

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

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JUNE 30, 2013

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STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

OFFICIAL ROSTER

JUNE 30, 2013

BOARD OF EDUCATION

Randol Riley

President

Kenneth Lujan

Vice President

Jesus Lujan

Secretary

Elaine Darnell

Member

Kendra Otis

Member

SCHOOL OFFICIALS

Audie Brown

Superintendent

Carol Gonzales

Business Manager

Woodard, Cowen & Co.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Board of Education
Estancia Municipal Schools
Estancia, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Estancia Municipal Schools (District) as of and for the year ended June 30, 2013, 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 Estancia Municipal School's non-major governmental, and the budgetary comparisons for the major debt service funds and all non-major and fiduciary funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Estancia Municipal Schools, as of June 30, 2013, and the respective changes in financial position, thereof and the respective budgetary comparison statements for the general fund and major special revenue funds for the year then ended in conformity 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 non-major governmental fund and the fiduciary funds of Estancia Municipal Schools, as of June 30, 2013, and the respective changes in financial position, thereof and the respective budgetary comparisons statements for the debt service funds and all non-major funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Estancia Municipal Schools have omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the omission of the Management Discussion and Analysis.

Other Information

Our audit was performed for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons of Estancia Municipal Schools. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. The schedule of changes in assets and liabilities – agency funds and the additional schedules listed as “other supplemental information” in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, the schedule of changes in assets and liabilities – agency funds and the additional schedules listed as “other supplemental information” in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2013 on our consideration of Estancia Municipal School's internal control over financial reporting and 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 Estancia Municipal School's internal control over financial reporting and compliance.

Clovis, New Mexico
October 22, 2013

Woodard, Cowen & Co

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT A

STATEMENT OF NET POSITION

JUNE 30, 2013

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 4,863,671
Property taxes receivable	11,453
Interest receivable	21
Due from other governments	293,365
Food Inventory	8,950
Total current asstes	<u>5,177,460</u>
Non-current assets:	
Bond issuance costs, net	137,473
Capital assets, net	12,311,642
Total non-current assets	<u>12,449,115</u>
Total assets	<u>17,626,575</u>
<u>LIABILITIES</u>	
Current liabilities:	
Due to activity funds	300
Accrued interest payable	14,975
Current portion of long term debt	425,000
Accrued compensated absences	130,137
Total current liabilities	<u>570,412</u>
Non-current liabilities:	
Bond premium, net	60,349
Non-current portion of long term debt	4,850,000
Total non-current liabilities	<u>4,910,349</u>
Total liabilities	<u>5,480,761</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Revenue	556,410
Total deferred inflows	<u>556,410</u>
<u>NET POSITION</u>	
Net investment in capital assets	7,036,642
Restricted:	
Debt Service	137,340
Capital Projects	2,939,473
Unrestricted	<u>1,475,949</u>
Total net position	<u>\$ 11,589,404</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary government:					
Governmental activities:					
Instruction	\$ 5,015,706	\$ 25,453	\$ 488,359	\$ -	\$ (4,501,894)
Support Services	-	-	-	-	-
Support Services Students	983,134	-	232,730	-	(750,404)
Support Services Instruction	321,422	-	11,470	-	(309,952)
Support Services General Administration	209,770	-	-	1,925	(207,845)
Support Services School Administration	564,394	-	454	-	(563,940)
Central Services	228,472	-	-	-	(228,472)
Operation and Maintenance of Plant	1,675,323	-	200	-	(1,675,123)
Student Transportation	496,847	-	394,895	-	(101,952)
Other Support Services	8,612	-	-	-	(8,612)
Food Services Operations	417,988	-	410,969	-	(7,019)
Bond interest paid	87,365	-	-	-	(87,365)
Amortization-unallocated	15,827	26,043	136,301	50,361	196,878
Total governmental activities	<u>\$ 10,024,860</u>	<u>\$ 51,496</u>	<u>\$ 1,675,378</u>	<u>\$ 52,286</u>	<u>(8,245,700)</u>
General revenues:					
Property Taxes:					
					40,747
					271,050
					193,542
					7,248,692
					-
					470
					5,111
					<u>7,759,612</u>
					(486,088)
					<u>12,075,492</u>
					<u>\$ 11,589,404</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

JUNE 30, 2013

	<u>GENERAL</u>	<u>TITLE I</u>
ASSETS		
Cash on Deposit	\$ 711,425	\$ -
Investments	242,840	-
Accounts Receivable		
Property Taxes	905	-
Interest	21	-
Federal	-	107,138
State	-	-
Inventories	-	-
Due from Other Funds	292,264	-
Due from Other Governments	1,101	-
TOTAL ASSETS	<u><u>\$ 1,248,556</u></u>	<u><u>\$ 107,138</u></u>
LIABILITIES AND OTHER CREDITS		
Accounts Payable	\$ -	\$ -
Accrued Interest	-	-
Due to Activity Funds	-	-
Due to Other Funds	-	107,138
TOTAL LIABILITIES	<u><u>-</u></u>	<u><u>107,138</u></u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Revenue	-	-
TOTAL DEFERRED INFLOWS	<u><u>-</u></u>	<u><u>-</u></u>
FUND BALANCE		
Nonspendable	-	-
Restricted	27,607	-
Committed	-	-
Assigned	-	-
Unassigned	1,220,949	-
TOTAL FUND BALANCE	<u><u>1,248,556</u></u>	<u><u>-</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u><u>\$ 1,248,556</u></u>	<u><u>\$ 107,138</u></u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT C

WIND FARM PROJECTS	BOND BUILDING	NON MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 555,345	\$ 2,939,323	\$ 414,591	\$ 4,620,684
-	-	147	242,987
-	-	10,548	11,453
-	-	-	21
-	-	142,709	249,847
-	-	42,417	42,417
-	-	8,950	8,950
-	-	-	292,264
-	-	-	1,101
<u>\$ 555,345</u>	<u>\$ 2,939,323</u>	<u>\$ 619,362</u>	<u>\$ 5,469,724</u>
\$ -	\$ -	\$ -	\$ -
-	-	14,975	14,975
-	-	300	300
-	-	185,126	292,264
-	-	200,401	307,539
555,345	-	1,065	556,410
<u>555,345</u>	<u>-</u>	<u>1,065</u>	<u>556,410</u>
-	-	8,950	8,950
-	2,939,323	408,946	3,375,876
-	-	-	-
-	-	-	-
-	-	-	1,220,949
-	<u>2,939,323</u>	<u>417,896</u>	<u>4,605,775</u>
<u>\$ 555,345</u>	<u>\$ 2,939,323</u>	<u>\$ 619,362</u>	<u>\$ 5,469,724</u>

RECONCILIATION OF THE BALANCE SHEET
ALL GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION

JUNE 30, 2013

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

Fund Balances - total governmental funds	\$ 4,605,775
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	12,311,642
Compensated absences are not reported in the funds.	(130,137)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	
Bonds Payable	(5,275,000)
Bond Issuance Premium, net	(60,349)
Bond issuance costs are not due and payable in the current period and therefore are not reported in the funds	<u>137,473</u>
Net position of governmental activities	<u>\$ 11,589,404</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE-- GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2013

	GENERAL	TITLE I
REVENUE		
Federal Programs	\$ 29,170	\$ 284,576
State Programs	527,356	-
Local Programs	1,000	-
State Equalization	7,248,692	-
Property Taxes	40,747	-
Service Revenues	5,210	-
Interest	365	-
Other revenue sources	3,753	-
TOTAL REVENUES	<u>7,856,293</u>	<u>284,576</u>
EXPENDITURES		
Current		
Instruction	4,334,879	188,993
Support Services Students	750,404	95,383
Support Services Instruction	309,952	-
Support Services General Administration	205,160	-
Support Services School Administration	560,285	-
Central Services	221,487	-
Operation and Maintenance of Plant	1,038,004	200
Student Transportation	407,577	-
Other Support Services	8,612	-
Food Services Operations	1,341	-
Capital Outlay	-	-
Debt Service		
Principal	-	-
Bond Issuance Costs	-	-
Interest and Fiscal Charge	-	-
TOTAL EXPENDITURES	<u>7,837,701</u>	<u>284,576</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	18,592	-
OTHER FINANCING SOURCES (USES)		
Bond Proceeds	-	-
Bond Premium	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	18,592	-
FUND BALANCE June 30, 2012	<u>1,229,964</u>	<u>-</u>
FUND BALANCE June 30, 2013	<u>\$ 1,248,556</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT E

WIND FARM PROJECTS	BOND BUILDING	NON MAJOR GOVERNMENTAL FUNDS	Total GOVERNMENTAL FUNDS
\$ -	\$ -	\$ 769,159	\$ 1,082,905
-	-	117,403	644,759
-	-	-	1,000
-	-	-	7,248,692
-	-	464,592	505,339
-	-	46,286	51,496
-	-	8	373
-	-	455	4,208
-	-	1,397,903	9,538,772
-	-	269,632	4,793,504
-	-	137,347	983,134
-	-	11,470	321,422
-	-	4,610	209,770
-	-	454	560,739
-	-	-	221,487
-	-	-	1,038,204
-	-	-	407,577
-	-	-	8,612
-	-	410,969	412,310
-	678,523	453,459	1,131,982
-	-	175,000	175,000
-	57,765	-	57,765
-	-	87,572	87,572
-	736,288	1,550,513	10,409,078
-	(736,288)	(152,610)	(870,306)
-	3,000,000	-	3,000,000
-	-	60,556	60,556
-	3,000,000	60,556	3,060,556
-	2,263,712	(92,054)	2,190,250
-	675,611	509,950	2,415,525
\$ -	\$ 2,939,323	\$ 417,896	\$ 4,605,775

RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCE -
 ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30,2013

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

Net change in fund balance - total governmental funds	\$ 2,190,250
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year</p>	
Capital Outlay	947,562
Depreciation	(767,787)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds</p>	
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items</p>	
	(3,002,584)
<p>Expenses in Statement of Activities which do not require use of current financial resources i.e. Compensated Absences</p>	
	(12,702)
Amortization of bond issuance costs	(15,827)
Bond Principal	<u>175,000</u>
Change in Net Assets	<u><u>\$ (486,088)</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT G

