u>	<u>300</u>	<u>0</u>	<u>9,300</u>
Capital Assets, being Depreciated				
Buildings & Improvements	5,362,474	471,457	32,891	5,801,040
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>562,859</u>	<u>38,554</u>	<u>190,134</u>	<u>411,279</u>
Total Capital Assets being Depreciated	<u>5,925,333</u>	<u>510,011</u>	<u>223,025</u>	<u>6,212,319</u>
Total Capital Assets	<u>\$ 5,934,333</u>	<u>\$ 510,311</u>	<u>\$ 223,025</u>	<u>\$ 6,221,619</u>

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Notes to the Financial Statements
June 30, 2015

Less Accumulated Depreciation								
Buildings & Improvements	\$	3,548,982	\$	87,456	\$	94,717	\$	3,541,721
Equipment, Vehicles, Information Technology Equipment, Software & Library Books		355,760		23,839		220,397		159,202
Total Accumulated Depreciation		<u>3,904,742</u>		<u>111,295</u>		<u>315,114</u>		<u>3,700,923</u>
Capital Assets, net	\$	<u>2,029,591</u>	\$	<u>399,016</u>	\$	<u>(92,089)</u>	\$	<u>2,520,696</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$	90,360
Support Services-Students		5,768
Operation & Maintenance of Plant		5,528
Transportation		9,639
Total depreciation expenses	\$	<u>111,295</u>

E. Commitments

The District has no construction commitments on June 30, 2015.

F. Retirement Plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

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

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

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

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

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

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Notes to the Financial Statements
June 30, 2015

The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$159,244 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the District reported a liability of \$2,228,079 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the District proportion was .03905 percent, which was a decrease of .001 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$138,038. At the June 30, 2015, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 0	\$ (33,188)
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	(202,525)
Changes in proportion and differences between the District's contributions and proportionate share of contributions		(46,600)
District's contributions subsequent to the measurement date	159,244	0
Total	<u>\$ 159,244</u>	<u>\$ (282,313)</u>

\$159,244 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Notes to the Financial Statements
June 30, 2015

Year ended June 30:	
2016	\$ (78,341)
2017	(78,341)
2018	(75,016)
2019	(50,615)
Total	\$ <u>(282,313)</u>

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

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

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

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Notes to the Financial Statements
June 30, 2015

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

Asset Class	2014 Long-Term Expected Real Rate of Return	2013 Long-Term Expected Real Rate of Return
Cash	1.50%	75.00%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	75.00%
Global Bonds (Hedged)	1.38%	93.00%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The District’s proportionate share of the net pension liability	\$ 3,031,561	\$ 2,228,081	\$ 1,556,817

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

Payables to the pension plan. Employers should disclose the amount of payables to the Plan with a description of what gave rise to the payable per GASB Statement 68, paragraphs 122 and 124.

G. Retiree Health Care

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

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the statutes required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$23,176, \$21,855 and \$22,167 respectively, which equal the required contributions for each year.

H. 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).

I. 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

J. 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.

K. 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.

L. 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, 2015.

<u>Major Funds</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Senate Bill Nine-31700				
Support Services	\$ 400	\$ 400	\$ 443	\$ (43)

M. Related Party

The Superintendent's brother was hired as an architect. The fees totaled \$12,000. The board approved this transaction.

N. Restatement

Net Position was increase by \$92,089 for capital assets that were not added in a prior year and decreased by \$2,372,353 for the pension liability.

**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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 47,819	\$ 47,819	\$ 44,896	\$ (2,923)
Interest Income	0	0	97	97
State Grant	6,441	26,056	0	(26,056)
Total Revenues	<u>54,260</u>	<u>73,875</u>	<u>44,993</u>	<u>(28,882)</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	400	400	443	(43)
Total General Administration	<u>400</u>	<u>400</u>	<u>443</u>	<u>(43)</u>
Total Support Services	<u>400</u>	<u>400</u>	<u>443</u>	<u>(43)</u>
Capital Outlay				
Maintenance	79,319	79,319	79,125	194
Supplies	100,000	119,615	42,507	77,108
Total Capital Outlay	<u>179,319</u>	<u>198,934</u>	<u>121,632</u>	<u>77,302</u>
Total Expenditures	<u>179,719</u>	<u>199,334</u>	<u>122,075</u>	<u>77,259</u>
Excess (Deficiency) of Revenues Over Expenditures	(125,459)	(125,459)	(77,082)	48,377
Cash Balance Beginning of Year	<u>123,862</u>	<u>123,862</u>	<u>123,862</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (1,597)</u>	<u>\$ (1,597)</u>	<u>\$ 46,780</u>	<u>\$ 48,377</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (77,082)	
Net Change in Receivables			(548)	
Net Change in Accounts Payable			(232)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (77,862)</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 B Entitlement (24106). To account for funds for free appropriate public education to all children with disabilities. The program is 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.

