

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

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JUNE 30, 2014

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STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

OFFICIAL ROSTER

JUNE 30, 2014

BOARD OF EDUCATION

Randol Riley	President
Kenneth Lujan	Vice President
Jesus Lucero	Secretary
Elaine Darnell	Member
Kendra Otis	Member

SCHOOL OFFICIALS

Audie Brown	Superintendent
Carol Gonzales	Business Manager

Woodard, Curran & 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, 2014, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Estancia Municipal School's non-major governmental, fiduciary funds and the budgetary comparisons for the major debt service funds and all non-major funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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, 2014, 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 accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund and the fiduciary funds of Estancia Municipal Schools, as of June 30, 2014, and the respective changes in financial position, thereof and the respective budgetary comparisons statements for the major debt service funds and all non-major funds for the year then ended in accordance 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 conducted for the purpose of forming opinions on Estancia Municipal School's financial statements, the combining and individual fund financial statements and budgetary comparisons. The Schedule of Expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the other schedules required by Section 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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 the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Schedule 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 September 26, 2014 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.

Woodard, Cowen & Co

Clovis, New Mexico
September 26, 2014

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT A

STATEMENT OF NET POSITION

JUNE 30, 2014

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 2,614,209
Property taxes receivable	13,515
Interest receivable	22
Due from other governments	360,056
Food Inventory	14
Total current asstes	<u>2,987,816</u>
Non-current assets:	
Capital assets, net	14,178,541
Total non-current assets	<u>14,178,541</u>
Total assets	<u>17,166,357</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	32,355
Accrued interest payable	14,184
Current portion of long term debt	435,000
Accrued compensated absences	127,528
Total current liabilities	<u>609,067</u>
Non-current liabilities:	
Bond premium, net	55,303
Non-current portion of long term debt	4,415,000
Total non-current liabilities	<u>4,470,303</u>
Total liabilities	<u>5,079,370</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Unavailable Revenue	724,220
Total deferred inflows	<u>724,220</u>
<u>NET POSITION</u>	
Net investment in capital assets	9,328,541
Restricted:	
Debt Service	90,232
Capital Projects	599,973
Unrestricted	<u>1,344,021</u>
Total net position	<u>\$ 11,362,767</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, 2014

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	\$ 4,661,068	\$ 19,265	\$ 446,469	\$ -	\$ (4,195,334)
Support Services	-	-	-	-	-
Support Services Students	953,162	-	271,438	-	(681,724)
Support Services Instruction	310,103	-	9,878	-	(300,225)
Support Services General Administration	288,213	-	369	1,965	(285,879)
Support Services School Administration	576,518	-	-	-	(576,518)
Central Services	165,393	-	-	-	(165,393)
Operation and Maintenance of Plant	1,758,692	-	167	-	(1,758,525)
Student Transportation	716,716	-	580,789	-	(135,927)
Other Support Services	10,536	-	-	-	(10,536)
Food Services Operations	403,232	17,303	335,203	-	(50,726)
Bond interest paid	126,113	-	-	-	(126,113)
Amortization-unallocated	-	8,847	16,508	214,543	239,898
Total governmental activities	<u>\$ 9,969,746</u>	<u>\$ 45,415</u>	<u>\$ 1,660,821</u>	<u>\$ 216,508</u>	<u>(8,047,002)</u>
General revenues:					
Property Taxes:					
General purpose					41,187
Debt service					514,165
Capital projects					195,939
Grant & contributions not restricted					7,193,787
Grants & contributions restricted					-
Unrestricted investment earnings					256
Miscellaneous income					12,504
Total general revenues					<u>7,957,838</u>
Change in net position					(89,164)
Beginning net position					11,589,404
Restatements					<u>(137,473)</u>
Beginning net assets as restated					<u>11,451,931</u>
Ending net position					<u>\$ 11,362,767</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, 2014

	<u>GENERAL</u>	<u>IDEA-B ENTITLEMENT</u>
ASSETS		
Cash on Deposit	\$ 666,162	\$ -
Investments	242,840	-
Accounts Receivable		
Property Taxes	794	-
Interest	22	-
Federal	-	108,525
State	-	-
Inventories	-	-
Due from Other Funds	270,570	-
Due from Other Governments	1,101	-
TOTAL ASSETS	<u>\$ 1,181,489</u>	<u>\$ 108,525</u>
LIABILITIES AND OTHER CREDITS		
Accounts Payable	\$ 32,355	\$ -
Accrued Interest	-	-
Due to Other Funds	-	108,525
TOTAL LIABILITIES	<u>32,355</u>	<u>108,525</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>
FUND BALANCE		
Nonspendable	-	-
Restricted	9,106	-
Committed	-	-
Assigned	-	-
Unassigned	1,140,028	-
TOTAL FUND BALANCE	<u>1,149,134</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 1,181,489</u>	<u>\$ 108,525</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
\$ 704,845	\$ 599,823	\$ 400,392	\$ 2,371,222
-	-	147	242,987
-	-	12,721	13,515
-	-	-	22
-	-	125,359	233,884
-	-	125,071	125,071
-	-	14	14
-	-	-	270,570
-	-	-	1,101
<u>\$ 704,845</u>	<u>\$ 599,823</u>	<u>\$ 663,704</u>	<u>\$ 3,258,386</u>
\$ -	\$ -	\$ -	\$ 32,355
-	-	14,184	14,184
-	-	162,045	270,570
-	-	176,229	317,109
704,845	-	19,375	724,220
<u>704,845</u>	<u>-</u>	<u>19,375</u>	<u>724,220</u>
-	-	14	14
-	599,823	468,086	1,077,015
-	-	-	-
-	-	-	-
-	-	-	1,140,028
-	599,823	468,100	2,217,057
<u>\$ 704,845</u>	<u>\$ 599,823</u>	<u>\$ 663,704</u>	<u>\$ 3,258,386</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT D

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

JUNE 30, 2014

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

Fund Balances - total governmental funds	\$ 2,217,057
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	14,178,541
Compensated absences are not reported in the funds.	(127,528)
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	(4,850,000)
Bond Issuance Premium, net	<u>(55,303)</u>
Net position of governmental activities	<u>\$ 11,362,767</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, 2014

	GENERAL	IDEA-B ENTITLEMENT
REVENUE		
Federal Programs	\$ 16,139	\$ 173,595
State Programs	456,621	-
Local Programs	-	-
State Equalization	7,193,787	-
Property Taxes	41,187	-
Service Revenues	5,594	-
Interest	256	-
Other revenue sources	12,504	-
TOTAL REVENUES	<u>7,726,088</u>	<u>173,595</u>
EXPENDITURES		
Current		
Instruction	4,266,161	91,838
Support Services Students	679,597	80,533
Support Services Instruction	300,225	1,224
Support Services General Administration	280,765	-
Support Services School Administration	571,608	-
Central Services	158,022	-
Operation and Maintenance of Plant	1,113,298	-
Student Transportation	445,298	-
Other Support Services	10,536	-
Food Services Operations	-	-
Capital Outlay	-	-
Debt Service		
Principal	-	-
Interest and Fiscal Charge	-	-
TOTAL EXPENDITURES	<u>7,825,510</u>	<u>173,595</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(99,422)	-
OTHER FINANCING SOURCES (USES)		
Transfer In/Transfers (Out)	-	-
Bond Proceeds	-	-
Bond Premium	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(99,422)	-
FUND BALANCE June 30, 2013	<u>1,248,556</u>	<u>-</u>
FUND BALANCE June 30, 2014	<u>\$ 1,149,134</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
\$ -	\$ -	\$ 759,761	\$ 949,495
-	-	471,213	927,834
-	-	-	-
-	-	-	7,193,787
-	-	710,104	751,291
-	-	39,821	45,415
-	-	-	256
-	-	-	12,504
-	-	1,980,899	9,880,582
-	-	321,382	4,679,381
-	-	190,905	951,035
-	-	8,654	310,103
-	-	7,448	288,213
-	-	-	571,608
-	-	-	158,022
-	-	167	1,113,465
-	-	177,051	622,349
-	-	-	10,536
-	-	397,553	397,553
-	2,339,500	271,376	2,610,876
-	-	425,000	425,000
-	-	131,159	131,159
-	2,339,500	1,930,695	12,269,300
-	(2,339,500)	50,204	(2,388,718)
-	-	-	-
-	-	-	-
-	-	-	-
-	(2,339,500)	50,204	(2,388,718)
-	2,939,323	417,896	4,605,775
\$ -	\$ 599,823	\$ 468,100	\$ 2,217,057