COMBINED STATEMENT OF REVENUE & EXPENDITURES--BUDGET
(NON-GAAP) AND ACTUAL--GENERAL FUND

YEAR ENDED JUNE 30, 2013

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 15,751	\$ 29,170	\$ 13,419
State Programs	7,754,462	7,723,741	7,776,048	52,307
Local Programs	38,363	38,363	50,875	12,512
TOTAL REVENUE	<u>7,792,825</u>	<u>7,777,855</u>	<u>\$ 7,856,093</u>	<u>\$ 78,238</u>
BUDGETED CASH BALANCE	<u>1,200,248</u>	<u>1,212,969</u>		
TOTAL REVENUE & CASH	<u>\$ 8,993,073</u>	<u>\$ 8,990,824</u>		
EXPENDITURES				
Current				
Instruction	\$ 4,897,660	\$ 4,926,132	\$ 4,334,879	\$ 591,253
Support Services	-	-	-	-
Support Services Students	843,416	840,716	750,404	90,312
Support Services Instruction	423,900	423,900	309,952	113,948
Support Services General Administration	267,484	246,184	205,160	41,024
Support Services School Administration	539,561	599,461	560,285	39,176
Central Services	215,410	239,410	221,487	17,923
Operation and Maintenance of Plant	1,288,989	1,227,912	1,038,004	189,908
Student Transportation	468,007	438,463	407,577	30,886
Other Support Services	20,342	20,342	8,612	11,730
Food Services Operations	28,304	28,304	1,341	26,963
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 8,993,073</u>	<u>\$ 8,990,824</u>	<u>\$ 7,837,701</u>	<u>\$ 1,153,123</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT H

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--TITLE I

YEAR ENDED JUNE 30, 2013

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 259,366	\$ 337,914	\$ 362,957	\$ 25,043
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>259,366</u>	<u>337,914</u>	<u>\$ 362,957</u>	<u>\$ 25,043</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 259,366</u>	<u>\$ 337,914</u>		
EXPENDITURES				
Current				
Instruction	\$ 159,210	\$ 230,093	\$ 188,993	\$ 41,100
Support Services	-	-	-	-
Support Services Students	100,146	107,611	95,383	12,228
Support Services Instruction	-	-	-	-
Support Services General Administration	10	10	-	10
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	200	200	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 259,366</u>	<u>\$ 337,914</u>	<u>\$ 284,576</u>	<u>\$ 53,338</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT I

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--WIND FARM PROJECTS

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	149,500	149,500	149,500	-
TOTAL REVENUE	<u>149,500</u>	<u>149,500</u>	<u>\$ 149,500</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>405,846</u>	<u>405,846</u>		
TOTAL REVENUE & CASH	<u>\$ 555,346</u>	<u>\$ 555,346</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	118,084	118,084	-	118,084
Operation and Maintenance of Plant	100,000	100,000	-	100,000
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	<u>337,262</u>	<u>337,262</u>	<u>-</u>	<u>337,262</u>
TOTAL EXPENDITURES	<u>\$ 555,346</u>	<u>\$ 555,346</u>	<u>\$ -</u>	<u>\$ 555,346</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT J

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2013

	Employee Retirement Plan	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash on Deposit	\$ -	\$ 108,090
Investments, at fair value		
Mutual Funds	4,756	-
TOTAL ASSETS	<u>\$ 4,756</u>	<u>\$ 108,090</u>
LIABILITIES		
Due To Student Groups	\$ -	\$ 108,090
TOTAL LIABILITIES	<u>-</u>	<u>\$ 108,090</u>
NET POSITION		
Held in trust for pension benefits and other purposes	4,756	
TOTAL NET POSITION	<u>\$ 4,756</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT K

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2013

	<u>Employee Retirement Plan</u>
ADDITIONS:	
Contributions:	
Plan Members	\$ -
Total contributions	<u>-</u>
Investment earnings:	
Net increase (decrease) in fair value of investments	<u>-</u>
Total investment earnings	-
Less investment expense	<u>-</u>
Net investment earnings	<u>-</u>
TOTAL ADDITIONS	<u>-</u>
 DEDUCTIONS	
Benefits	-
Refunds of contributions	-
Administrative expenses	<u>-</u>
TOTAL DEDUCTIONS	<u>-</u>
 CHANGE IN NET POSITION	-
 Net Position -- beginning of the year	4,756
Net Position -- end of the year	<u>\$ 4,756</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Implementation of New Accounting Policies

During the fiscal year 2004 the Estancia Municipal Schools has implemented GASB Statements No. 33 (GASB 33), Accounting and Financial Reporting for Non-exchange Transactions, GASB Statement No. 34 (GASB 34), Basic Financial Statements – Management’s Discussion and Analysis – for State and Local Governments, GASB Statement No. 37 (GASB 37), Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus and GASB Statement No. 38 (GASB 38), Certain Financial Statements Disclosure. At July 1, 2003, there was no effect on fund balance as a result of implementing GASB 33, GASB 34, GASB 37 and GASB 38.

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the School District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10 following the levy and become delinquent after thirty (30) days.

GASB – 34 creates new basic financial statements for reporting on the School District’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column.

B. Reporting Entity

Estancia Municipal School District is a special purpose government entity governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the Town of Estancia and surrounding area. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District’s financial statements. The financial statements and notes are the representation of Estancia Municipal School District’s management who is responsible for their integrity and objectivity. The financial statements of the District conform to generally accepted accounting principles (GAAP) as applied to governmental 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 government’s accounting policies are described below.

The District does not have any component units required to be disclosed.

C. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Government-wide and fund financial statements (continued)

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

D. Measurement focus, basis of accounting, and financial statement presentation

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

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

Agency funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Property taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Grant revenues and deferrals are recognized in accordance with GASB33.

The government reports the following major governmental funds:

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

Title I -- Special Revenue - The Title I project provides remedial instruction in language arts for educationally deprived students in low-income areas. The project is funded by the Federal Government through the New Mexico State Department of Education under the Elementary and Secondary Education Act of 1965, Title I, Chapter I, part A, 20 U.S.C. 2701 efseq.

Wind Farm Projects -- Special Revenue -- To account for revenue collected from wind farms in the district in lieu of taxes. Authority for the creation of this fund is New Mexico PED.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement focus, basis of accounting, and financial statement presentation (continued)

Bond Building – Capital Projects -- To account for the costs of capital improvements, such as erecting, remodeling, making additions to, providing equipment for, and furnishing school buildings, purchasing and improving school grounds funded by bond proceeds.

Fiduciary Agency Fund – To account for assets held by the District in a trustee capacity or as an agent.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance. As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

GASB 63 requires certain financial reporting of deferred outflows of resources, deferred inflows of resources, and net position and GASB 65 helps to identify items which were previously reported as assets and liabilities that are now reported as deferred resources.

Deferred outflows of resources is a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net assets by the government that is applicable to a future reporting period.

E. Assets, liabilities, and net position or equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds of the District must follow the above investment policies.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the school district. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net position or equity (continued)

1. Deposits and investments (continued)

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

Investments for the District are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. As of June 30, 2013 the District had \$242,987 invested with the State Treasurer.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds." This inter-fund activity is eliminated in the government-wide financial statements.

The School District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. The assessed valuation for the 2013 fiscal year was \$98,189,067. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB - 9 Capital Improvements Fund and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

3. Inventories

The food inventories are valued at cost using the first-in/first-out (FIFO) method. USDA Commodities are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The District is capitalizing qualifying software, library books, and assets constructed by district personnel as required. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are to be capitalized as projects are constructed.

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net position or equity (continued)

4. Capital assets (continued)

Property, plant, and equipment of the primary government will be depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	50
Land Improvements	50
Equipment	10

5. Compensated absences

It is the policy of Estancia Municipal Schools to permit certain employees to accumulate a limited amount of earned but unused sick pay, which will be paid to employees upon separation from the school districts' service. In governmental funds, the cost of sick pay is recognized when payments are made to employees. The accumulated compensated absences balance at June 30, 2013 was \$130,137. Compensated absences are expended in the fund in which the liability is incurred. The general fund has been used to liquidate compensated absences in prior years. The summary in changes in compensated absences is as follows:

<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Amounts due</u> <u>in One Year</u>
<u>\$ 117,435</u>	<u>\$ 33,397</u>	<u>\$ (20,695)</u>	<u>\$ 130,137</u>	<u>\$ 130,137</u>

6. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as capital projects expenditures.

7. Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; 2) imposed by law through constitutional provisions or enabling legislation. Total restricted net position of \$3,076,813 is comprised of Capital Projects \$2,939,473 and Debt Service \$137,340.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net position or equity (continued)

8. Comparative data/reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

9. Indirect Costs

The School District's General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

10. Salaries and Wages

The School District pays all salaries and wages due teachers on or before June 30th of each year.

11. Estimates

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

12. Revenues

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$7,248,692 in state equalization guarantee distributions during the year ended June 30, 2013.

Transportation Distribution: School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$411,463 in transportation distributions during the year ended June 30, 2013.

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between fund *balance total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of the \$5,275,000 difference is as follows:

Bonds Payable	\$ 5,275,000
Ed Tech Equipment Notes	<u>-0-</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 5,275,000</u>

Another element of the reconciliation is the amounts provided for compensated absences. The details of the \$130,137 difference is as follows:

Compensated Absences	\$ <u>130,137</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 130,137</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of the \$179,775 difference is as follows:

Capital Outlay	\$ 947,562
Depreciation expense	<u>(767,787)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net position of governmental activities	<u>\$ 179,775</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (continued)

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of the \$175,000 difference is as follows:

Principal repayments:	
General obligation debt	\$ 175,000
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 175,000</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the Public School Budget and Planning Unit of the Department of Education. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not exceed the budget at the function level, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

- In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
- In May or June, the budget is approved by the Board of Education

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary information (continued)

- The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
- The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
- The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
- Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.
- The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2013 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	Original Budget	Final Budget
General Fund	\$ 8,993,073	\$ 8,990,824
Special Revenue Funds	2,179,789	2,470,779
Capital Projects Funds	555,157	3,677,592
Debt Service Funds	314,400	314,400
	<u>\$ 12,042,419</u>	<u>\$ 15,453,595</u>

B. Deficit fund equity

There were not any deficit fund balances at June 30, 2013.

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and temporary investments

At June 30, 2013, the carrying amount of the District's deposits was \$4,728,774 and the bank balance was \$5,243,722. Of this balance \$250,000 was covered by federal depository insurance and \$2,680,487 was covered by collateral held in joint safekeeping by a third party in the entities name. Collateral requirements are as follows:

Wells Fargo Bank	Total Deposits	\$	5,243,722
	Less: FDIC coverage		(250,000)
	Uninsured Public Funds		<u>4,993,722</u>
	50% collateral requirement		2,496,861
	Pledged collateral held by pledging bank's agent in the District's name		<u>2,680,487</u>
	Uninsured and un-collateralized		<u><u>-</u></u>

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the unlimited coverage for public unit demand deposits at the same institution under the FDIC Temporary Liquidity Guarantee Program.