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.

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 development. The fund was created by the authority of state grant provisions.

Breakfast for Elementary (27155). To account for revenues and expenditures from a state grant provided for breakfast for elementary students. The fund was created by state grant provisions.

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, 2015

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	IDEA B Entitlement 24106
ASSETS			
Cash and Cash Equivalents	\$ 20,582	\$ 510	\$ 0
Investment	0	0	0
Inventory	4,581	0	0
Total Assets	\$ 25,163	\$ 510	\$ 0
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	0	0	0
Fund Balance			
Nonspendable-Inventory	4,581	0	0
Restricted for			
Special Revenue Funds	20,582	510	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	25,163	510	0
Total Liabilities and Fund Balance	\$ 25,163	\$ 510	\$ 0

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, 2015

	Special Revenue Funds		
	IDEA Preschool 24109	Improving Teacher Quality 24154	Rural Education Achievement Program 25233
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Investment	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>0</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>\$ 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 FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds		
	Dual Credit Instructional Materials 27103	New Mexico Reads to Lead 27114	Breakfast for Elementary 27155
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Investment	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>0</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>\$ 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 FUNDS
Combining Balance Sheet
June 30, 2015

	<u>Capital Project</u>		
	Bond Building 31100	Debt Service 41000	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,596	\$ 10,223	\$ 33,911
Investment	6	0	6
Inventory	0	0	4,581
Total Assets	<u>\$ 2,602</u>	<u>\$ 10,223</u>	<u>\$ 38,498</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	4,581
Restricted for			
Special Revenue Funds	0	0	21,092
Capital Projects	2,602	0	2,602
Debt Service	0	10,223	10,223
Total Fund Balance	<u>2,602</u>	<u>10,223</u>	<u>38,498</u>
Total Liabilities and Fund Balance	<u>\$ 2,602</u>	<u>\$ 10,223</u>	<u>\$ 38,498</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, 2015

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	IDEA B Entitlement 24106
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	10,753	10,710	0
Federal Grants	51,614	0	22,737
State & Local Grants	0	0	0
Interest	0	0	0
Total Revenues	<u>62,367</u>	<u>10,710</u>	<u>22,737</u>
Expenditures			
Current			
Instruction	0	10,516	22,737
Support Services			
General Administration	0	0	0
Operation of Plant	0	0	0
Food Services Operations	59,694	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>59,694</u>	<u>10,516</u>	<u>22,737</u>
Excess (Deficiency) of Revenues Over Expenditures	2,673	194	0
Fund Balances at Beginning of Year	<u>22,490</u>	<u>316</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 25,163</u>	<u>\$ 510</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, 2015

	Special Revenue Funds		
	IDEA Preschool 24109	Improving Teacher Quality 24154	Rural Education Achievement Program 25233
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Federal Grants	807	2,726	19,983
State & Local Grants	0	0	0
Interest	0	0	0
Total Revenues	<u>807</u>	<u>2,726</u>	<u>19,983</u>
Expenditures			
Current			
Instruction	807	2,726	19,983
Support Services			
General Administration	0	0	0
Operation of Plant	0	0	0
Food Services Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>807</u>	<u>2,726</u>	<u>19,983</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, 2015