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT F

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

YEAR ENDED JUNE 30, 2014

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

Net change in fund balance - total governmental funds	\$ (2,388,718)
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	
Capital Outlay	2,650,095
Depreciation	(783,196)
Expenses in Statement of Activities which do not require use of current financial resources i.e. Compensated Absences	2,609
Amortization of bond premium	5,046
Bond Principal	<u>425,000</u>
Change in Net Assets	<u>\$ (89,164)</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 AND EXPENDITURES--BUDGET
(NON-GAAP) AND ACTUAL--GENERAL FUND

YEAR ENDED JUNE 30, 2014

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 16,139	\$ 16,139	\$ -
State Programs	7,711,826	7,647,149	7,650,408	3,259
Local Programs	40,460	40,460	59,651	19,191
TOTAL REVENUE	<u>7,752,286</u>	<u>7,703,748</u>	<u>\$ 7,726,198</u>	<u>\$ 22,450</u>
BUDGETED CASH BALANCE	<u>1,066,094</u>	<u>1,133,962</u>		
TOTAL REVENUE & CASH	<u>\$ 8,818,380</u>	<u>\$ 8,837,710</u>		
EXPENDITURES				
Current				
Instruction	\$ 4,787,588	\$ 4,861,106	\$ 4,266,161	\$ 594,945
Support Services	-	-	-	-
Support Services Students	807,616	807,616	679,597	128,019
Support Services Instruction	411,851	411,851	300,225	111,626
Support Services General Administration	253,354	253,354	280,765	(27,411)
Support Services School Administration	593,325	593,325	571,608	21,717
Central Services	213,993	213,993	158,022	55,971
Operation and Maintenance of Plant	1,177,324	1,177,324	1,080,943	96,381
Student Transportation	541,801	487,613	445,298	42,315
Other Support Services	21,528	21,528	10,536	10,992
Food Services Operations	10,000	10,000	-	10,000
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 8,818,380</u>	<u>\$ 8,837,710</u>	<u>\$ 7,793,155</u>	<u>\$ 1,044,555</u>

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT H

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

YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 235,008	\$ 143,424	\$ (91,584)
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	-	235,008	<u>\$ 143,424</u>	<u>\$ (91,584)</u>
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 235,008</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 124,979	\$ 91,838	\$ 33,141
Support Services	-	-	-	-
Support Services Students	-	106,448	80,533	25,915
Support Services Instruction	-	3,581	1,224	2,357
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>\$ 235,008</u>	<u>\$ 173,595</u>	<u>\$ 61,413</u>

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT I

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

YEAR ENDED JUNE 30, 2014

	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	142,834	142,834	-	142,834
Operation and Maintenance of Plant	75,250	75,250	-	75,250
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, 2014

	<u>Employee Retirement Plan</u>	<u>Agency Funds</u>
ASSETS		
Cash on Deposit	\$ -	\$ 105,688
Investments, at fair value		
Mutual Funds	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 105,688</u>
LIABILITIES		
Due To Student Groups	\$ -	\$ 105,688
TOTAL LIABILITIES	<u>-</u>	<u>\$ 105,688</u>
NET POSITION		
Held in trust for pension benefits and other purposes	-	
TOTAL NET POSITION	<u>\$ -</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, 2014

	<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	4,756
Refunds of contributions	-
Administrative expenses	-
TOTAL DEDUCTIONS	<u>4,756</u>
 CHANGE IN NET POSITION	 (4,756)
 Net Position -- beginning of the year	 <u>4,756</u>
Net Position -- end of the year	<u>\$ -</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, 2014

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, 2014

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.

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.

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, 2014

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, 2014

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, 2014 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 2014 fiscal year was \$104,508,645. 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, 2014

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, 2014 was \$127,528. 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:

Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014	Amounts due in One Year
<u>\$ 130,137</u>	<u>\$ 23,138</u>	<u>\$ (25,747)</u>	<u>\$ 127,528</u>	<u>\$ 127,528</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 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 expensed in the year they are incurred.

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 \$690,205 is comprised of Capital Projects \$599,973 and Debt Service \$90,232.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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 \$7,193,787 in state equalization guarantee distributions during the year ended June 30, 2014.

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 \$403,738 in transportation distributions during the year ended June 30, 2014.

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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 \$4,850,000 difference is as follows:

Bonds Payable	\$ 4,850,000
Ed Tech Equipment Notes	<u> -0-</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 4,850,000</u>

Another element of the reconciliation is the amounts provided for compensated absences. The details of the \$127,528 difference is as follows:

Compensated Absences	\$ <u>127,528</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 127,528</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 \$1,866,899 difference is as follows:

Capital Outlay	\$ 2,650,095
Depreciation expense	<u>(783,196)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net position of governmental activities	<u>\$ 1,866,899</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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 \$425,000 difference is as follows:

Principal repayments:	
General obligation debt	<u>\$ 425,000</u>
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 425,000</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, 2014

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, 2014 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	\$ 8,818,380	\$ 8,837,710
Special Revenue Funds	1,990,616	2,695,747
Capital Projects Funds	3,000,000	3,023,005
Debt Service Funds	509,680	606,280
	<u>\$ 14,318,676</u>	<u>\$ 15,162,742</u>

B. Deficit fund equity

There were not any deficit fund balances at June 30, 2014.

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and temporary investments

At June 30, 2014, the carrying amount of the District's deposits was \$2,476,910 and the bank balance was \$2,994,174. Of this balance \$250,000 was covered by federal depository insurance and \$1,592,593 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	\$	2,994,174
	Less: FDIC coverage		(250,000)
	Uninsured Public Funds		<u>2,744,174</u>
	50% collateral requirement		1,372,087
	Pledged collateral held by pledging bank's agent in the District's name		<u>1,592,593</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 collateral pledged is listed on Schedule 2 of this report. 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 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, 2014

IV. DETAILED NOTES ON ALL FUNDS (continued)

B. Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 20, 2014, none of the government's bank balance and temporary investments of \$2,994,174 was exposed to custodial credit risk as follows:

Uninsured and un-collateralized \$ -0-

C. Receivables

Receivables as of yearend for the government's individual major funds and non-major funds in the aggregate, include the following:

	General	IDEA-B Entitlement	Other Governmental	TOTAL
Taxes:				
Property	\$ 794	\$ -	\$ 12,721	\$ 13,515
Intergovernmental				-
Grants:				
Federal	-	108,525	125,359	233,884
State	-	-	125,071	125,071
Other Governments	1,101	-	-	1,101
Other: Interest Receivable	22	-	-	22
	<u>\$ 1,917</u>	<u>\$ 108,525</u>	<u>\$ 263,151</u>	<u>\$ 373,593</u>

Governmental funds reported *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Amount due to the District from delinquent property tax due to the County Treasurers were not available. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>
Grant draw downs prior to meeting all eligibility requirements	\$ 724,220
Total deferred/unearned revenue for government funds	<u>\$ 724,220</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

IV. DETAILED NOTES ON ALL FUNDS (continued)

D. Capital Assets

Capital asset activity for the year ended June 30, 2014, was as follows:

	Beginning Balance 7/1/2013	Increases	Decreases	Ending Balance 6/30/2014
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,602,468	\$ -	\$ -	\$ 1,602,468
Construction in Progress	160,875	2,358,742	-	2,519,617
Total Capital assets, not being depreciated	<u>1,763,343</u>	<u>2,358,742</u>	<u>-</u>	<u>4,122,085</u>
Capital assets, being depreciated:				
Equipment	2,121,465	200,041	165,021	2,156,485
Building & Improvements	25,463,941	91,312	-	25,555,253
Total Capital assets being depreciated	<u>27,585,406</u>	<u>291,353</u>	<u>165,021</u>	<u>27,711,738</u>
Less accumulated depreciation for:				
Equipment	1,513,442	144,551	165,021	1,492,972
Building & Improvements	15,523,665	638,645	-	16,162,310
Total accumulated depreciation	<u>17,037,107</u>	<u>783,196</u>	<u>165,021</u>	<u>17,655,282</u>
Total Capital assets, being depreciated, net	<u>10,548,299</u>	<u>(491,843)</u>	<u>-</u>	<u>10,056,456</u>
Governmental activities capital assets, net	<u>\$ 12,311,642</u>	<u>\$ 1,866,899</u>	<u>\$ -</u>	<u>\$ 14,178,541</u>

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

Instruction	\$ 23,515
Support Services	-
Support Services Students	2,127
Support Services Instruction	-
Support Services General Administration	-
Support Services School Administration	4,910
Central Services	7,371
Operation and Maintenance of Plant	645,227
Student Transportation	94,367
Other Support Services	-
Food Services Operations	5,679
Total	<u>\$ 783,196</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

IV. DETAILED NOTES ON ALL FUNDS (continued)

D. Capital Assets (continued)

Bond premiums are capitalized and amortized on straight line. Amortization activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Bond premium	\$ 60,556	\$ -	\$ -	\$ 60,556
Less accumulated amortization	<u>207</u>	<u>5,046</u>	<u>-</u>	<u>5,253</u>
Bond premium, net	<u>\$ 60,349</u>	<u>\$ (5,046)</u>	<u>\$ -</u>	<u>\$ 55,303</u>

E. Long-Term Debt

Governmental Activities
Bonds Payable

A summary in changes in long-term obligations follows:

	<u>Balance 7-1-2013</u>	<u>Bonds Issued</u>	<u>Bonds Redeemed</u>	<u>Balance 6-30-2014</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%	1,475,000	-	125,000	1,350,000	135,000
\$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%	800,000	-	50,000	750,000	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	-	250,000	2,750,000	250,000
Total	<u>\$ 5,275,000</u>	<u>\$ -</u>	<u>\$ 425,000</u>	<u>\$ 4,850,000</u>	<u>\$ 435,000</u>

Total bond interest paid for the year was \$131,159.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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, 2014, including interest of \$804,131 are shown below:

	Governmental Activities	
	G.O. Bonds	
	Principal	Interest
6/30/2015	\$ 435,000	\$ 125,200
6/30/2016	435,000	117,574
6/30/2017	445,000	109,275
6/30/2018	445,000	100,675
6/30/2019	455,000	89,163
2020-2024	2,235,000	246,594
2025-2026	400,000	15,650
TOTAL	\$ 4,850,000	\$ 804,131

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 \$6,270,519 including \$4,850,000 debt outstanding based on the June 30, 2014 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, 2014.

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, 2014

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: 10.10% of their gross salary in fiscal year 2014; and 10.70% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions – The Estancia Municipal School District contributed 13.15% of gross covered salary in fiscal year 2014. In fiscal year 2015 the Estancia Municipal School District will contribute 13.90% of gross covered salary.

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, 2014, 2013, and 2012 were \$615,276, \$534,356, and \$464,555, 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, 2014

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, 2014, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 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, 2014, 2013 and 2012 were \$93,914, \$96,754 and \$89,781 respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

V. OTHER INFORMATION (continued)

E. Restatement of Beginning Net Position for Governmental Funds

	Governmental Activities
Net Assets at June 30, 2013	\$ 11,589,404
Prior Period Adjustments	
To remove Bond Issuance cost per GASB 65	(137,473)
Net Assets at June 30, 2013 as Restated	<u>\$ 11,451,931</u>

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, 2014.

G. – Restatements of Beginning Fund Balances

There were no adjustments made to the District's beginning fund balances for the fiscal year June, 30 2014.

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, 2014, they consisted of the following:

Due to Operational	<u>\$ 270,570</u>
Due From:	
Title I	\$ 103,784
IDEA-B Entitlement	108,525
IDEA-B Preschool	4,424
IDEA-B Risk Pool	1,713
Teacher/Principal Training	15,438
2010 GO Bond Student Library Fund	2,225
NM Reads to Leads K-3	18,345
Teacher Stipends Serving @ Risk	4,999
Breakfast for Elementary Students	8,470
2010 GO Bond Instructional Materials	2,057
NM Grown FVV	590
Total Due From	<u>\$ 270,570</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

V. OTHER INFORMATION (continued)

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.

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	\$ -	\$ -	\$ 14	\$ 14
Total Nonspendable	-	-	14	14
Restricted for:				
Transportation	-	-	-	-
Instructional Materials	9,106	-	-	9,106
Special Revenue Funds	-	-	377,704	377,704
Debt Service	-	-	90,232	90,232
Capital Projects	-	599,823	150	599,973
Total Restricted	9,106	599,823	468,086	1,077,015
Unassigned	1,140,028	-	-	1,140,028
Total Fund Balances	\$ 1,149,134	\$ 599,823	\$ 468,100	\$ 2,217,057

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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. During the fiscal year June 30, 2014 the District withdrew and disbursed all funds from plan and closed the account..

L. – Overspent Budgets

At June 30, 2014 the District had no overspent budgets.

M. – Effects of GASB 68, Accounting and Financial Reporting for Pensions

In implementing the reporting requirements for accounting and reporting for pensions, the District will present on its June 30, 2015 financial statements its portion of the ERB pension liability. It is anticipated that ERB will provide the District with this amount.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

V. OTHER INFORMATION (continued)

N - Reconciliation of Budgetary and GAAP Basis Amounts

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>
REVENUES			
Budgetary Basis	\$ 7,269,465	\$ 403,738	\$ 52,995
Add:			
Current Year Receivables & Other Credits	816	-	-
Deduct:			
Prior Year Receivables & Other Debits	<u>926</u>	<u>-</u>	<u>-</u>
REVENUE --GAAP BASIS	<u>\$ 7,269,355</u>	<u>\$ 403,738</u>	<u>\$ 52,995</u>
EXPENDITURES			
Budgetary Basis	\$ 7,317,921	\$ 420,306	\$ 54,928
Add:			
Current Year Payables & Other Debits	32,355	-	-
Deduct:			
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u>\$ 7,350,276</u>	<u>\$ 420,306</u>	<u>\$ 54,928</u>

<u>Food Services</u>	<u>Athletics</u>	<u>Title I</u>	<u>Entitlement</u>	<u>Preschool</u>	<u>USDA Fresh Fruit & Vegetables</u>
\$ 331,774	\$ 22,518	\$ 298,163	\$ 143,424	\$ 14,308	\$ 1,641
-	-	103,784	108,525	4,424	-
-	-	107,138	78,354	5,439	1,641
<u>\$ 331,774</u>	<u>\$ 22,518</u>	<u>\$ 294,809</u>	<u>\$ 173,595</u>	<u>\$ 13,293</u>	<u>\$ -</u>
\$ 367,885	\$ 19,265	\$ 294,809	\$ 173,595	\$ 13,293	\$ -
8,936	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 376,821</u>	<u>\$ 19,265</u>	<u>\$ 294,809</u>	<u>\$ 173,595</u>	<u>\$ 13,293</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

V. OTHER INFORMATION (continued)

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

	<u>Risk Pool</u>	<u>Teacher/ Principal Training</u>	<u>Medicaid Title XIX</u>
REVENUES			
Budgetary Basis	\$ 1,189	\$ 65,633	\$ 112,192
Add:			
Current Year Receivables & Other Credits	1,713	15,438	-
Deduct:			
Prior Year Receivables & Other Debits	<u>1,189</u>	<u>39,092</u>	<u>35,304</u>
REVENUE --GAAP BASIS	<u><u>\$ 1,713</u></u>	<u><u>\$ 41,979</u></u>	<u><u>\$ 76,888</u></u>
EXPENDITURES			
Budgetary Basis	\$ 1,713	\$ 41,979	\$ 76,888
Add:			
Current Year Payables & Other Debits	-	-	-
Deduct:			
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u><u>\$ 1,713</u></u>	<u><u>\$ 41,979</u></u>	<u><u>\$ 76,888</u></u>