Investments held by the New Mexico State Treasurer are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool (LGIP) is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the direct obligations of the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. Obligations of the United States Government or obligations explicitly guaranteed by the United States Government are not considered to have credit risk. The pool does not have unit shares. Per Section 6-10-10.1 F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested. Participation in the local government investment pool is voluntary. The credit risk rating for the LGIP is disclosed on Schedule 1 at page 94 of this report. The State Treasurer issues a separate, publicly available audited financial report that includes disclosure of the collateral pledged to secure State Treasurer cash and investments.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

IV. DETAILED NOTES ON ALL FUNDS (continued)

D. Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows:

	Beginning Balance 7/1/2012	Increases	Decreases	Ending Balance 6/30/2013
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,602,468	\$ -	\$ -	\$ 1,602,468
Construction in Progress	-	160,875	-	160,875
Total Capital assets, not being depreciated	<u>1,602,468</u>	<u>160,875</u>	<u>-</u>	<u>1,763,343</u>
Capital assets, being depreciated:				
Equipment	2,121,465	-	-	2,121,465
Building & Improvements	24,677,254	786,687	-	25,463,941
Total Capital assets being depreciated	<u>26,798,719</u>	<u>786,687</u>	<u>-</u>	<u>27,585,406</u>
Less accumulated depreciation for:				
Equipment	1,372,397	141,045	-	1,513,442
Building & Improvements	14,896,923	626,742	-	15,523,665
Total accumulated depreciation	<u>16,269,320</u>	<u>767,787</u>	<u>-</u>	<u>17,037,107</u>
Total Capital assets, being depreciated, net	<u>10,529,399</u>	<u>18,900</u>	<u>-</u>	<u>10,548,299</u>
Governmental activities capital assets, net	<u>\$ 12,131,867</u>	<u>\$ 179,775</u>	<u>\$ -</u>	<u>\$ 12,311,642</u>

Depreciation expense was charged to function/programs of the School District as follows:

Instruction	\$ 25,080
Support Services	-
Support Services Students	-
Support Services Instruction	-
Support Services General Administration	-
Support Services School Administration	3,655
Central Services	6,985
Operation and Maintenance of Plant	637,119
Student Transportation	89,270
Other Support Services	-
Food Services Operations	5,678
Total	<u>\$ 767,787</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

IV. DETAILED NOTES ON ALL FUNDS (continued)

D. Capital Assets (continued)

Bond issuance costs bond premiums are capitalized and amortized on straight line. Amortization activity for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Bond issuance costs	\$ 141,752	\$ 57,765	\$ -	\$ 199,517
Less accumulated amortization	<u>46,217</u>	<u>15,827</u>	<u>-</u>	<u>62,044</u>
Bond issuance costs, net	<u>\$ 95,535</u>	<u>\$ 41,938</u>	<u>\$ -</u>	<u>\$ 137,473</u>
Bond premium	\$ -	\$ 60,556	\$ -	\$ 60,556
Less accumulated amortization	<u>-</u>	<u>207</u>	<u>-</u>	<u>207</u>
Bond premium, net	<u>\$ -</u>	<u>\$ 60,349</u>	<u>\$ -</u>	<u>\$ 60,349</u>

E. Long-Term Debt

Governmental Activities
Bonds Payable

A summary in changes in long-term obligations follows:

	<u>Balance 7-1-2012</u>	<u>Bonds Issued</u>	<u>Bonds Redeemed</u>	<u>Balance 6-30-2013</u>	<u>Amounts due within one year</u>
\$1,600,000 2010 GO Building Bonds due in annual installments of \$125,000 to \$165,000 from June 2013 through June 2023, interest at 2.00% to 4.00%	1,600,000	-	125,000	1,475,000	125,000
\$900,000 2011 GO Building Bonds due in annual Installments of \$50,000 to \$75,000 from February 2012 through February 2026, interest at 3.50% to 4.75%	850,000	-	50,000	800,000	50,000
\$3,000,000 2013 GO Building Bonds due in annual installments of \$250,000 from June 2014 through June 2025, interest at 1.00% to 2.00%	-	3,000,000	-	3,000,000	250,000
Total	<u>\$ 2,450,000</u>	<u>\$ 3,000,000</u>	<u>\$ 175,000</u>	<u>\$ 5,275,000</u>	<u>\$ 425,000</u>

Total bond interest paid for the year was \$ 87,572.

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

IV. DETAILED NOTES ON ALL FUNDS (continued)

E. Long-Term Debt (continued)

The annual requirements to amortize all bonded debt outstanding as of June 30, 2013, including interest of \$936,081 are shown below:

	Governmental Activities	
	G.O. Bonds	
	Principal	Interest
6/30/2014	\$ 425,000	\$ 131,950
6/30/2015	435,000	125,200
6/30/2016	435,000	117,575
6/30/2017	445,000	109,275
6/30/2018	445,000	100,675
2019-2023	2,365,000	315,219
2024-2026	725,000	36,187
TOTAL	<u>\$ 5,275,000</u>	<u>\$ 936,081</u>

Legal Debt Margin

The legal debt margin is specified by Article IX Section 11 of the Constitution of the State of New Mexico as not greater than 6% of the assessed value of the taxable property within the School District. Based on these criteria, the maximum general obligation debt permissible is \$5,891,344 including \$5,275,000 debt outstanding based on the June 30, 2013 valuation.

V. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2013.

B. Contingent liabilities

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

V. OTHER INFORMATION (continued)

B. Contingent liabilities (continued)

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

C. Pension Plan – Educational Retirement Board

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

Funding Policy

Member Contributions – Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 9.40% of their gross salary in fiscal year 2013; 10.1% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions – in fiscal year 2013, the Estancia Municipal School District was required to contribute 12.4% of the covered salary for employees whose annual salary is \$20,000 or less, and 10.9% of the gross covered salary for employees whose annual salary is more than \$20,000.

In the future, the Estancia Municipal School District will contribute the following percentages of the gross covered salary of employees: 13.15% of the gross covered salary in fiscal year 2014; and 13.9% of the gross covered salary in fiscal year 2015.

The contribution requirements of plan members and the Estancia Municipal School District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. The Estancia Municipal School District's contributions to ERB for the fiscal years ending June 30, 2013, 2012, and 2011 were \$534,356, \$464,555, and \$576,880, respectively, which equal the amount of the required contributions for each fiscal year.

D. Post-Employment Benefits – State Retiree Health Care Plan

Plan Description - Estancia Municipal School District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post-employment 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.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

V. OTHER INFORMATION (continued)

D. Post-Employment Benefits – State Retiree Health Care Plan (continued)

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3,4 or 5; municipal fire member coverage plan 3,4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, that 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 Estancia Municipal School District's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$96,754, \$89,781 and \$76,811 respectively, which equal the required contributions for each year.

E. Restatement of Beginning Net Position for Governmental Funds

There was no restatement of the District's net position for the fiscal year June 30, 2013.

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

V. OTHER INFORMATION (continued)

F. Transfers

Transfers are used to move revenue from the fund that statute or budget requires them to be collected in, to the fund that statute or budget requires them to be expend in. These transfers are not routine in nature and are not consistent with the activities of the fund making transfer. There were no permanent transfers during the fiscal year June 30, 2013.

G. – Restatements of Beginning Fund Balances

There were no adjustments made to the District's beginning fund balances for the fiscal year June, 30 2013.

H. – Inter-fund Receivables

Cash overdrafts are inter-fund receivables and considered to be short-term borrowings from general funds to cover current year operating expenditures and will be paid back within the next year. At June 30, 2013, they consisted of the following:

Due to Operational	<u>\$ 292,264</u>
Due From:	
Title I	\$ 107,138
IDEA-B Entitlement	78,355
IDEA-B Preschool	5,439
USDA Fresh Fruit & Vegetables	1,641
IDEA-B Risk Pool	1,189
Teacher/Principal Training	39,092
Title XIX Medicaid	16,993
2010 GO Bond Student Library Fund	5,803
NM Reads to Leads k-3	30,800
Breakfast for Elementary Students	5,814
Total Due From	<u>\$ 292,264</u>
Due to Activity Funds	<u>\$ 300</u>
Due From:	
Athletics	\$ 300
Total Due From	<u>\$ 300</u>

I. – Central Regional Educational Cooperative #5

Certain special revenue (federal) funds of the district were administered by the Central Region Educational Cooperative, in Albuquerque, New Mexico. These funds are audited separately by another IPA. That report may be obtained by writing to: Central Regional Educational Cooperative, 5321-A Menaul Blvd. NE, Albuquerque, New Mexico 87110.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

V. OTHER INFORMATION (continued)

J. – Fund Balances Classified

GASB 54 includes a prescribed hierarchy based on the extent to which a city is bound by constraints for the use of the funds reported in governmental funds. GASB 54 provides the classification as non-spendable, restricted, committed, assigned and unassigned based on the relative strength of the constraints that control how specific amounts can be spent. The following definitions are provided in GASB 54:

Non-spendable - These funds are not available for expenditures based on legal or contractual requirements.

Restricted - These funds are governed by externally enforceable restrictions.

Committed - Fund balances in this category are limited by the government's highest level of decision making (in this case the School Board). Any changes of this designation must be done in the same manner that it was implemented.

Assigned - For funds to be assigned, there must be an intended use which can be established by the School Board or an official delegated by the board, such as a superintendent.

Unassigned - This classification is the default for all funds that do not fit into the other categories. This, however, should not be a negative number for the General Fund. If it is, the assigned fund balance must be adjusted.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are as follows:

Fund Balances	General Fund	Bond Building	Non-Major Governmental Funds	Total
Nonspendable:				
Inventory	\$ -	\$ -	\$ 8,950	\$ 8,950
Total Nonspendable	-	-	8,950	8,950
Restricted for:				
Transportation	16,568	-	-	16,568
Instructional Materials	11,039	-	-	11,039
Special Revenue Funds	-	-	271,456	271,456
Debt Service	-	-	137,340	137,340
Capital Projects	-	2,939,323	150	2,939,473
Total Restricted	27,607	2,939,323	408,946	3,375,876
Unassigned	1,220,949	-	-	1,220,949
Total Fund Balances	\$ 1,248,556	\$ 2,939,323	\$ 417,896	\$ 4,605,775

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

V. OTHER INFORMATION (continued)

K. -- Deferred Compensation Plan

Estancia Municipal School District has adopted deferred compensation plans under code sections 403b and 457. Employees can contribute up to 100% of their salary not to exceed \$16,500 per plan. The plan is managed by Legacy Financial Group as agent for National Plan Administrators. There were no employee contributions to this plan for the fiscal year June 30, 2013.

L. – Overspent Budgets

At June 30, 2013 the District had no overspent budgets.