	Special Revenue Funds		
	Dual Credit Instructional Materials <u>27103</u>	New Mexico Reads to Lead <u>27114</u>	Breakfast for Elementary <u>27155</u>
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Federal Grants	0	0	0
State & Local Grants	484	47,979	4,982
Interest	0	0	0
Total Revenues	<u>484</u>	<u>47,979</u>	<u>4,982</u>
Expenditures			
Current			
Instruction	484	47,979	0
Support Services			
General Administration	0	0	0
Operation of Plant	0	0	0
Food Services Operations	0	0	4,982
Capital Outlay	0	0	0
Total Expenditures	<u>484</u>	<u>47,979</u>	<u>4,982</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, 2015

	Capital Project		
	Bond Building 31100	Debt Service 41000	Total
Revenues			
Property Taxes	\$ 0	\$ 488	\$ 488
Fees	0	0	21,463
Federal Grants	0	0	97,867
State & Local Grants	0	0	53,445
Interest	26	0	26
Total Revenues	<u>26</u>	<u>488</u>	<u>173,289</u>
Expenditures			
Current			
Instruction	0	0	105,232
Support Services			
General Administration	0	8	8
Operation of Plant	8,560	0	8,560
Food Services Operations	0	0	64,676
Capital Outlay	11,174	0	11,174
Total Expenditures	<u>19,734</u>	<u>8</u>	<u>189,650</u>
Excess (Deficiency) of Revenues Over Expenditures	(19,708)	480	(16,361)
Fund Balances at Beginning of Year	<u>22,310</u>	<u>9,743</u>	<u>54,859</u>
Fund Balance End of Year	<u>\$ 2,602</u>	<u>\$ 10,223</u>	<u>\$ 38,498</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 6,920	\$ 6,920	\$ 10,753	\$ 3,833
Federal Grant	50,000	50,000	46,486	(3,514)
Total Revenues	<u>56,920</u>	<u>56,920</u>	<u>57,239</u>	<u>319</u>
Expenditures				
Food Service Operations				
Other Purchased Services	500	500	0	500
Supplies	97,328	97,328	55,744	41,584
Total Food Service Operations	<u>97,828</u>	<u>97,828</u>	<u>55,744</u>	<u>42,084</u>
Total Expenditures	<u>97,828</u>	<u>97,828</u>	<u>55,744</u>	<u>42,084</u>
Excess (Deficiency) of Revenues Over Expenditures	(40,908)	(40,908)	1,495	42,403
Cash Balance Beginning of Year	<u>19,087</u>	<u>19,087</u>	<u>19,087</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (21,821)</u>	<u>\$ (21,821)</u>	<u>\$ 20,582</u>	<u>\$ 42,403</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,495	
Net Change in Inventory			761	
Net Change in Accounts Payable			417	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,673</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 10,300	\$ 10,300	\$ 10,710	\$ 410
Total Revenues	<u>10,300</u>	<u>10,300</u>	<u>10,710</u>	<u>410</u>
Expenditures				
Instruction				
Other Purchased Services	6,043	4,823	4,724	99
Supplies	<u>4,483</u>	<u>5,793</u>	<u>5,792</u>	<u>1</u>
Total Instruction	<u>10,526</u>	<u>10,616</u>	<u>10,516</u>	<u>100</u>
Total Expenditures	<u>10,526</u>	<u>10,616</u>	<u>10,516</u>	<u>100</u>
Excess (Deficiency) of Revenues Over Expenditures	(226)	(316)	194	510
Cash Balance Beginning of Year	<u>316</u>	<u>316</u>	<u>316</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 90</u>	<u>\$ 0</u>	<u>\$ 510</u>	<u>\$ 510</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 194</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 194</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 7,592	\$ 66,826	\$ 30,329	\$ (36,497)
Total Revenues	<u>7,592</u>	<u>66,826</u>	<u>30,329</u>	<u>(36,497)</u>
Expenditures				
Instruction				
Personnel Services	0	40,498	18,353	22,145
Employee Benefits	0	11,208	4,384	6,824
Supplies	0	7,528	0	7,528
Total Instruction	<u>0</u>	<u>59,234</u>	<u>22,737</u>	<u>36,497</u>
Total Expenditures	<u>0</u>	<u>59,234</u>	<u>22,737</u>	<u>36,497</u>
Excess (Deficiency) of Revenues Over Expenditures	7,592	7,592	7,592	0
Cash Balance Beginning of Year	<u>(7,592)</u>	<u>(7,592)</u>	<u>(7,592)</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			\$ 7,592	
Net Change in Due from Grantor			<u>(7,592)</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 PRESCHOOL-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 2,548	\$ 807	\$ (1,741)
Total Revenues	<u>0</u>	<u>2,548</u>	<u>807</u>	<u>(1,741)</u>
Expenditures				
Instruction				
Professional & Tech Services	0	37	37	0
Supplies	0	2,511	770	1,741
Total Instruction	<u>0</u>	<u>2,548</u>	<u>807</u>	<u>1,741</u>
Total Expenditures	<u>0</u>	<u>2,548</u>	<u>807</u>	<u>1,741</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 4,712	\$ 11,846	\$ 4,712	\$ (7,134)