<u>R.E.A.P.</u>	<u>Dual Credit</u>	<u>2010 GO Bond</u>	<u>2012 GO Bond</u>	<u>NM Reads to Leads</u>	<u>Teacher Stipends</u>
\$ 16,608	\$ 318	\$ 5,803	\$ -	\$ 53,349	\$ -
-	-	2,225	-	18,345	4,999
-	-	5,803	-	30,800	-
<u>\$ 16,608</u>	<u>\$ 318</u>	<u>\$ 2,225</u>	<u>\$ -</u>	<u>\$ 40,894</u>	<u>\$ 4,999</u>
\$ 16,608	\$ 318	\$ 2,225	\$ -	\$ 40,894	\$ 4,999
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 16,608</u>	<u>\$ 318</u>	<u>\$ 2,225</u>	<u>\$ -</u>	<u>\$ 40,894</u>	<u>\$ 4,999</u>

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

V. OTHER INFORMATION (continued)

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

	Beginning Teacher Mentoring	Breakfast for Elementary Students	2010 GOB Instructional Materials
REVENUES			
Budgetary Basis	\$ -	\$ 17,486	\$ -
Add:			
Current Year Receivables & Other Credits	-	8,470	2,057
Deduct:			
Prior Year Receivables & Other Debits	-	5,814	-
REVENUE --GAAP BASIS	<u><u>\$ -</u></u>	<u><u>\$ 20,142</u></u>	<u><u>\$ 2,057</u></u>
EXPENDITURES			
Budgetary Basis	\$ -	\$ 20,142	\$ 2,057
Add:			
Current Year Payables & Other Debits	-	-	-
Deduct:			
Prior Year Payables & Other Credits	-	-	-
EXPENDITURES --GAAP BASIS	<u><u>\$ -</u></u>	<u><u>\$ 20,142</u></u>	<u><u>\$ 2,057</u></u>

<u>2013 School Bus</u>	<u>NM Grown FVV</u>	<u>Next Generation Assessments</u>	<u>Wind Farm Projects</u>	<u>SB-9</u>
\$ 177,051	\$ -	\$ 6,429	\$ 149,500	\$ 301,975
-	590	-	-	92,037
-	-	-	149,500	4,174
<u>\$ 177,051</u>	<u>\$ 590</u>	<u>\$ 6,429</u>	<u>\$ -</u>	<u>\$ 389,838</u>
\$ 177,051	\$ 590	\$ 6,429	\$ -	\$ 250,732
-	-	-	-	-
-	-	-	-	-
<u>\$ 177,051</u>	<u>\$ 590</u>	<u>\$ 6,429</u>	<u>\$ -</u>	<u>\$ 250,732</u>

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

V. OTHER INFORMATION (continued)

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

	<u>Bond Building</u>
REVENUES	
Budgetary Basis	\$ -
Add:	
Current Year Receivables & Other Credits	-
Deduct:	
Prior Year Receivables & Other Debits	<u>-</u>
REVENUE --GAAP BASIS	<u><u>\$ -</u></u>
EXPENDITURES	
Budgetary Basis	\$ 2,339,500
Add:	
Current Year Payables & Other Debits	-
Deduct:	
Prior Year Payables & Other Credits	<u>-</u>
EXPENDITURES --GAAP BASIS	<u><u>\$ 2,339,500</u></u>

<u>SCO State</u>	<u>Ed Tech Equipment Act</u>	<u>Debt Service</u>	<u>Ed Tech Debt Service</u>
\$ 22,609	\$ -	\$ 506,747	\$ 4,724
-	-	8,631	438
-	-	5,085	1,290
<u>\$ 22,609</u>	<u>\$ -</u>	<u>\$ 510,293</u>	<u>\$ 3,872</u>
\$ 22,609	\$ -	\$ 562,017	\$ 47
-	-	14,184	-
-	-	14,975	-
<u>\$ 22,609</u>	<u>\$ -</u>	<u>\$ 561,226</u>	<u>\$ 47</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, 2014

	Operational	Transportation	Instructional Materials	TOTALS
ASSETS				
Cash on Deposit	\$ 657,056	\$ -	\$ 9,106	\$ 666,162
Investments	242,840	-	-	242,840
Accounts Receivable				
Property Taxes	794	-	-	794
Interest	22	-	-	22
Federal	-	-	-	-
State	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	270,570	-	-	270,570
Due from Other Governments	1,101	-	-	1,101
TOTAL ASSETS	\$ 1,172,383	\$ -	\$ 9,106	\$ 1,181,489
LIABILITIES AND OTHER CREDITS				
Accounts Payable	\$ 32,355	\$ -	\$ -	\$ 32,355
Accrued Interest Payable	-	-	-	-
Due to Other Funds	-	-	-	-
TOTAL LIABILITIES	32,355	-	-	32,355
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	-	-	9,106	9,106
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	1,140,028	-	-	1,140,028
TOTAL FUND BALANCE	1,140,028	-	9,106	1,149,134
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 1,172,383	\$ -	\$ 9,106	\$ 1,181,489

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT A-2

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

YEAR ENDED JUNE 30, 2014

	Operational	Transportation	Instructional Materials	TOTALS
REVENUE				
Federal Programs	\$ 16,139	\$ -	\$ -	\$ 16,139
State Programs	369	403,738	52,514	456,621
Local Programs	-	-	-	-
State Equalization	7,193,787	-	-	7,193,787
Property Taxes	41,187	-	-	41,187
Service Revenues	5,594	-	-	5,594
Interest	256	-	-	256
Other revenue sources	12,023	-	481	12,504
TOTAL REVENUES	7,269,355	403,738	52,995	7,726,088
EXPENDITURES				
Current				
Instruction	4,211,233	-	54,928	4,266,161
Support Services Students	679,597	-	-	679,597
Support Services Instruction	300,225	-	-	300,225
Support Services General Administration	280,765	-	-	280,765
Support Services School Administration	571,608	-	-	571,608
Central Services	158,022	-	-	158,022
Operation and Maintenance of Plant	1,113,298	-	-	1,113,298
Student Transportation	24,992	420,306	-	445,298
Other Support Services	10,536	-	-	10,536
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	7,350,276	420,306	54,928	7,825,510
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(80,921)	(16,568)	(1,933)	(99,422)
OTHER FINANCING SOURCES (USES)				
Transfer In/Transfers (Out)	-	-	-	-
Bond Proceeds	-	-	-	-
Bond Premium	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-
NET CHANGE IN FUND BALANCE	(80,921)	(16,568)	(1,933)	(99,422)
FUND BALANCE June 30, 2013	1,220,949	16,568	11,039	1,248,556
FUND BALANCE June 30, 2014	\$ 1,140,028	\$ -	\$ 9,106	\$ 1,149,134

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, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 40,460	\$ 40,460	\$ 41,298	\$ 838
Fees - Users	-	-	1,264	1,264
Fees - Activities	-	-	123	123
Fees - Educational	-	-	1,617	1,617
Fees - Summer School	-	-	2,590	2,590
Interest Income	-	-	255	255
Refunds	-	-	2,351	2,351
State Equalization	7,206,440	7,194,336	7,193,787	(549)
Sale of Personal Property	-	-	6,290	6,290
Insurance Recoveries	-	-	3,382	3,382
Forrest Reserve	-	16,139	16,139	-
Indirect Cost - ST Direct	-	-	369	369
TOTAL REVENUE	<u>7,246,900</u>	<u>7,250,935</u>	<u>\$ 7,269,465</u>	<u>\$ 18,530</u>
 BUDGETED CASH BALANCE	<u>1,053,593</u>	<u>1,106,352</u>		
 TOTAL REVENUE & CASH	<u>\$ 8,300,493</u>	<u>\$ 8,357,287</u>		
 EXPENDITURES				
Current				
Instruction	\$ 4,732,093	\$ 4,800,991	\$ 4,211,233	\$ 589,758
Support Services	-	-	-	-
Support Services Students	807,616	807,616	679,597	128,019
Support Services Instruction	411,851	411,851	300,225	111,626
Support Services General Administration	253,354	253,354	280,765	(27,411)
Support Services School Administration	593,325	593,325	571,608	21,717
Central Services	213,993	213,993	158,022	55,971
Operation and Maintenance of Plant	1,177,324	1,177,324	1,080,943	96,381
Student Transportation	79,409	67,305	24,992	42,313
Other Support Services	21,528	21,528	10,536	10,992
Food Services Operations	10,000	10,000	-	10,000
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 8,300,493</u>	<u>\$ 8,357,287</u>	<u>\$ 7,317,921</u>	<u>\$ 1,039,366</u>