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2013

V. OTHER INFORMATION (continued)

M - Reconciliation of Budgetary and GAAP Basis Amounts

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>
REVENUES			
Budgetary Basis	\$ 7,389,149	\$ 411,463	\$ 55,481
Add:			
Current Year Receivables & Other Credits	926	-	-
Deduct:			
Prior Year Receivables & Other Debits	<u>726</u>	<u>-</u>	<u>-</u>
REVENUE --GAAP BASIS	<u>\$ 7,389,349</u>	<u>\$ 411,463</u>	<u>\$ 55,481</u>
EXPENDITURES			
Budgetary Basis	\$ 7,383,648	\$ 394,895	\$ 59,158
Add:			
Current Year Payables & Other Debits	-	-	-
Deduct:			
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u>\$ 7,383,648</u>	<u>\$ 394,895</u>	<u>\$ 59,158</u>

<u>Cafeteria</u>	<u>Athletics</u>	<u>Title I</u>	<u>Entitlement</u>	<u>Preschool</u>	<u>Private School Share</u>
\$ 419,547	\$ 25,453	\$ 362,957	\$ 284,612	\$ 15,169	\$ 1,255
-	-	107,138	78,355	5,439	-
-	-	185,519	157,207	8,113	1,255
<u>\$ 419,547</u>	<u>\$ 25,453</u>	<u>\$ 284,576</u>	<u>\$ 205,760</u>	<u>\$ 12,495</u>	<u>\$ -</u>
\$ 376,466	\$ 25,650	\$ 284,576	\$ 205,760	\$ 12,495	\$ -
-	-	-	-	-	-
7,806	-	-	-	-	-
<u>\$ 368,660</u>	<u>\$ 25,650</u>	<u>\$ 284,576</u>	<u>\$ 205,760</u>	<u>\$ 12,495</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2013

V. OTHER INFORMATION (continued)

M - Reconciliation of Budgetary and GAAP Basis Amounts (Continued)

	USDA Fresh Fruit & Vegetables	Risk Pool	Teacher/ Principal Training
REVENUES			
Budgetary Basis	\$ 18,987	\$ 1,695	\$ 57,896
Add:			
Current Year Receivables & Other Credits	1,641	1,189	39,092
Deduct:			
Prior Year Receivables & Other Debits	<u>-</u>	<u>1,695</u>	<u>52,031</u>
REVENUE --GAAP BASIS	<u>\$ 20,628</u>	<u>\$ 1,189</u>	<u>\$ 44,957</u>
EXPENDITURES			
Budgetary Basis	\$ 20,628	\$ 1,189	\$ 44,957
Add:			
Current Year Payables & Other Debits	-	-	-
Deduct:			
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u>\$ 20,628</u>	<u>\$ 1,189</u>	<u>\$ 44,957</u>

<u>Medicaid Title XIX</u>	<u>R.E.A.P.</u>	<u>Dual Credit</u>	<u>2010 GO Bond</u>	<u>Formative Assessment Laws of 2012</u>	<u>NM Reads to Leads</u>
\$ 52,650	\$ -	\$ 2,915	\$ 4,735	\$ 4,322	\$ -
32,766	-	-	5,803	-	30,800
-	-	404	4,735	-	-
<u>\$ 85,416</u>	<u>\$ -</u>	<u>\$ 2,511</u>	<u>\$ 5,803</u>	<u>\$ 4,322</u>	<u>\$ 30,800</u>
\$ 85,416	\$ -	\$ 2,511	\$ 5,803	\$ 4,322	\$ 30,800
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 85,416</u>	<u>\$ -</u>	<u>\$ 2,511</u>	<u>\$ 5,803</u>	<u>\$ 4,322</u>	<u>\$ 30,800</u>

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2013

V. OTHER INFORMATION (continued)

M - Reconciliation of Budgetary and GAAP Basis Amounts (Continued)

	Beginning Teacher Mentoring	Breakfast for Elementary Students	2010 GOB Instructional Materials
REVENUES			
Budgetary Basis	\$ -	\$ 38,347	\$ -
Add:			
Current Year Receivables & Other Credits	-	5,814	-
Deduct:			
Prior Year Receivables & Other Debits	-	22,480	-
REVENUE --GAAP BASIS	<u><u>\$ -</u></u>	<u><u>\$ 21,681</u></u>	<u><u>\$ -</u></u>
EXPENDITURES			
Budgetary Basis	\$ -	\$ 21,681	\$ -
Add:			
Current Year Payables & Other Debits	-	-	-
Deduct:			
Prior Year Payables & Other Credits	-	-	-
EXPENDITURES --GAAP BASIS	<u><u>\$ -</u></u>	<u><u>\$ 21,681</u></u>	<u><u>\$ -</u></u>

Wind Farm Projects	SB-9	Bond Building	Ed Tech Equipment Act	Debt Service
\$ 149,500	\$ 362,324	\$ 3,000,000	\$ 8	\$ 315,039
-	4,174	-	-	5,085
<u>149,500</u>	<u>120,215</u>	<u>-</u>	<u>-</u>	<u>2,451</u>
<u>\$ -</u>	<u>\$ 246,283</u>	<u>\$ 3,000,000</u>	<u>\$ 8</u>	<u>\$ 317,673</u>
\$ -	\$ 453,407	\$ 736,288	\$ 1,977	\$ 263,745
-	-	-	-	14,975
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,603</u>
<u>\$ -</u>	<u>\$ 453,407</u>	<u>\$ 736,288</u>	<u>\$ 1,977</u>	<u>\$ 265,117</u>

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2013

V. OTHER INFORMATION (continued)

M - Reconciliation of Budgetary and GAAP Basis Amounts (Continued)

	<u>Ed Tech Debt Service</u>
REVENUES	
Budgetary Basis	\$ 14,064
Add:	
Current Year Receivables & Other Credits	1,289
Deduct:	
Prior Year Receivables & Other Debits	<u>1,420</u>
REVENUE --GAAP BASIS	<u><u>\$ 13,933</u></u>
EXPENDITURES	
Budgetary Basis	\$ 140
Add:	
Current Year Payables & Other Debits	-
Deduct:	
Prior Year Payables & Other Credits	<u>-</u>
EXPENDITURES --GAAP BASIS	<u><u>\$ 140</u></u>

GENERAL FUND

To account for resources traditionally associated with governments, which are not required to be accounted for in any other fund.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT A-1

COMBINING BALANCE SHEET -- GENERAL FUND

JUNE 30, 2013

	Operational	Transportation	Instructional Materials	TOTALS
ASSETS				
Cash on Deposit	\$ 683,818	\$ 16,568	\$ 11,039	\$ 711,425
Investments	242,840	-	-	242,840
Accounts Receivable	-	-	-	-
Property Taxes	905	-	-	905
Interest	21	-	-	21
Federal	-	-	-	-
State	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	292,264	-	-	292,264
Due from Other Governments	1,101	-	-	1,101
TOTAL ASSETS	\$ 1,220,949	\$ 16,568	\$ 11,039	\$ 1,248,556
LIABILITIES AND OTHER CREDITS				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-
Due to Activity Funds	-	-	-	-
Due to Other Funds	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	-	16,568	11,039	27,607
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	1,220,949	-	-	1,220,949
TOTAL FUND BALANCE	1,220,949	16,568	11,039	1,248,556
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 1,220,949	\$ 16,568	\$ 11,039	\$ 1,248,556

The accompanying notes are an integral part of these financial statements.

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE -- GENERAL FUND

YEAR ENDED JUNE 30, 2013

	Operational	Transportation	Instructional Materials	TOTALS
REVENUE				
Federal Programs	\$ 29,170	\$ -	\$ -	\$ 29,170
State Programs	60,509	411,463	55,384	527,356
Local Programs	1,000	-	-	1,000
State Equalization	7,248,692	-	-	7,248,692
Property Taxes	40,747	-	-	40,747
Service Revenues	5,210	-	-	5,210
Interest	365	-	-	365
Other revenue sources	3,656	-	97	3,753
TOTAL REVENUES	7,389,349	411,463	55,481	7,856,293
EXPENDITURES				
Current				
Instruction	4,275,721	-	59,158	4,334,879
Support Services Students	750,404	-	-	750,404
Support Services Instruction	309,952	-	-	309,952
Support Services General Administration	205,160	-	-	205,160
Support Services School Administration	560,285	-	-	560,285
Central Services	221,487	-	-	221,487
Operation and Maintenance of Plant	1,038,004	-	-	1,038,004
Student Transportation	12,682	394,895	-	407,577
Other Support Services	8,612	-	-	8,612
Food Services Operations	1,341	-	-	1,341
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Bond Issuance Costs	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	7,383,648	394,895	59,158	7,837,701
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	5,701	16,568	(3,677)	18,592
OTHER FINANCING SOURCES (USES)				
Transfer In/Transfers (Out)	-	-	-	-
Bond Proceeds	-	-	-	-
Bond Premium	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-
NET CHANGE IN FUND BALANCE	5,701	16,568	(3,677)	18,592
FUND BALANCE June 30, 2012	1,215,248	-	14,716	1,229,964
FUND BALANCE June 30, 2013	\$ 1,220,949	\$ 16,568	\$ 11,039	\$ 1,248,556

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT A-3

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--GENERAL FUND--OPERATIONAL

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 38,363	\$ 38,363	\$ 40,534	\$ 2,171
Fees - Users	-	-	250	250
Fees - Activities	-	-	196	196
Fees - Educational	-	-	1,789	1,789
Fees - Summer School	-	-	2,975	2,975
Interest Income	-	-	378	378
Refunds	-	-	805	805
State Equalization	7,250,350	7,249,173	7,248,692	(481)
State Flow Through	7,750	7,750	60,509	52,759
Insurance Recoveries	-	-	2,851	2,851
Donations	-	-	1,000	1,000
Forrest Reserve	-	15,751	15,750	(1)
Access Board (E-Rate)	-	-	13,420	13,420
TOTAL REVENUE	<u>7,296,463</u>	<u>7,311,037</u>	<u>\$ 7,389,149</u>	<u>\$ 78,112</u>
 BUDGETED CASH BALANCE	 <u>1,198,252</u>	 <u>1,198,252</u>		
 TOTAL REVENUE & CASH	 <u>\$ 8,494,715</u>	 <u>\$ 8,509,289</u>		
 EXPENDITURES				
Current				
Instruction	\$ 4,840,309	\$ 4,856,060	\$ 4,275,721	\$ 580,339
Support Services	-	-	-	-
Support Services Students	843,416	840,716	750,404	90,312
Support Services Instruction	423,900	423,900	309,952	113,948
Support Services General Administration	267,484	246,184	205,160	41,024
Support Services School Administration	539,561	599,461	560,285	39,176
Central Services	215,410	239,410	221,487	17,923
Operation and Maintenance of Plant	1,288,989	1,227,912	1,038,004	189,908
Student Transportation	27,000	27,000	12,682	14,318
Other Support Services	20,342	20,342	8,612	11,730
Food Services Operations	28,304	28,304	1,341	26,963
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 8,494,715</u>	<u>\$ 8,509,289</u>	<u>\$ 7,383,648</u>	<u>\$ 1,125,641</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--GENERAL FUND--TRANSPORTATION

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	441,007	411,463	411,463	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>441,007</u>	<u>411,463</u>	<u>\$ 411,463</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 441,007</u>	<u>\$ 411,463</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	441,007	411,463	394,895	16,568
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 441,007</u>	<u>\$ 411,463</u>	<u>\$ 394,895</u>	<u>\$ 16,568</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--GENERAL FUND--INSTRUCTIONAL MATERIALS

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	55,355	55,355	55,384	29
Local Programs	-	-	97	97
TOTAL REVENUE	<u>55,355</u>	<u>55,355</u>	<u>\$ 55,481</u>	<u>\$ 126</u>
BUDGETED CASH BALANCE	<u>1,996</u>	<u>14,717</u>		
TOTAL REVENUE & CASH	<u>\$ 57,351</u>	<u>\$ 70,072</u>		
EXPENDITURES				
Current				
Instruction	\$ 57,351	\$ 70,072	\$ 59,158	\$ 10,914
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 57,351</u>	<u>\$ 70,072</u>	<u>\$ 59,158</u>	<u>\$ 10,914</u>

The accompanying notes are an integral part of these financial statements.