Total Revenues	<u>4,712</u>	<u>11,846</u>	<u>4,712</u>	<u>(7,134)</u>
Expenditures				
Instruction				
Professional & Tech Services	2,726	9,860	2,726	7,134
Total Instruction	<u>2,726</u>	<u>9,860</u>	<u>2,726</u>	<u>7,134</u>
Total Expenditures	<u>2,726</u>	<u>9,860</u>	<u>2,726</u>	<u>7,134</u>
Excess (Deficiency) of Revenues Over Expenditures	1,986	1,986	1,986	0
Cash Balance Beginning of Year	<u>(1,986)</u>	<u>(1,986)</u>	<u>(1,986)</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			\$ 1,986	
Net Change in Deferred Revenue			<u>(1,986)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 16,599	\$ 25,279	\$ 19,983	\$ (5,296)
Total Revenues	<u>16,599</u>	<u>25,279</u>	<u>19,983</u>	<u>(5,296)</u>
Expenditures				
Instruction				
Supplies	16,599	25,279	19,983	5,296
Total Instruction	<u>16,599</u>	<u>25,279</u>	<u>19,983</u>	<u>5,296</u>
Total Expenditures	<u>16,599</u>	<u>25,279</u>	<u>19,983</u>	<u>5,296</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 484	\$ 484	\$ 0
Total Revenues	<u>0</u>	<u>484</u>	<u>484</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	484	484	0
Total Instruction	<u>0</u>	<u>484</u>	<u>484</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>484</u>	<u>484</u>	<u>0</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-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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 63,152	\$ 63,152	\$ 61,131	\$ (2,021)
Total Revenues	<u>63,152</u>	<u>63,152</u>	<u>61,131</u>	<u>(2,021)</u>
Expenditures				
Instruction				
Personnel Services	27,645	34,600	34,300	300
Employee Benefits	5,730	5,702	5,588	114
Professional & Tech Services	7,919	2,721	1,115	1,606
Supplies	8,706	6,977	6,976	1
Total Instruction	<u>50,000</u>	<u>50,000</u>	<u>47,979</u>	<u>2,021</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>47,979</u>	<u>2,021</u>
Excess (Deficiency) of Revenues Over Expenditures	13,152	13,152	13,152	0
Cash Balance Beginning of Year	<u>(13,152)</u>	<u>(13,152)</u>	<u>(13,152)</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			\$ 13,152	
Net Change in Due from Grantor			<u>(13,152)</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-BREAKFAST FOR ELEMENTARY-27155
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 4,982	\$ 4,982	\$ 0
Total Revenues	<u>0</u>	<u>4,982</u>	<u>4,982</u>	<u>0</u>
Expenditures				
Food Services Operations				
Supplies	0	4,982	4,982	0
Total Food Services Operations	<u>0</u>	<u>4,982</u>	<u>4,982</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>4,982</u>	<u>4,982</u>	<u>0</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
 CAPITAL PROJECT FUND-BOND BUILDING-31100
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 40	\$ 40	\$ 26	\$ (14)
Total Revenues	<u>40</u>	<u>40</u>	<u>26</u>	<u>(14)</u>
Expenditures				
Capital Outlay				
Professional & Tech Services	<u>22,350</u>	<u>22,350</u>	<u>19,734</u>	<u>2,616</u>
Total Capital Outlay	<u>22,350</u>	<u>22,350</u>	<u>19,734</u>	<u>2,616</u>
Total Expenditures	<u>22,350</u>	<u>22,350</u>	<u>19,734</u>	<u>2,616</u>
Excess (Deficiency) of Revenues Over Expenditures	(22,310)	(22,310)	(19,708)	2,602
Cash Balance Beginning of Year	<u>22,310</u>	<u>22,310</u>	<u>22,310</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,602</u>	<u>\$ 2,602</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (19,708)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (19,708)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 1,417	\$ 1,417	\$ 697	\$ (720)
Total Revenues	<u>1,417</u>	<u>1,417</u>	<u>697</u>	<u>(720)</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	92	92	7	85
Total General Administration	<u>92</u>	<u>92</u>	<u>7</u>	<u>85</u>
Total Support Services	<u>92</u>	<u>92</u>	<u>7</u>	<u>85</u>
Debt Service				
Interest	13,158	13,158	0	13,158
Total Debt Service	<u>13,158</u>	<u>13,158</u>	<u>0</u>	<u>13,158</u>
Total Expenditures	<u>13,250</u>	<u>13,250</u>	<u>7</u>	<u>13,243</u>
Excess (Deficiency) of Revenues Over Expenditures	(11,833)	(11,833)	690	12,523
Cash Balance Beginning of Year	<u>9,533</u>	<u>9,533</u>	<u>9,533</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (2,300)</u>	<u>\$ (2,300)</u>	<u>\$ 10,223</u>	<u>\$ 12,523</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 690	
Net Change in Receivables			(210)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 480</u>	