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT A-4

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

YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	462,392	403,738	403,738	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>462,392</u>	<u>403,738</u>	<u>\$ 403,738</u>	<u>\$ -</u>
 BUDGETED CASH BALANCE	 -	 16,570		
 TOTAL REVENUE & CASH	 <u>\$ 462,392</u>	 <u>\$ 420,308</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	462,392	420,308	420,306	2
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 462,392</u>	<u>\$ 420,308</u>	<u>\$ 420,306</u>	<u>\$ 2</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, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	42,994	49,075	52,514	3,439
Local Programs	-	-	481	481
TOTAL REVENUE	<u>42,994</u>	<u>49,075</u>	<u>\$ 52,995</u>	<u>\$ 3,920</u>
BUDGETED CASH BALANCE	<u>12,501</u>	<u>11,040</u>		
TOTAL REVENUE & CASH	<u>\$ 55,495</u>	<u>\$ 60,115</u>		
EXPENDITURES				
Current				
Instruction	\$ 55,495	\$ 60,115	\$ 54,928	\$ 5,187
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>\$ 55,495</u>	<u>\$ 60,115</u>	<u>\$ 54,928</u>	<u>\$ 5,187</u>

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

SPECIAL REVENUE FUNDS

FOOD SERVICES - 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.

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 et seq.

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.

USDA FRUIT & VEGETABLES – 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.

2012 GO BOND STUDENT LIBRARY FUND – to fund schools for library resource acquisitions, including library books for public school libraries. Fund and authority provided by Senate Bill 66, Chapter 54, Section 10, paragraph B(3), Laws of 2012.

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.

TEACHER/LEADER STIPENDS SERVING @ RISK & ADVANCED PLACEMENT – to provide stipends to teachers and school leaders to move from schools rated A or B to schools rated D or F pursuant to the A-B-C-D-F Schools Rating Act that serve a high proportion of at-risk students or high-poverty students. 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.

2013 SCHOOL BUS – to allow schools who operate their own buses to purchase new buses. Fund and authority provided by the NM PED.

NEW MEXICO GROWN FVV – to fund school districts and charter schools for the purchase of New Mexico grown fresh fruits and vegetables for school meal programs. Fund and authority provided by the NM PED through the General Appropriations Act.

NEXT GENERATION ASSESSMENTS – to remediate deficiencies in computer devices compliant with the Partnership for Assessment of Readiness for College and Careers assessment requirements. Fund and authority provided by the NM PED.

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, 2014

	FOOD SERVICES	ATHLETICS	TITLE I	IDEA-B PRESCHOOL
ASSETS				
Cash on Deposit	\$ 97,883	\$ 9,590	\$ -	\$ -
Investments	-	-	-	-
Accounts Receivable				
Property Taxes	-	-	-	-
Interest	-	-	-	-
Federal	-	-	103,784	4,424
State	-	-	-	-
Inventories	14	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
TOTAL ASSETS	\$ 97,897	\$ 9,590	\$ 103,784	\$ 4,424
LIABILITIES AND OTHER CREDITS				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Interest	-	-	-	-
Due to Other Funds	-	-	103,784	4,424
TOTAL LIABILITIES	-	-	103,784	4,424
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-	-
FUND BALANCE				
Nonspendable	14	-	-	-
Restricted	97,883	9,590	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	97,897	9,590	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 97,897	\$ 9,590	\$ 103,784	\$ 4,424

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

EXHIBIT B-1

USDA FRESH FRUIT & VEGETABLES	IDEA-B RISK POOL	TEACHER/ PRINCIPAL TRAINING	TITLE XIX MEDICAID	R.E.A.P.	2009 DUAL CREDIT INSTRUCTIONAL MATERIALS	2010 GO BOND STUDENT LIBRARY FUND
\$ -	\$ -	\$ -	\$ 18,310	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,713	15,438	-	-	-	-
-	-	-	-	-	-	2,225
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 1,713</u>	<u>\$ 15,438</u>	<u>\$ 18,310</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,225</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	1,713	15,438	-	-	-	2,225
<u>-</u>	<u>1,713</u>	<u>15,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,225</u>
-	-	-	18,310	-	-	-
-	-	-	18,310	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 1,713</u>	<u>\$ 15,438</u>	<u>\$ 18,310</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,225</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

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

JUNE 30, 2014

	2012 GO BOND STUDENT LIBRARY FUND	NM READS TO LEADS K-3	TEACHER STIPENDS SERVING @ RISK	BEGINNING TEACHER MENTORING
ASSETS				
Cash on Deposit	\$ -	\$ -	\$ -	\$ 1,065
Investments	-	-	-	-
Accounts Receivable				
Property Taxes	-	-	-	-
Interest	-	-	-	-
Federal	-	-	-	-
State	-	18,345	4,999	-
Inventories	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 18,345</u>	<u>\$ 4,999</u>	<u>\$ 1,065</u>
LIABILITIES AND OTHER CREDITS				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Interest	-	-	-	-
Due to Other Funds	-	18,345	4,999	-
TOTAL LIABILITIES	<u>-</u>	<u>18,345</u>	<u>4,999</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	1,065
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,065</u>
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ -</u>	<u>\$ 18,345</u>	<u>\$ 4,999</u>	<u>\$ 1,065</u>

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

EXHIBIT B-1
CONTINUED

BREAKFAST FOR ELEMENTARY STUDENTS	2010 GOB INSTRUCTIONAL MATERIALS	2013 SCHOOL BUS	NM GROWN FVV	NEXT GENERATION ASSESSMENTS	SB-9	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,194	\$ 305,042
-	-	-	-	-	-	-
-	-	-	-	-	3,652	3,652
-	-	-	-	-	-	-
-	-	-	-	-	-	125,359
8,470	2,057	-	590	-	88,385	125,071
-	-	-	-	-	-	14
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 8,470</u>	<u>\$ 2,057</u>	<u>\$ -</u>	<u>\$ 590</u>	<u>\$ -</u>	<u>\$ 270,231</u>	<u>\$ 559,138</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
8,470	2,057	-	590	-	-	162,045
<u>8,470</u>	<u>2,057</u>	<u>-</u>	<u>590</u>	<u>-</u>	<u>-</u>	<u>162,045</u>
-	-	-	-	-	-	19,375
-	-	-	-	-	-	<u>19,375</u>
-	-	-	-	-	-	14
-	-	-	-	-	270,231	377,704
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	270,231	<u>377,718</u>
<u>\$ 8,470</u>	<u>\$ 2,057</u>	<u>\$ -</u>	<u>\$ 590</u>	<u>\$ -</u>	<u>\$ 270,231</u>	<u>\$ 559,138</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, 2014

	FOOD SERVICES	ATHLETICS	TITLE I	IDEA-B PRESCHOOL
REVENUE				
Federal Programs	\$ 314,471	\$ -	\$ 294,809	\$ 13,293
State Programs	-	-	-	-
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Property Taxes	-	-	-	-
Service Revenues	17,303	22,518	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
TOTAL REVENUES	<u>331,774</u>	<u>22,518</u>	<u>294,809</u>	<u>13,293</u>
EXPENDITURES				
Current				
Instruction	-	19,265	176,304	13,293
Support Services Students	-	-	118,338	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	167	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	376,821	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>376,821</u>	<u>19,265</u>	<u>294,809</u>	<u>13,293</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(45,047)	3,253	-	-
OTHER FINANCING SOURCES (USES)				
Transfer In/Transfers (Out)	-	-	-	-
Bond Proceeds	-	-	-	-
Bond Premium	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(45,047)	3,253	-	-
FUND BALANCE June 30, 2013	<u>142,944</u>	<u>6,337</u>	<u>-</u>	<u>-</u>
FUND BALANCE June 30, 2014	<u>\$ 97,897</u>	<u>\$ 9,590</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2014