SPECIAL REVENUE FUNDS

CAFETERIA - to account for financing for school hot lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, New Mexico Statutes Annotated, State Law 22-13-13.

ATHLETICS - to account for revenues received from non-instructional activities for use in the district's athletic and other non-instructional programs. Required by the New Mexico State Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund. Authority for this fund is the New Mexico Administrative Code 6.20.2.

IDEA-B Entitlement - P.L. 94-142, Individuals with Disabilities Education Act--to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230,93-380,94-142,98-199,99-457,100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17.

IDEA-B PRESCHOOL- P.L. 94-142, Individuals with Disabilities Education Act--to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Law 105-17.

IDEA-B PRIVATE SCHOOL SHARE – Under 34 CFR Sec. 300.132-300.133, a local educational agency (LEA) must spend a proportionate amount of their IDEA-B Basic Entitlement and, if applicable, Preschool sub-grant funds for special education and related services to students with disabilities who are placed in private elementary and secondary schools located in the school district served by the LEA.

USDA FRUIT & VEGETABLE – to account for the expenditures and revenue for a Fresh Fruit and Vegetable Program as authorized by Public Law 109-97 and Section 120 of the Child Nutrition and WIC Reauthorization Act 2004. The FFVP provides all children in participating schools with a variety of free fresh fruits and vegetables throughout the school day as a means of introducing fresh fruits and vegetables as healthy snack alternatives. CFDA #10.582.

IDEA-B RISK POOL – to account for state set aside funds from Part B of the Individuals with disabilities education act as allowed by the federal DOE. Funds are to be used for costs associated with high need students with disabilities. Required by the New Mexico State Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund.

TEACHER PRINCIPAL TRAINING -- to provide grants to State Education Agencies 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. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965 as amended, Title II, Part A, Public Law 107-110.

Title XIX- Medicaid – The fund is used for reimbursement of health-related services of Medicaid eligible students receiving related services, for administrative time study, and for a statement of service costs study. Authorized by the Social Security Act.

REAP – to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, Title VI, Part B, as amended.

2009 DUAL CREDIT INSTRUCTIONAL MATERIALS – to fund all public, charter, and state-supported schools for dual credit course materials approved by the Higher Education Department and through a college/university which has an approved agreement with the school. Fund and authority provided by House Bill 2, 2009 page 226 lines 12-19.

2010 GO BOND STUDENT LIBRARY FUND – to allow schools to acquire library books, equipment and library resources for public school libraries statewide. Fund and authority provided by Senate Bill 1.

FORMATIVE ASSESSMENTS-LAWS OF 2012 – to account for funds to purchase formative assessments for English language arts and math in grades 4 through 10 per school year 2012-2013. Fund and authority provided by the NM PED.

NM READS TO LEADS K-3 – to account for funds to implement early childhood education in reading. Fund and authority provided by the NM PED.

BEGINNING TEACHER MENTORING – to assist school districts in the design, implementation, and evaluation of beginning teacher mentoring programs. Funding is provided through the 2000 legislative session, with appropriated funds from the General Appropriations Act.

BREAKFAST FOR ELEMENTARY STUDENTS – to account for revenues to be used to provide breakfast programs for elementary students. Authority for this fund is the New Mexico Legislature.

2010 GOB INSTRUCTIONAL MATERIALS – to account for revenues to be used to provide books and instructional materials to schools which received a letter grade of "A" or those which are recognized as "Top Growth" schools. Authority for creation of this fund is the New Mexico Legislature and the public education department.

SB-9 – Special Revenue --To account for 2.0 mill levy restricted by board resolution for erecting, remodeling, making additions to, providing equipment for, and furnishing school buildings, improving school grounds and maintenance of school buildings and grounds, exclusive of salary expense of employees. Authority for the creation of this fund is NMSA 22-25-1 to 22-25-10.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

JUNE 30, 2013

	CAFETERIA	ATHLETICS	IDEA-B ENTITLEMENT	IDEA-B PRESCHOOL
ASSETS				
Cash on Deposit	\$ 133,994	\$ 6,637	\$ -	\$ -
Investments	-	-	-	-
Accounts Receivable				
Property Taxes	-	-	-	-
Interest	-	-	-	-
Federal	-	-	78,355	5,439
State	-	-	-	-
Inventories	8,950	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
TOTAL ASSETS	\$ 142,944	\$ 6,637	\$ 78,355	\$ 5,439
LIABILITIES AND OTHER CREDITS				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Interest	-	-	-	-
Due to Activity Funds	-	300	-	-
Due to Other Funds	-	-	78,355	5,439
TOTAL LIABILITIES	-	300	78,355	5,439
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-	-
FUND BALANCE				
Nonspendable	8,950	-	-	-
Restricted	133,994	6,337	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	142,944	6,337	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 142,944	\$ 6,637	\$ 78,355	\$ 5,439

The accompanying notes are an integral part of these financial statements.

EXHIBIT B-1

IDEA-B PRIVATE SCHOOL SHARE	USDA FRESH FRUIT & VEGETABLES	IDEA-B RISK POOL	TEACHER/ PRINCIPAL TRAINING	TITLE XIX MEDICAID	R.E.A.P.
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	1,641	1,189	39,092	16,993	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 1,641</u>	<u>\$ 1,189</u>	<u>\$ 39,092</u>	<u>\$ 16,993</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	1,641	1,189	39,092	16,993	-
<u>-</u>	<u>1,641</u>	<u>1,189</u>	<u>39,092</u>	<u>16,993</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 1,641</u>	<u>\$ 1,189</u>	<u>\$ 39,092</u>	<u>\$ 16,993</u>	<u>\$ -</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

JUNE 30, 2013

	2009 DUAL CREDIT INSTRUCTIONAL MATERIALS	2010 GO BOND STUDENT LIBRARY FUND	FORMATIVE ASSESSMENT - LAWS OF 2012
ASSETS			
Cash on Deposit	\$ -	\$ -	\$ -
Investments	-	-	-
Accounts Receivable			
Property Taxes	-	-	-
Interest	-	-	-
Federal	-	-	-
State	-	5,803	-
Inventories	-	-	-
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 5,803</u>	<u>\$ -</u>
LIABILITIES AND OTHER CREDITS			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Interest	-	-	-
Due to Activity Funds	-	-	-
Due to Other Funds	-	5,803	-
TOTAL LIABILITIES	<u>-</u>	<u>5,803</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue	-	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ -</u>	<u>\$ 5,803</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT B-1
CONTINUED

NM READS TO LEADS K-3	BEGINNING TEACHER MENTORING	BREAKFAST FOR ELEMENTARY STUDENTS	2010 GOB INSTRUCTIONAL MATERIALS	SB-9	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ 1,065	\$ -	\$ -	\$ 126,951	\$ 268,647
-	-	-	-	-	-
-	-	-	-	4,174	4,174
-	-	-	-	-	-
-	-	-	-	-	142,709
30,800	-	5,814	-	-	42,417
-	-	-	-	-	8,950
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 30,800</u>	<u>\$ 1,065</u>	<u>\$ 5,814</u>	<u>\$ -</u>	<u>\$ 131,125</u>	<u>\$ 466,897</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	300
30,800	-	5,814	-	-	185,126
<u>30,800</u>	<u>-</u>	<u>5,814</u>	<u>-</u>	<u>-</u>	<u>185,426</u>
-	1,065	-	-	-	1,065
-	<u>1,065</u>	-	-	-	<u>1,065</u>
-	-	-	-	-	8,950
-	-	-	-	131,125	271,456
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	<u>131,125</u>	<u>280,406</u>
<u>\$ 30,800</u>	<u>\$ 1,065</u>	<u>\$ 5,814</u>	<u>\$ -</u>	<u>\$ 131,125</u>	<u>\$ 466,897</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2013

	CAFETERIA	ATHLETICS	IDEA-B ENTITLEMENT	IDEA-B PRESCHOOL
REVENUE				
Federal Programs	\$ 398,714	\$ -	\$ 205,760	\$ 12,495
State Programs	-	-	-	-
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Property Taxes	-	-	-	-
Service Revenues	20,833	25,453	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
TOTAL REVENUES	419,547	25,453	205,760	12,495
EXPENDITURES				
Current				
Instruction	-	25,650	109,976	12,495
Support Services Students	-	-	93,985	-
Support Services Instruction	-	-	1,345	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	454	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	368,660	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Bond Issuance Costs	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	368,660	25,650	205,760	12,495
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	50,887	(197)	-	-
OTHER FINANCING SOURCES (USES)				
Transfer In/Transfers (Out)	-	-	-	-
Bond Proceeds	-	-	-	-
Bond Premium	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-
NET CHANGE IN FUND BALANCE	50,887	(197)	-	-
FUND BALANCE June 30, 2012	92,057	6,534	-	-
FUND BALANCE June 30, 2013	\$ 142,944	\$ 6,337	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2013

	2009 DUAL CREDIT INSTRUCTIONAL MATERIALS	2010 GO BOND STUDENT LIBRARY FUND	FORMATIVE ASSESSMENT - LAWS OF 2012
REVENUE			
Federal Programs	\$ -	\$ -	\$ -
State Programs	2,511	5,803	4,322
Local Programs	-	-	-
State Equalization	-	-	-
Property Taxes	-	-	-
Service Revenues	-	-	-
Interest	-	-	-
Other revenue sources	-	-	-
TOTAL REVENUES	2,511	5,803	4,322
EXPENDITURES			
Current			
Instruction	2,511	-	-
Support Services Students	-	-	-
Support Services Instruction	-	5,803	4,322
Support Services General Administration	-	-	-
Support Services School Administration	-	-	-
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	-	-	-
Capital Outlay	-	-	-
Debt Service			
Principal	-	-	-
Bond Issuance Costs	-	-	-
Interest and Fiscal Charge	-	-	-
TOTAL EXPENDITURES	2,511	5,803	4,322
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES			
	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfer In/Transfers (Out)	-	-	-
Bond Proceeds	-	-	-
Bond Premium	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-
NET CHANGE IN FUND BALANCE			
	-	-	-
FUND BALANCE June 30, 2012			
	-	-	-
FUND BALANCE June 30, 2013			
	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