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

REQUIRED SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 Schedules of Required Supplementary Information for Pension Plan

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

Last 10 Fiscal Years*

	<u>2015</u>
District's proportion of the net pension liability	0.03905%
District's proportionate share of the net pension liability	\$ 2,228,081
District's covered-employee payroll	\$ 1,076,261
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	48.30%
Plan fiduciary net position as a percentage of the total pension liability	66.54%

Schedule of District's Contributions

Last 10 Fiscal Years*

	<u>2015</u>
Contractually required contribution	\$ 159,244
Contributions in relation to the contractually required contribution	\$ 159,244
Contribution deficiency (excess)	0
District's covered-employee payroll	\$ 1,076,261
Contributions as a percentage of covered-employee payroll	14.80%

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

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

STATE OF NEW MEXICO

REGIONAL EDUCATION COOPERATIVE # 7

Notes to Required Supplementary Information for Pension Plan

For the Year Ended June 30, 2015

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

Changes of assumptions.

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

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

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

2. Assumptions that were not changed:

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

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

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND

Activity Trust Fund

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
 AGENCY FUNDS - ACTIVITY
 Statement of Fiduciary Assets and Liabilities-Agency Fund
 For the Year Ended June 30, 2015

	Beginning Balance 6/30/14	Additions	Reductions	Ending Balance 6/30/15
ASSETS				
Annual	\$ 2,291	\$ 4,695	\$ 4,940	\$ 2,046
Art	50	0	0	50
Baseball	4,566	0	150	4,416
Cheerleaders	1,003	0	0	1,003
Elementary Computers	1,283	48	1,065	266
FCCLA	2,401	911	830	2,482
FFA	6,231	22,518	20,590	8,159
Greenhouse	1,024	0	0	1,024
Miscellaneous	1,342	736	402	1,676
National Honor Society	1,922	1,647	1,933	1,636
Student Council	570	1,082	486	1,166
A+ Energy Grant	937	0	0	937
Zune	204	0	0	204
Football	1,478	0	0	1,478
Robotics	602	0	0	602
Track	0	898	705	193
Class of 2014	1,082	0	1,082	(0)
Class of 2015	1,331	0	953	378
Class of 2016	1,454	3,706	4,696	464
Class of 2017	347	480	0	827
Total Assets	<u>\$ 30,117</u>	<u>\$ 36,721</u>	<u>\$ 37,832</u>	<u>\$ 29,006</u>
LIABILITIES				
Deposits Held for Others	<u>\$ 30,117</u>	<u>\$ 36,721</u>	<u>\$ 37,832</u>	<u>\$ 29,006</u>
Total Liabilities	<u>\$ 30,117</u>	<u>\$ 36,721</u>	<u>\$ 37,832</u>	<u>\$ 29,006</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, 2015