	2012 GO BOND STUDENT LIBRARY FUND	NM READS TO LEADS K-3	TEACHER STIPENDS SERVING @ RISK	BEGINNING TEACHER MENTORING
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	40,894	4,999	-
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Property Taxes	-	-	-	-
Service Revenues	-	-	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
TOTAL REVENUES	-	40,894	4,999	-
EXPENDITURES				
Current				
Instruction	-	40,525	4,999	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	369	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	-	40,894	4,999	-
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, 2013	-	-	-	-
FUND BALANCE June 30, 2014	\$ -	\$ -	\$ -	\$ -

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

EXHIBIT B-2
CONTINUED

BREAKFAST FOR ELEMENTARY STUDENTS	2010 GOB INSTRUCTIONAL MATERIALS	2013 SCHOOL BUS	NM GROWN FVV	NEXT GENERATION ASSESSMENTS	SB-9	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 759,761
20,142	2,057	177,051	590	6,429	193,899	448,604
-	-	-	-	-	-	-
-	-	-	-	-	195,939	195,939
-	-	-	-	-	-	39,821
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>20,142</u>	<u>2,057</u>	<u>177,051</u>	<u>590</u>	<u>6,429</u>	<u>389,838</u>	<u>1,444,125</u>
-	2,057	-	-	-	-	321,382
-	-	-	-	-	-	190,905
-	-	-	-	6,429	-	8,654
-	-	-	-	-	1,965	2,334
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	167
-	-	177,051	-	-	-	177,051
-	-	-	-	-	-	-
20,142	-	-	590	-	-	397,553
-	-	-	-	-	248,767	248,767
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>20,142</u>	<u>2,057</u>	<u>177,051</u>	<u>590</u>	<u>6,429</u>	<u>250,732</u>	<u>1,346,813</u>
-	-	-	-	-	139,106	97,312
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	139,106	97,312
-	-	-	-	-	131,125	280,406
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 270,231</u>	<u>\$ 377,718</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-3

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

YEAR ENDED JUNE 30, 2014

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 339,000	\$ 339,000	\$ 314,471	\$ (24,529)
State Programs	-	-	-	-
Local Programs	19,300	19,300	17,303	(1,997)
TOTAL REVENUE	<u>358,300</u>	<u>358,300</u>	<u>\$ 331,774</u>	<u>\$ (26,526)</u>
 BUDGETED CASH BALANCE	 <u>86,641</u>	 <u>86,641</u>		
 TOTAL REVENUE & CASH	 <u>\$ 444,941</u>	 <u>\$ 444,941</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	444,941	444,941	367,885	77,056
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL EXPENDITURES	 <u>\$ 444,941</u>	 <u>\$ 444,941</u>	 <u>\$ 367,885</u>	 <u>\$ 77,056</u>

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-4

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

YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	18,001	18,001	22,518	4,517
TOTAL REVENUE	<u>18,001</u>	<u>18,001</u>	<u>\$ 22,518</u>	<u>\$ 4,517</u>
BUDGETED CASH BALANCE	<u>6,337</u>	<u>6,337</u>		
TOTAL REVENUE & CASH	<u>\$ 24,338</u>	<u>\$ 24,338</u>		
EXPENDITURES				
Current				
Instruction	\$ 24,338	\$ 24,338	\$ 19,265	\$ 5,073
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>\$ 24,338</u>	<u>\$ 24,338</u>	<u>\$ 19,265</u>	<u>\$ 5,073</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--TITLE I

YEAR ENDED JUNE 30, 2014

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 256,904	\$ 312,486	\$ 298,163	\$ (14,323)
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>256,904</u>	<u>312,486</u>	<u>\$ 298,163</u>	<u>\$ (14,323)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 256,904</u>	<u>\$ 312,486</u>		
EXPENDITURES				
Current				
Instruction	\$ 146,858	\$ 192,021	\$ 176,304	\$ 15,717
Support Services	-	-	-	-
Support Services Students	110,046	119,465	118,338	1,127
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	1,000	167	833
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 256,904</u>	<u>\$ 312,486</u>	<u>\$ 294,809</u>	<u>\$ 17,677</u>

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-6

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

YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 15,248	\$ 14,308	\$ (940)
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	-	15,248	<u>14,308</u>	<u>(940)</u>
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 15,248</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 15,248	\$ 13,293	\$ 1,955
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>\$ 15,248</u>	<u>\$ 13,293</u>	<u>\$ 1,955</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--USDA FRUIT & VEGETABLE PROGRAM

YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ 1,641	\$ 1,641
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 1,641</u>	<u>\$ 1,641</u>
 BUDGETED CASH BALANCE	 <u>-</u>	 <u>-</u>		
 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--IDEA-B RISK POOL

YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 1,713	\$ 1,189	\$ (524)
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	-	1,713	<u>\$ 1,189</u>	<u>\$ (524)</u>
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 1,713</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 1,713	\$ 1,713	\$ -
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>\$ 1,713</u>	<u>\$ 1,713</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-9

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

YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 41,318	\$ 56,351	\$ 65,633	\$ 9,282
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>41,318</u>	<u>56,351</u>	<u>\$ 65,633</u>	<u>\$ 9,282</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 41,318</u>	<u>\$ 56,351</u>		
EXPENDITURES				
Current				
Instruction	\$ 41,318	\$ 56,351	\$ 41,979	\$ 14,372
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>\$ 41,318</u>	<u>\$ 56,351</u>	<u>\$ 41,979</u>	<u>\$ 14,372</u>

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-10

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

YEAR ENDED JUNE 30, 2014

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 67,662	\$ 81,279	\$ 112,192	\$ 30,913
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>67,662</u>	<u>81,279</u>	<u>\$ 112,192</u>	<u>\$ 30,913</u>
BUDGETED CASH BALANCE	<u>772</u>	<u>772</u>		
TOTAL REVENUE & CASH	<u>\$ 68,434</u>	<u>\$ 82,051</u>		
EXPENDITURES				
Current				
Instruction	\$ 15,187	\$ 8,187	\$ 4,321	\$ 3,866
Support Services	-	-	-	-
Support Services Students	53,247	73,864	72,567	1,297
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>\$ 68,434</u>	<u>\$ 82,051</u>	<u>\$ 76,888</u>	<u>\$ 5,163</u>

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-11

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

YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 2,517	\$ 16,608	\$ 16,608	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>2,517</u>	<u>16,608</u>	<u>\$ 16,608</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 2,517</u>	<u>\$ 16,608</u>		
EXPENDITURES				
Current				
Instruction	\$ 2,517	\$ 16,608	\$ 16,608	\$ -
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>\$ 2,517</u>	<u>\$ 16,608</u>	<u>\$ 16,608</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--2009 DUAL CREDIT INSTRUCTIONAL MATERIALS

YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	2,839	318	(2,521)
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>2,839</u>	<u>\$ 318</u>	<u>\$ (2,521)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 2,839</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 2,839	\$ 318	\$ 2,521
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>\$ 2,839</u>	<u>\$ 318</u>	<u>\$ 2,521</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, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	2,027	2,225	5,803	3,578
Local Programs	-	-	-	-
TOTAL REVENUE	<u>2,027</u>	<u>2,225</u>	<u>\$ 5,803</u>	<u>\$ 3,578</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 2,027</u>	<u>\$ 2,225</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	2,027	2,225	2,225	-
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>\$ 2,027</u>	<u>\$ 2,225</u>	<u>\$ 2,225</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--2012 GO BOND STUDENT LIBRARY FUND

YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	19,025	19,025	-	(19,025)
Local Programs	-	-	-	-
TOTAL REVENUE	<u>19,025</u>	<u>19,025</u>	<u>\$ -</u>	<u>\$ (19,025)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 19,025</u>	<u>\$ 19,025</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	19,025	19,025	-	19,025
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>\$ 19,025</u>	<u>\$ 19,025</u>	<u>\$ -</u>	<u>\$ 19,025</u>

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

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

YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	40,943	53,349	12,406
Local Programs	-	-	-	-
TOTAL REVENUE	-	40,943	<u>53,349</u>	<u>12,406</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 40,943</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 40,574	\$ 40,525	\$ 49
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	369	369	-
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>\$ 40,943</u>	<u>\$ 40,894</u>	<u>\$ 49</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/LEADER STIPENDS SERVING @ RISK

YEAR ENDED JUNE 30, 2014

	ORIGINAL ACTUAL	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	5,000	-	(5,000)
Local Programs	-	-	-	-
TOTAL REVENUE	-	5,000	\$ -	\$ (5,000)
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 5,000		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 5,000	\$ 4,999	\$ 1
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	\$ -	\$ 5,000	\$ 4,999	\$ 1

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-17

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

YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
 BUDGETED CASH BALANCE	 <u>-</u>	 <u>-</u>		
 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, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	33,403	17,486	(15,917)
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>33,403</u>	<u>\$ 17,486</u>	<u>\$ (15,917)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 33,403</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	-	33,403	20,142	13,261
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 33,403</u>	<u>\$ 20,142</u>	<u>\$ 13,261</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, 2014

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	2,058	2,058	-	(2,058)
Local Programs	-	-	-	-
TOTAL REVENUE	<u>2,058</u>	<u>2,058</u>	<u>\$ -</u>	<u>\$ (2,058)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 2,058</u>	<u>\$ 2,058</u>		
EXPENDITURES				
Current				
Instruction	\$ 2,058	\$ 2,058	\$ 2,057	\$ 1
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>\$ 2,058</u>	<u>\$ 2,058</u>	<u>\$ 2,057</u>	<u>\$ 1</u>

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-20

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--2013 SCHOOL BUS

YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	177,051	177,051	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>177,051</u>	<u>\$ 177,051</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 177,051</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	-	177,051	177,051	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 177,051</u>	<u>\$ 177,051</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-21

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--NM GROWN FVV

YEAR ENDED JUNE 30, 2014

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	591	-	(591)
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>591</u>	<u>\$ -</u>	<u>\$ (591)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 591</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	-	591	590	1
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 591</u>	<u>\$ 590</u>	<u>\$ 1</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--NEXT GENERATION ASSESSMENTS

YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	6,429	6,429	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>6,429</u>	<u>\$ 6,429</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 6,429</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	6,429	6,429	-
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>\$ 6,429</u>	<u>\$ 6,429</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--SB-9

YEAR ENDED JUNE 30, 2014

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	105,514	193,899	105,514	(88,385)
Local Programs	192,645	192,645	196,461	3,816
TOTAL REVENUE	<u>298,159</u>	<u>386,544</u>	<u>\$ 301,975</u>	<u>\$ (84,569)</u>
BUDGETED CASH BALANCE	<u>275,549</u>	<u>275,549</u>		
TOTAL REVENUE & CASH	<u>\$ 573,708</u>	<u>\$ 662,093</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	1,927	3,227	1,965	1,262
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	<u>571,781</u>	<u>658,866</u>	<u>248,767</u>	<u>410,099</u>
TOTAL EXPENDITURES	<u>\$ 573,708</u>	<u>\$ 662,093</u>	<u>\$ 250,732</u>	<u>\$ 411,361</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.

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT C-1

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

JUNE 30, 2014

	DEBT SERVICE	ED TECH DEBT SERVICE	TOTAL NONMAJOR DEBT SERVICE
ASSETS			
Cash on Deposit	\$ 49,850	\$ 45,497	\$ 95,347
Investments	-	-	-
Accounts Receivable			
Property Taxes	8,631	438	9,069
Interest	-	-	-
Federal	-	-	-
State	-	-	-
Inventories			
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
TOTAL ASSETS	<u>\$ 58,481</u>	<u>\$ 45,935</u>	<u>\$ 104,416</u>
LIABILITIES AND OTHER CREDITS			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Interest	14,184	-	14,184
Due to Other Funds	-	-	-
TOTAL LIABILITIES	<u>14,184</u>	<u>-</u>	<u>14,184</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Nonspendable	-	-	-
Restricted	44,297	45,935	90,232
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCE	<u>44,297</u>	<u>45,935</u>	<u>90,232</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 58,481</u>	<u>\$ 45,935</u>	<u>\$ 104,416</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, 2014

	DEBT SERVICE	ED TECH DEBT SERVICE	TOTAL NONMAJOR DEBT SERVICE
REVENUE			
Federal Programs	\$ -	\$ -	\$ -
State Programs	-	-	-
Local Programs	-	-	-
State Equalization	-	-	-
Property Taxes	510,293	3,872	514,165
Service Revenues	-	-	-
Interest	-	-	-
Other revenue sources	-	-	-
TOTAL REVENUES	<u>510,293</u>	<u>3,872</u>	<u>514,165</u>
EXPENDITURES			
Current			
Instruction	-	-	-
Support Services Students	-	-	-
Support Services Instruction	-	-	-
Support Services General Administration	5,067	47	5,114
Support Services School Administration	-	-	-
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	-	-	-
Capital Outlay	-	-	-
Debt Service			
Principal	425,000	-	425,000
Interest and Fiscal Charge	131,159	-	131,159
TOTAL EXPENDITURES	<u>561,226</u>	<u>47</u>	<u>561,273</u>
EXCESS (DEFICIENCY) OF			
REVENUE OVER EXPENDITURES	(50,933)	3,825	(47,108)
OTHER FINANCING SOURCES (USES)			
Transfers In/Transfers (Out)	-	-	-
Bond Proceeds	-	-	-
Bond Premium	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(50,933)	3,825	(47,108)
FUND BALANCE June 30, 2013	<u>95,230</u>	<u>42,110</u>	<u>137,340</u>
FUND BALANCE June 30, 2014	<u>\$ 44,297</u>	<u>\$ 45,935</u>	<u>\$ 90,232</u>

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT C-3

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

YEAR ENDED JUNE 30, 2014

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	431,950	528,550	506,747	(21,803)
TOTAL REVENUE	<u>431,950</u>	<u>528,550</u>	<u>\$ 506,747</u>	<u>\$ (21,803)</u>
 BUDGETED CASH BALANCE	 <u>34,720</u>	 <u>34,720</u>		
 'TOTAL REVENUE & CASH	 <u>\$ 466,670</u>	 <u>\$ 563,270</u>		
 EXPENDITURES				
Support Services General Administration	\$ 4,320	\$ 6,320	\$ 5,067	\$ 1,253
Debt Service - Principal	330,400	425,000	425,000	-
Debt Service - Interest	131,950	131,950	131,950	-
TOTAL EXPENDITURES	<u>\$ 466,670</u>	<u>\$ 563,270</u>	<u>\$ 562,017</u>	<u>\$ 1,253</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, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	4,724	4,724
TOTAL REVENUE	-	-	<u>\$ 4,724</u>	<u>\$ 4,724</u>
BUDGETED CASH BALANCE	<u>43,010</u>	<u>43,010</u>		
TOTAL REVENUE & CASH	<u>\$ 43,010</u>	<u>\$ 43,010</u>		
EXPENDITURES				
Support Services General Administration	\$ -	\$ 100	\$ 47	\$ 53
Debt Service - Principal	43,010	42,910	-	42,910
Debt Service - Interest	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 43,010</u>	<u>\$ 43,010</u>	<u>\$ 47</u>	<u>\$ 42,963</u>

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

CAPITAL PROJECTS FUND

SPECIAL CAPITAL OUTLAY-STATE – to account for financing and construction of school improvements funded from a special legislative appropriation from the State of New Mexico.