EXHIBIT B-2
CONTINUED

NM READS TO LEADS K-3	BEGINNING TEACHER MENTORING	BREAKFAST FOR ELEMENTARY STUDENTS	2010 GOB INSTRUCTIONAL MATERIALS	SB-9	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 769,159
30,800	-	21,681	-	52,286	117,403
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	193,542	193,542
-	-	-	-	-	46,286
-	-	-	-	-	-
-	-	-	-	455	455
<u>30,800</u>	<u>-</u>	<u>21,681</u>	<u>-</u>	<u>246,283</u>	<u>1,126,845</u>
30,800	-	-	-	-	269,632
-	-	-	-	-	137,347
-	-	-	-	-	11,470
-	-	-	-	1,925	1,925
-	-	-	-	-	454
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	21,681	-	-	410,969
-	-	-	-	451,482	451,482
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>30,800</u>	<u>-</u>	<u>21,681</u>	<u>-</u>	<u>453,407</u>	<u>1,283,279</u>
-	-	-	-	(207,124)	(156,434)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(207,124)	(156,434)
-	-	-	-	338,249	436,840
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,125</u>	<u>\$ 280,406</u>

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--CAFETERIA

YEAR ENDED JUNE 30, 2013

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 339,000	\$ 366,959	\$ 398,714	\$ 31,755
State Programs	-	-	-	-
Local Programs	19,300	19,300	20,833	1,533
TOTAL REVENUE	<u>358,300</u>	<u>386,259</u>	<u>\$ 419,547</u>	<u>\$ 33,288</u>
BUDGETED CASH BALANCE	<u>32,730</u>	<u>32,730</u>		
TOTAL REVENUE & CASH	<u>\$ 391,030</u>	<u>\$ 418,989</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	391,030	418,989	376,466	42,523
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 391,030</u>	<u>\$ 418,989</u>	<u>\$ 376,466</u>	<u>\$ 42,523</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--ATHLETICS

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	25,000	25,000	25,453	453
TOTAL REVENUE	<u>25,000</u>	<u>25,000</u>	<u>\$ 25,453</u>	<u>\$ 453</u>
BUDGETED CASH BALANCE	6,453	6,453		
TOTAL REVENUE & CASH	<u>\$ 31,453</u>	<u>\$ 31,453</u>		
EXPENDITURES				
Current				
Instruction	\$ 31,453	\$ 31,453	\$ 25,650	\$ 5,803
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 31,453</u>	<u>\$ 31,453</u>	<u>\$ 25,650</u>	<u>\$ 5,803</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-5

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B ENTITLEMENT

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 189,344	\$ 248,601	\$ 284,612	\$ 36,011
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>189,344</u>	<u>248,601</u>	<u>\$ 284,612</u>	<u>\$ 36,011</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 189,344</u>	<u>\$ 248,601</u>		
EXPENDITURES				
Current				
Instruction	\$ 89,671	\$ 133,909	\$ 109,976	\$ 23,933
Support Services	-	-	-	-
Support Services Students	99,673	112,883	93,985	18,898
Support Services Instruction	-	1,346	1,345	1
Support Services General Administration	-	-	-	-
Support Services School Administration	-	463	454	9
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 189,344</u>	<u>\$ 248,601</u>	<u>\$ 205,760</u>	<u>\$ 42,841</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B PRESCHOOL

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 10,696	\$ 16,552	\$ 15,169	\$ (1,383)
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>10,696</u>	<u>16,552</u>	<u>\$ 15,169</u>	<u>\$ (1,383)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 10,696</u>	<u>\$ 16,552</u>		
EXPENDITURES				
Current				
Instruction	\$ 10,696	\$ 16,552	\$ 12,495	\$ 4,057
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 10,696</u>	<u>\$ 16,552</u>	<u>\$ 12,495</u>	<u>\$ 4,057</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-7

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B PRIVATE SCHOOL SHARE

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ 1,255	\$ 1,255
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	-	-	<u>\$ 1,255</u>	<u>\$ 1,255</u>
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--USDA FRUIT & VEGETABLE PROGRAM

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 23,358	\$ 23,358	\$ 18,987	\$ (4,371)
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>23,358</u>	<u>23,358</u>	<u>\$ 18,987</u>	<u>\$ (4,371)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 23,358</u>	<u>\$ 23,358</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	23,358	23,358	20,628	2,730
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 23,358</u>	<u>\$ 23,358</u>	<u>\$ 20,628</u>	<u>\$ 2,730</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP) AND ACTUAL
 --SPECIAL REVENUE FUND--IDEA-B RISK POOL

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 1,189	\$ 1,695	\$ 506
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>1,189</u>	<u>\$ 1,695</u>	<u>\$ 506</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 1,189</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 1,189	\$ 1,189	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 1,189</u>	<u>\$ 1,189</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--TEACHER\PRINCIPAL TRAINING

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 52,503	\$ 46,600	\$ 57,896	\$ 11,296
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>52,503</u>	<u>46,600</u>	<u>\$ 57,896</u>	<u>\$ 11,296</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 52,503</u>	<u>\$ 46,600</u>		
EXPENDITURES				
Current				
Instruction	\$ 52,493	\$ 46,600	\$ 44,957	\$ 1,643
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	10	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 52,503</u>	<u>\$ 46,600</u>	<u>\$ 44,957</u>	<u>\$ 1,643</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--MEDICAID TITLE XIX

YEAR ENDED JUNE 30, 2013

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 70,000	\$ 70,000	\$ 52,650	\$ (17,350)
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>70,000</u>	<u>70,000</u>	<u>\$ 52,650</u>	<u>\$ (17,350)</u>
BUDGETED CASH BALANCE	<u>23,000</u>	<u>23,000</u>		
TOTAL REVENUE & CASH	<u>\$ 93,000</u>	<u>\$ 93,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 45,091	\$ 45,091	\$ 42,054	\$ 3,037
Support Services	-	-	-	-
Support Services Students	47,909	47,909	43,362	4,547
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 93,000</u>	<u>\$ 93,000</u>	<u>\$ 85,416</u>	<u>\$ 7,584</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--R.E.A.P.

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 2,517	\$ -	\$ (2,517)
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>2,517</u>	<u>\$ -</u>	<u>\$ (2,517)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 2,517</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 2,517	\$ -	\$ 2,517
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 2,517</u>	<u>\$ -</u>	<u>\$ 2,517</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--2009 DUAL CREDIT INSTRUCTIONAL MATERIALS

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	2,511	2,915	404
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>2,511</u>	<u>\$ 2,915</u>	<u>\$ 404</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 2,511</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 2,511	\$ 2,511	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 2,511</u>	<u>\$ 2,511</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--2010 GO BOND STUDENT LIBRARY FUND

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	8,029	8,029	4,735	(3,294)
Local Programs	-	-	-	-
TOTAL REVENUE	<u>8,029</u>	<u>8,029</u>	<u>\$ 4,735</u>	<u>\$ (3,294)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 8,029</u>	<u>\$ 8,029</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	8,029	8,029	5,803	2,226
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 8,029</u>	<u>\$ 8,029</u>	<u>\$ 5,803</u>	<u>\$ 2,226</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--FORMATIVE ASSESSMENT - LAWS OF 2012

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	6,614	4,322	(2,292)
Local Programs	-	-	-	-
TOTAL REVENUE	-	6,614	<u>4,322</u>	<u>(2,292)</u>
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 6,614</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	6,614	4,322	2,292
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 6,614</u>	<u>\$ 4,322</u>	<u>\$ 2,292</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-16

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--NM READS TO LEADS K-3

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	30,800	-	(30,800)
Local Programs	-	-	-	-
TOTAL REVENUE	-	30,800	-	(30,800)
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 30,800		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 30,800	\$ 30,800	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ 30,800	\$ 30,800	\$ -

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--BEGINNING TEACHER MENTORING

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	-	-	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--BREAKFAST FOR ELEMENTARY STUDENTS

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	21,986	38,347	16,361
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>21,986</u>	<u>\$ 38,347</u>	<u>\$ 16,361</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 21,986</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	21,986	21,681	305
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 21,986</u>	<u>\$ 21,681</u>	<u>\$ 305</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--2010 GO BOND INSTRUCTIONAL MATERIALS

YEAR ENDED JUNE 30, 2013

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	2,058	-	(2,058)
Local Programs	-	-	-	-
TOTAL REVENUE	-	2,058	\$ -	\$ (2,058)
BUDGETED CASH BALANCE				
		-		
TOTAL REVENUE & CASH	\$ -	\$ 2,058		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 2,058	\$ -	\$ 2,058
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ 2,058	\$ -	\$ 2,058

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--SB-9

YEAR ENDED JUNE 30, 2013

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	117,038	222,552	169,324	(53,228)
Local Programs	182,675	182,675	193,000	10,325
TOTAL REVENUE	<u>299,713</u>	<u>405,227</u>	<u>\$ 362,324</u>	<u>\$ (42,903)</u>
BUDGETED CASH BALANCE	<u>265,951</u>	<u>218,035</u>		
TOTAL REVENUE & CASH	<u>\$ 565,664</u>	<u>\$ 623,262</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	1,827	2,327	1,925	402
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	563,837	620,935	451,482	169,453
TOTAL EXPENDITURES	<u>\$ 565,664</u>	<u>\$ 623,262</u>	<u>\$ 453,407</u>	<u>\$ 169,855</u>

The accompanying notes are an integral part of these financial statements.

DEBT SERVICE FUND

DEBT SERVICE FUND - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

EDUCATIONAL TECHNOLOGY DEBT SERVICE – to receive revenue for the payment of interest and principal on debt incurred in the expansion of technology in the District.

COMBINING BALANCE SHEET -- NON-MAJOR GOVERNMENTAL FUNDS
DEBT SERVICE FUND

JUNE 30, 2013

	DEBT SERVICE	ED TECH DEBT SERVICE	TOTAL NONMAJOR DEBT SERVICE
ASSETS			
Cash on Deposit	\$ 105,120	\$ 40,821	\$ 145,941
Investments	-	-	-
Accounts Receivable			
Property Taxes	5,085	1,289	6,374
Interest	-	-	-
Federal	-	-	-
State	-	-	-
Inventories			
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
TOTAL ASSETS	<u>\$ 110,205</u>	<u>\$ 42,110</u>	<u>\$ 152,315</u>
LIABILITIES AND OTHER CREDITS			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Interest	14,975	-	14,975
Due to Activity Funds	-	-	-
Due to Other Funds	-	-	-
TOTAL LIABILITIES	<u>14,975</u>	<u>-</u>	<u>14,975</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue	-	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Nonspendable	-	-	-
Restricted	95,230	42,110	137,340
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCE	<u>95,230</u>	<u>42,110</u>	<u>137,340</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 110,205</u>	<u>\$ 42,110</u>	<u>\$ 152,315</u>

The accompanying notes are an integral part of these financial statements.