		Beginning Cash Balance 6/30/14	Revenue	Expenditures	Adjustments/ Transfers/ Loans	Ending Cash Balance 6/30/15
Operational	11000	\$ 83,343	\$ 1,656,342	\$ 1,654,213	\$ (2,100)	\$ 83,372
Teacherage	12000	32,298	12,718	37,553	0	7,463
Transportation	13000	0	220,103	217,750	0	2,353
Instructional Materials	14000	9,423	8,466	10,979	0	6,910
Food Service	21000	19,087	57,239	55,744	0	20,582
Athletics	22000	316	10,710	10,516	0	510
Agency Funds	23000	30,117	36,722	37,833	0	29,006
Federal Flowthrough	24000	(12,957)	50,351	52,491	(250)	(15,347)
Federal Direct	25000	0	20,126	19,983	(143)	0
State Flowthrough	27000	(15,645)	66,598	58,542	2,493	(5,096)
Local Grants	29000	367,848	283,593	586,690	0	64,751
Bond Building	31100	22,311	26	19,735	0	2,602
Senate Bill Nine	31700	123,862	44,993	122,075	0	46,780
Debt Service	41000	9,533	697	7	0	10,223
Total		\$ 669,536	\$ 2,468,684	\$ 2,884,111	\$ 0	\$ 254,109

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

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOL
Vendor Schedule
For the Year Ended June 30, 2015

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

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101

(855) 253-4313

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

Independent Auditor's Report

Mr. Tim Keller
State Auditor of the State of New Mexico
Board Members of the Elida Municipal School

Mr. Keller and Members of the Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of Elida Municipal School (District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated October 6, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. 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. 2011-007, 2014-001, 2014-002, 2015-001

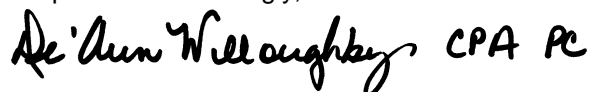
Compliance and Other Matters

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; 2011-007, 2014-001, 2014-002, 2015-001

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 6, 2015

FINANCIAL STATEMENT FINDINGS

Prior Year Audit Findings

	<u>Status</u>
2011-003 Payroll	Resolved
2011-007 PED Cash Report	Repeated
2014-001 Budget Violations	Repeated
2014-002 Cash Appropriations in Excess of Available Cash Balances	Repeated

Current Year Audit Findings

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

Condition

The District's PED Cash Report at year end did not properly reflect the June 30, 2015 audited cash balances. The difference was \$(725.13)

Management has made progress in resolving this finding.

Criteria

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

Cause

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. The business manager expects this finding to be resolved before the fiscal year end.

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:

<u>Major Funds</u>	<u>Budget</u>			<u>Over Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Senate Bill Nine-31700				
Support Services	\$ 400	\$ 400	\$ 443	\$ (43)

Management has made progress in resolving this finding.

Criteria

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

Cause

The District did not make the appropriate budgetary adjustments requests and transfers to the funds mentioned in the condition, which would alleviate over-expenditure within the 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. The business manager expects this finding to be resolved by the end of the fiscal year.

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 Operational-General Fund (11000) of \$(1,736), Senate Bill Nine (31700) of \$(1,597), Food Service (21000) of \$(21,821), and Debt Service (41000) of \$(2,300).

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. The business manager has resolved this finding.

2015-001 Certification of Inventory-Compliance & Internal Control-Significant Deficiency

Condition

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

Criteria

Section 12-6-10(A) NMSA 1978 requires each agency to conduct an annual physical inventory of movable chattels and equipment on the inventory list at the end of each fiscal year. The agency shall certify the correctness of the inventory after the physical inventory. This certification should be provided to the agency's auditors.

Effect

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

Cause

Management was not aware inventory had to be certified.

Recommendation

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

Response

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

Financial Statement Preparation

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

Exit Conference

An exit conference was held on October 6, 2015 with Jim Daugherty-Superintendent, Garland Creighton-Board Secretary, Susan Lambirth-Business Manager and De'Aun Willoughby, CPA.