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE -- NON-MAJOR GOVERNMENTAL FUNDS
DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2013

	DEBT SERVICE	ED TECH DEBT SERVICE	TOTAL NONMAJOR DEBT SERVICE
REVENUE			
Federal Programs	\$ -	\$ -	\$ -
State Programs	-	-	-
Local Programs	-	-	-
State Equalization	-	-	-
Property Taxes	257,117	13,933	271,050
Service Revenues	-	-	-
Interest	-	-	-
Other revenue sources	-	-	-
TOTAL REVENUES	<u>257,117</u>	<u>13,933</u>	<u>271,050</u>
EXPENDITURES			
Current			
Instruction	-	-	-
Support Services Students	-	-	-
Support Services Instruction	-	-	-
Support Services General Administration	2,545	140	2,685
Support Services School Administration	-	-	-
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	-	-	-
Capital Outlay	-	-	-
Debt Service			
Principal	175,000	-	175,000
Bond Issuance Costs	-	-	-
Interest and Fiscal Charge	87,572	-	87,572
TOTAL EXPENDITURES	<u>265,117</u>	<u>140</u>	<u>265,257</u>
EXCESS (DEFICIENCY) OF			
REVENUE OVER EXPENDITURES	(8,000)	13,793	5,793
OTHER FINANCING SOURCES (USES)			
Transfers In/Transfers (Out)	-	-	-
Bond Proceeds	-	-	-
Bond Premium	60,556	-	60,556
TOTAL OTHER FINANCING SOURCES	<u>60,556</u>	<u>-</u>	<u>60,556</u>
NET CHANGE IN FUND BALANCE	52,556	13,793	66,349
FUND BALANCE June 30, 2012	<u>42,674</u>	<u>28,317</u>	<u>70,991</u>
FUND BALANCE June 30, 2013	<u>\$ 95,230</u>	<u>\$ 42,110</u>	<u>\$ 137,340</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2013

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	<u>263,812</u>	<u>263,812</u>	<u>315,039</u>	<u>51,227</u>
TOTAL REVENUE	<u>263,812</u>	<u>263,812</u>	<u>\$ 315,039</u>	<u>\$ 51,227</u>
BUDGETED CASH BALANCE	<u>38,718</u>	<u>38,718</u>		
TOTAL REVENUE & CASH	<u>\$ 302,530</u>	<u>\$ 302,530</u>		
EXPENDITURES				
Support Services General Administration	\$ 2,612	\$ 3,112	\$ 2,545	\$ 567
Debt Service - Principal	213,718	213,218	175,000	38,218
Debt Service - Interest	<u>86,200</u>	<u>86,200</u>	<u>86,200</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 302,530</u>	<u>\$ 302,530</u>	<u>\$ 263,745</u>	<u>\$ 38,785</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--ED TECH DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	14,064	14,064
TOTAL REVENUE	-	-	<u>\$ 14,064</u>	<u>\$ 14,064</u>
BUDGETED CASH BALANCE	11,870	11,870		
TOTAL REVENUE & CASH	<u>\$ 11,870</u>	<u>\$ 11,870</u>		
EXPENDITURES				
Support Services General Administration	\$ -	\$ 500	\$ 140	\$ 360
Debt Service - Principal	11,870	11,370	-	11,370
Debt Service - Interest	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 11,870</u>	<u>\$ 11,870</u>	<u>\$ 140</u>	<u>\$ 11,730</u>

The accompanying notes are an integral part of these financial statements.

CAPITAL PROJECTS FUND

ED TECH EQUIPMENT ACT – To ensure that American children have skills they need to succeed in the information-intensive 21st century, the Federal Government is committed to working with the private sector to promote four major developments in American education: making modern computer technology an integral part of every classroom; providing teachers with the professional development they need to use new technologies effectively; connecting classrooms to the National Information Infrastructure; and encouraging the creation of excellent educational software. The authority for the creation of this fund is the Federal Property and Administrative Services Act of 1996, Public Law 104-106.

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS

JUNE 30, 2013

	<u>ED TECH EQUIPMENT ACT</u>
ASSETS	
Cash on Deposit	\$ 3
Investments	147
Accounts Receivable	
Property Taxes	-
Interest	-
Federal	-
State	-
Inventories	-
Due from Other Funds	-
Due from Other Governments	-
TOTAL ASSETS	<u><u>\$ 150</u></u>
LIABILITIES AND OTHER CREDITS	
Accounts Payable	\$ -
Accrued Interest	-
Due to Activity Funds	-
Due to Other Funds	-
TOTAL LIABILITIES	<u><u>-</u></u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenue	-
TOTAL DEFERRED INFLOWS	<u><u>-</u></u>
FUND BALANCE	
Nonspendable	-
Restricted	150
Committed	-
Assigned	-
Unassigned	-
TOTAL FUND BALANCE	<u><u>150</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u><u>\$ 150</u></u>

The accompanying notes are an integral part of these financial statements.

<u>TOTAL NONMAJOR CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR SPECIAL REVENUE</u>	<u>TOTAL NONMAJOR DEBT SERVICE</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
\$ 3 147	\$ 268,647 -	\$ 145,941 -	\$ 414,591 147
-	4,174	6,374	10,548
-	-	-	-
-	142,709	-	142,709
-	42,417	-	42,417
-	8,950	-	8,950
-	-	-	-
-	-	-	-
<u>\$ 150</u>	<u>\$ 466,897</u>	<u>\$ 152,315</u>	<u>\$ 619,362</u>
\$ -	\$ -	\$ -	\$ -
-	-	14,975	14,975
-	300	-	300
-	185,126	-	185,126
<u>-</u>	<u>185,426</u>	<u>14,975</u>	<u>200,401</u>
-	1,065	-	1,065
-	1,065	-	1,065
-	8,950	-	8,950
150	271,456	137,340	408,946
-	-	-	-
-	-	-	-
-	-	-	-
<u>150</u>	<u>280,406</u>	<u>137,340</u>	<u>417,896</u>
<u>\$ 150</u>	<u>\$ 466,897</u>	<u>\$ 152,315</u>	<u>\$ 619,362</u>

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
 IN FUND BALANCE --NON-MAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS

YEAR ENDED JUNE 30, 2013

	<u>ED TECH EQUIPMENT ACT</u>
REVENUE	
Federal Programs	\$ -
State Programs	-
Local Programs	-
State Equalization	-
Property Taxes	-
Service Revenues	-
Interest	8
Other revenue sources	-
TOTAL REVENUES	<u>8</u>
EXPENDITURES	
Current	
Instruction	-
Support Services Students	-
Support Services Instruction	-
Support Services General Administration	-
Support Services School Administration	-
Central Services	-
Operation and Maintenance of Plant	-
Student Transportation	-
Other Support Services	-
Food Services Operations	-
Capital Outlay	1,977
Debt Service	
Principal	-
Bond Issuance Costs	-
Interest and Fiscal Charge	-
TOTAL EXPENDITURES	<u>1,977</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,969)
OTHER FINANCING SOURCES (USES)	
Transfer In/Transfers (Out)	-
Bond Proceeds	-
Bond Premium	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,969)
FUND BALANCE June 30, 2012	<u>2,119</u>
FUND BALANCE June 30, 2013	<u>\$ 150</u>

The accompanying notes are an integral part of these financial statements.

TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR SPECIAL REVENUE	TOTAL NONMAJOR DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ -	\$ 769,159	\$ -	\$ 769,159
-	117,403	-	117,403
-	-	-	-
-	-	-	-
-	193,542	271,050	464,592
-	46,286	-	46,286
8	-	-	8
-	455	-	455
<u>8</u>	<u>1,126,845</u>	<u>271,050</u>	<u>1,397,903</u>
-	269,632	-	269,632
-	137,347	-	137,347
-	11,470	-	11,470
-	1,925	2,685	4,610
-	454	-	454
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	410,969	-	410,969
1,977	451,482	-	453,459
-	-	175,000	175,000
-	-	-	-
-	-	87,572	87,572
<u>1,977</u>	<u>1,283,279</u>	<u>265,257</u>	<u>1,550,513</u>
(1,969)	(156,434)	5,793	(152,610)
-	-	-	-
-	-	-	-
-	-	60,556	60,556
-	-	60,556	60,556
(1,969)	(156,434)	66,349	(92,054)
<u>2,119</u>	<u>436,840</u>	<u>70,991</u>	<u>509,950</u>
<u>\$ 150</u>	<u>\$ 280,406</u>	<u>\$ 137,340</u>	<u>\$ 417,896</u>

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL -- ED TECH EQUIPMENT ACT--CAPITAL PROJECTS FUND

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	9	8	(1)
TOTAL REVENUE	<u>-</u>	<u>9</u>	<u>\$ 8</u>	<u>\$ (1)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>1,972</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 1,981</u>		
EXPENDITURES				
Other Support Services	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	1,981	1,977	4
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 1,981</u>	<u>\$ 1,977</u>	<u>\$ 4</u>

The accompanying notes are an integral part of these financial statements.

OTHER MAJOR FUND INFORMATION

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL -- BOND BUILDING--CAPITAL PROJECTS FUND

YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	
Local Programs	-	3,000,000	3,000,000	-
TOTAL REVENUE	<u>-</u>	<u>3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>555,157</u>	<u>675,611</u>		
TOTAL REVENUES & CASH	<u>\$ 555,157</u>	<u>\$ 3,675,611</u>		
EXPENDITURES				
Other Support Services	\$ -	\$ -	\$ -	\$ -
Capital Outlay	555,157	3,675,611	736,288	2,939,323
TOTAL EXPENDITURES	<u>\$ 555,157</u>	<u>\$ 3,675,611</u>	<u>\$ 736,288</u>	<u>\$ 2,939,323</u>

The accompanying notes are an integral part of these financial statements.

AGENCY FUNDS

AGENCY FUND--To account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT F-1

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -- AGENCY FUNDS

YEAR ENDED JUNE 30, 2013

	Balance 6/30/2012	ADDITIONS	DEDUCTIONS	Balance 6/30/2013
ASSETS				
Cash				
District Board Scholarship	\$ 2,131	\$ -	\$ 2,131	\$ -
District Savings/Interest Account	1,197	582	1,779	-
Dist-Library Funds	527	-	-	527
Dist-Exceptional Programs	476	2,138	1,513	1,101
Buckland's Gang	341	1,500	722	1,119
EVLC-Book Deposits	834	-	834	-
EVLC-Grants	992	100	992	100
Estancia High School	56,873	163,786	153,170	67,489
Estancia Middle School	16,670	24,233	23,754	17,149
Estancia Elementary School	21,470	34,512	35,077	20,905
Total Cash	<u>101,511</u>	<u>226,851</u>	<u>219,972</u>	<u>108,390</u>
Due from:				
Athletics	-	-	300	(300)
Idea-B Private School Share	(341)	341	-	-
2010 GO Bond Student Library Fund	(3,179)	3,179	-	-
Total Due from	<u>(3,520)</u>	<u>3,520</u>	<u>300</u>	<u>(300)</u>
TOTAL ASSETS	<u>\$ 97,991</u>	<u>\$ 230,371</u>	<u>\$ 220,272</u>	<u>\$ 108,090</u>
LIABILITIES				
Due to Student groups	<u>\$ 97,991</u>	<u>\$ 230,371</u>	<u>\$ 220,272</u>	<u>\$ 108,090</u>
TOTAL LIABILITIES	<u>\$ 97,991</u>	<u>\$ 230,371</u>	<u>\$ 220,272</u>	<u>\$ 108,090</u>

OTHER SUPPLEMENTARY INFORMATION

BANK SUMMARY

JUNE 30, 2013

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING (CHECKS) DEPOSITS	NET CASH BALANCE
Wells Fargo Bank	Checking	Multi Fund	\$ 5,126,400	\$ (512,353)	\$ 4,614,047
	Checking	Athletics	6,637	-	6,637
	Checking	Activity	110,685	(2,595)	108,090
Total Wells Fargo Bank			<u>5,243,722</u>	<u>(514,948)</u>	<u>4,728,774</u>
New Mexico State Treasurer	LGIP	Operational *	242,721	-	242,721
New Mexico State Treasurer	LGIP	Operational *	119	-	119
New Mexico State Treasurer	LGIP	Ed Tech. Equip. Act *	-	-	-
New Mexico State Treasurer	LGIP	Ed Tech. Equip. Act *	147	-	147
			<u>242,987</u>	<u>-</u>	<u>242,987</u>
Total All Accounts			<u>\$ 5,486,709</u>	<u>\$ (514,948)</u>	<u>\$ 4,971,761</u>

* Interest Bearing

The credit rating of the investment pool at the New Mexico State Treasurer is as follows:

New MexiGrow LGIP	AAAm rated	<u>\$ 242,987</u>	59-day WAM
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SCHEDULE OF PLEDGED COLLATERAL

JUNE 30, 2013

	Total Deposits	FDIC Insurance	Collateral Required	Collateral Pledged	Uninsured Uncollateralized
Wells Fargo Bank	\$ 5,243,722	\$ 250,000	\$ 2,496,861	\$ 2,680,487	\$ -
Total	<u>\$ 5,243,722</u>	<u>\$ 250,000</u>	<u>\$ 2,496,861</u>	<u>\$ 2,680,487</u>	<u>\$ -</u>

Collateral Description	Amount	Matures
FN AH8825	73,366	03/01/41
FN AQ9991	250,951	02/01/43
FN AT5895	10,000	06/01/43
FN AT2724	19,944	05/01/43
FN AR1196	1,486,369	01/01/43
FN AB6498	224,439	10/01/42
FN AK1225	188,056	03/01/42
FN AI7778	427,362	07/01/41
	<u>\$ 2,680,487</u>	

Collateral is held at Wells Fargo Bank

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2013

	Operational	Transportation	Food Services	Athletics
Audited Net Cash				
JUNE 30, 2012	\$ 540,860	\$ -	\$ 90,913	\$ 6,534
Investments on hand/Loans	242,840	-	-	-
TOTAL CASH BALANCE				
JUNE 30, 2012	783,700	-	90,913	6,534
Add: Prior year void checks	-	-	-	-
2012-2013 Revenue	7,389,149	411,463	419,547	25,453
Transfers In & Adjustments	429,916	-	-	300
 TOTAL AVAILABLE CASH	 8,602,765	 411,463	 510,460	 32,287
Net Change				
2012-2013 Expenditures	7,383,648	394,895	376,466	25,650
Transfers Out & Adjustments	292,459	-	-	-
	<u>7,676,107</u>	<u>394,895</u>	<u>376,466</u>	<u>25,650</u>
 NET CASH, JUNE 30, 2013	 926,658	 16,568	 133,994	 6,637
Investments on Hand	(242,840)	-	-	-
 TOTAL CASH, JUNE 30, 2013	 <u>\$ 683,818</u>	 <u>\$ 16,568</u>	 <u>\$ 133,994</u>	 <u>\$ 6,637</u>

SCHEDULE 3

Federal Projects	Local/State Account	SB-9	Ed Tech Equip Act	Debt Service	Activities
\$ 15,772	\$ 406,910	\$ 218,035	\$ 1,972	\$ 53,826	\$ 97,991
-	-	-	147	-	-
15,772	406,910	218,035	2,119	53,826	97,991
-	-	-	-	-	-
795,221	199,819	362,324	8	315,039	226,851
249,847	42,417	-	-	-	3,520
1,060,840	649,146	580,359	2,127	368,865	328,362
655,021	65,117	453,407	1,977	263,745	219,972
405,819	27,619	1	-	-	300
1,060,840	92,736	453,408	1,977	263,745	220,272
-	556,410	126,951	150	105,120	108,090
-	-	-	(147)	-	-
\$ -	\$ 556,410	\$ 126,951	\$ 3	\$ 105,120	\$ 108,090

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE 3
continued

BANK RECONCILIATION

JUNE 30, 2013

	Instructional Materials	Bond Building	Ed Tech Debt Service
Audited Net Cash			
JUNE 30, 2012	\$ 14,716	\$ 675,611	\$ 26,897
Investments on hand/Loans	-	-	-
TOTAL CASH BALANCE			
JUNE 30, 2012	14,716	675,611	26,897
Add: Prior year void checks	-	-	-
2012-2013 Revenue	55,481	3,000,000	14,064
Transfers In & Adjustments	-	-	-
TOTAL AVAILABLE CASH	70,197	3,675,611	40,961
Net Change			
2012-2013 Expenditures	59,158	736,288	140
Transfers Out & Adjustments	-	-	-
	59,158	736,288	140
NET CASH, JUNE 30, 2013	11,039	2,939,323	40,821
Investments on Hand	-	-	-
TOTAL CASH, JUNE 30, 2013	<u>\$ 11,039</u>	<u>\$ 2,939,323</u>	<u>\$ 40,821</u>

Woodard, Looney & Co.

Certified Public Accountants

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

Hector H. Balderas
New Mexico State Auditor
The Board of Education
Estancia Municipal School District
Estancia, New Mexico

We have audited, 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, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the Estancia Municipal School District as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Estancia Municipal School District's basic financial statements, and the combining and individual funds and related budgetary comparisons of Estancia Municipal School District, presented as supplemental information, and have issued our report thereon dated October 22, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Estancia Municipal School 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 Estancia Municipal School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Estancia Municipal School 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Portales: 305 S. Avenue B or PO Box 445, Portales NM 88130 – Phone 575-356-8564 Fax 575-356-2453
Clovis: 116 E. Grand Avenue or PO Box 1874, Clovis NM 88101 – Phone 575-762-3811 Fax 575-762-3866

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Estancia Municipal School District's financial statements are free from 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Clovis, New Mexico
October 22, 2013

Woodard, Cowen & Co

Woodard, Curran & Co.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Mr. Hector H. Balderas, State Auditor
The Board of Education
Estancia Municipal School District
Estancia, New Mexico

Report on Compliance for Each Major Federal Program

We have audited Estancia Municipal School District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Estancia Municipal School District's major federal programs for the year ended June 30, 2013. Estancia Municipal School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Estancia Municipal School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Estancia Municipal School District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Estancia Municipal School District's compliance.

Portales: 305 S. Avenue B or PO Box 445, Portales NM 88130 – Phone 575-356-8564 Fax 575-356-2453
Clovis: 116 E. Grand Avenue or PO Box 1874, Clovis NM 88101 – Phone 575-762-3811 Fax 575-762-3866

Opinion on Each Major Federal Program

In our opinion, Estancia Municipal School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

The management of Estancia Municipal School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Estancia Municipal School District's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Estancia Municipal School District's internal control over compliance.

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

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

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

Clovis, New Mexico
October 22, 2013

Woodard, Cowen & Co

SINGLE AUDIT SECTION

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2013

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements	Unmodified
Significant Deficiencies on GAGAS	None
Other matters required to be reported	None
Material Noncompliance	None
Questioned Cost	None
Type A & Type B dollar threshold	\$300,000
Entity Risk	Low Risk
Major Federal Programs	Child Nutrition Cluster National School Lunch Program Free & Reduced 10.555 Commodities 10.565
Significant Deficiencies on Internal Control over Major Programs	None
Material weaknesses identified	None
Report on Compliance with Major Programs	Unmodified
Findings reportable under 510(a) of Circular A-133	None

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL PROGRAM FINDINGS

None

IV. PRIOR YEAR AUDIT FINDINGS

2012-1	Overspent Budget	Resolved
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STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2013

	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM EXPENDITURES
<u>US DEPARTMENT OF EDUCATION</u>			
Passed Through the State Department of Education			
Title I	84.010	24101	\$ 284,576
IDEA-B - Entitlement	84.0270	24106	206,949
IDEA-B - Preschool	84.173	24109	12,495
Title II - A Teacher/Principal Training	84.367A	24154	44,957
TOTAL PASSTHROUGH GRANTS			<u>548,977</u>
TOTAL DEPARTMENT OF EDUCATION			<u>\$ 548,977</u>
<u>US DEPARTMENT OF AGRICULTURE</u>			
Passed Through the State Department of Education			
<1>National School Lunch Program	10.555	21000-8602	\$ 370,756
Forrest Reserve	10.665	11000	15,750
Fresh Fruit and Vegetable Programs	10.582	24118	20,628
			<u>407,134</u>
Passed Through New Mexico State			
Department of Human Services			
<1>Non-Monetary Assistance	10.565	21000-8904	27,958
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 435,092</u>
<u>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through the State Department of Education			
Title XIX Medicaid	93.7780	25153	\$ 85,416
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$ 85,416</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 1,069,485</u>

<1> Major Program

Note 1 This schedule is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Note 2 Non-Monetary assistance is reported in the schedule at the fair market value of the commodities received.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

OTHER DISCLOSURES

Year Ended June 30, 2013

OTHER DISCLOSURES

PREPARATION OF FINANCIAL STATEMENTS

We prepared the draft financial statements based on management's chart of accounts and trial balances and any adjusting, correcting, and closing entries have been approved by management. We also have prepared the draft footnotes based on the information determined, provided by and approved by management. These services are allowable under SAS 115.

EXIT CONFERENCE

An Exit Conference was held on October 4, 2013. Present were:

Stella Chavez
Kendra Otis
Sylvia Chavez
Carol Gonzales
D. Brent Woodard, CPA

Audit Committee – Community Finance
Audit Committee – Board Member
Audit Committee - Parent
Finance Director
Auditor