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, 2014

	SPECIAL CAPITAL OUTLAY STATE	ED TECH EQUIPMENT ACT
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	\$ -	\$ 150
LIABILITIES AND OTHER CREDITS		
Accounts Payable	\$ -	\$ -
Accrued Interest	-	-
Due to Other Funds	-	-
TOTAL LIABILITIES	-	-
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue	-	-
TOTAL DEFERRED INFLOWS	-	-
FUND BALANCE		
Nonspendable	-	-
Restricted	-	150
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCE	-	150
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ -	\$ 150

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

EXHIBIT D-1

TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR SPECIAL REVENUE	TOTAL NONMAJOR DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ 3	\$ 305,042	\$ 95,347	\$ 400,392
147	-	-	147
-	3,652	9,069	12,721
-	-	-	-
-	125,359	-	125,359
-	125,071	-	125,071
-	14	-	14
-	-	-	-
-	-	-	-
<u>\$ 150</u>	<u>\$ 559,138</u>	<u>\$ 104,416</u>	<u>\$ 663,704</u>
\$ -	\$ -	\$ -	\$ -
-	-	14,184	14,184
-	162,045	-	162,045
<u>-</u>	<u>162,045</u>	<u>14,184</u>	<u>176,229</u>
-	19,375	-	19,375
-	19,375	-	19,375
-	14	-	14
150	377,704	90,232	468,086
-	-	-	-
-	-	-	-
-	-	-	-
<u>150</u>	<u>377,718</u>	<u>90,232</u>	<u>468,100</u>
<u>\$ 150</u>	<u>\$ 559,138</u>	<u>\$ 104,416</u>	<u>\$ 663,704</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, 2014

	SPECIAL CAPITAL OUTLAY STATE	ED TECH EQUIPMENT ACT
REVENUE		
Federal Programs	\$ -	\$ -
State Programs	22,609	-
Local Programs	-	-
State Equalization	-	-
Property Taxes	-	-
Service Revenues	-	-
Interest	-	-
Other revenue sources	-	-
TOTAL REVENUES	<u>22,609</u>	<u>-</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	22,609	-
Debt Service		
Principal	-	-
Interest and Fiscal Charge	-	-
TOTAL EXPENDITURES	<u>22,609</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-
OTHER FINANCING SOURCES (USES)		
Transfer In/Transfers (Out)	-	-
Bond Proceeds	-	-
Bond Premium	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-
FUND BALANCE June 30, 2013	<u>-</u>	<u>150</u>
FUND BALANCE June 30, 2014	<u>\$ -</u>	<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
\$ -	\$ 759,761	\$ -	\$ 759,761
22,609	448,604	-	471,213
-	-	-	-
-	-	-	-
-	195,939	514,165	710,104
-	39,821	-	39,821
-	-	-	-
-	-	-	-
<u>22,609</u>	<u>1,444,125</u>	<u>514,165</u>	<u>1,980,899</u>
-	321,382	-	321,382
-	190,905	-	190,905
-	8,654	-	8,654
-	2,334	5,114	7,448
-	-	-	-
-	-	-	-
-	167	-	167
-	177,051	-	177,051
-	-	-	-
-	397,553	-	397,553
22,609	248,767	-	271,376
-	-	425,000	425,000
-	-	131,159	131,159
<u>22,609</u>	<u>1,346,813</u>	<u>561,273</u>	<u>1,930,695</u>
-	97,312	(47,108)	50,204
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	97,312	(47,108)	50,204
<u>150</u>	<u>280,406</u>	<u>137,340</u>	<u>417,896</u>
<u>\$ 150</u>	<u>\$ 377,718</u>	<u>\$ 90,232</u>	<u>\$ 468,100</u>

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL CAPITAL OUTLAY STATE--CAPITAL PROJECTS FUND

YEAR ENDED JUNE 30, 2014

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	23,005	22,609	(396)
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>23,005</u>	<u>\$ 22,609</u>	<u>\$ (396)</u>
BUDGETED CASH BALANCE				
	<u>-</u>	<u>-</u>		
TOTAL CASH & REVENUE	<u>\$ -</u>	<u>\$ 23,005</u>		
EXPENDITURES				
Other Support Services	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	23,005	22,609	396
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 23,005</u>	<u>\$ 22,609</u>	<u>\$ 396</u>

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

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

YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
 BUDGETED CASH BALANCE	 <u>-</u>	 <u>-</u>		
 TOTAL REVENUE & CASH	 <u>\$ -</u>	 <u>\$ -</u>		
 EXPENDITURES				
Other Support Services	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2014

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>3,000,000</u>	<u>3,000,000</u>		
TOTAL REVENUES & CASH	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>		
EXPENDITURES				
Other Support Services	\$ -	\$ -	\$ -	\$ -
Capital Outlay	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,339,500</u>	<u>660,500</u>
TOTAL EXPENDITURES	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 2,339,500</u>	<u>\$ 660,500</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, 2014

	Balance 6/30/2013	ADDITIONS	DEDUCTIONS	Balance 6/30/2014
ASSETS				
Cash				
Dist-Library Funds	\$ 527	\$ -	\$ -	\$ 527
Dist-Exceptional Programs	1,101	1,359	2,421	39
Buckland's Gang	1,119	-	294	825
EVLC-Grants	100	-	-	100
Estancia High School	67,489	112,389	116,921	62,957
Estancia Middle School	17,149	16,857	16,965	17,041
Estancia Elementary School	20,905	26,680	23,386	24,199
Total Cash	<u>108,390</u>	<u>157,285</u>	<u>159,987</u>	<u>105,688</u>
Due from:				
Athletics	(300)	300	-	-
Total Due from	<u>(300)</u>	<u>300</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 108,090</u>	<u>\$ 157,585</u>	<u>\$ 159,987</u>	<u>\$ 105,688</u>
Due to Student groups	<u>\$ 108,090</u>	<u>\$ 157,585</u>	<u>\$ 159,987</u>	<u>\$ 105,688</u>
TOTAL LIABILITIES	<u>\$ 108,090</u>	<u>\$ 157,585</u>	<u>\$ 159,987</u>	<u>\$ 105,688</u>

OTHER SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE 1

BANK SUMMARY

JUNE 30, 2014

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING (CHECKS) DEPOSITS	NET CASH BALANCE
Wells Fargo Bank	Checking	Multi Fund	\$ 2,874,557	\$ (512,925)	\$ 2,361,632
	Checking	Athletics	9,880	(290)	9,590
	Checking	Activity	109,737	(4,049)	105,688
Total Wells Fargo Bank			<u>2,994,174</u>	<u>(517,264)</u>	<u>2,476,910</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>\$ 3,237,161</u>	<u>\$ (517,264)</u>	<u>\$ 2,719,897</u>

* Interest Bearing

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

New MexiGrow LGIP	AAA ^m rated	<u>\$ 242,987</u>	59-day WAM
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STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE 2

SCHEDULE OF PLEDGED COLLATERAL

JUNE 30, 2014

	Total Deposits	FDIC Insurance	Collateral Required	Collateral Pledged	Uninsured Uncollateralized
Wells Fargo Bank	\$ 2,994,174	\$ 250,000	\$ 1,372,087	\$ 1,592,593	\$ -
Total	<u>\$ 2,994,174</u>	<u>\$ 250,000</u>	<u>\$ 1,372,087</u>	<u>\$ 1,592,593</u>	<u>\$ -</u>

Collateral Description	Amount	Matures
FN AR2636	239,779	02/01/43
FN AR4839	1,352,814	01/01/43
	<u>\$ 1,592,593</u>	

Collateral is held at Wells Fargo Bank

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2014

	Operational	Transportation	Instructional Materials	Food Services
Audited Net Cash				
JUNE 30, 2013	\$ 683,818	\$ 16,568	\$ 11,039	\$ 133,994
Investments on hand/Loans	242,840	-	-	-
TOTAL CASH BALANCE				
JUNE 30, 2013	926,658	16,568	11,039	133,994
Add: Prior year void checks	-	-	-	-
2013-2014 Revenue	7,269,465	403,738	52,995	331,774
Transfers In & Adjustments	292,264	-	-	-
TOTAL AVAILABLE CASH	8,488,387	420,306	64,034	465,768
Net Change				
2013-2014 Expenditures	7,317,921	420,306	54,928	367,885
Transfers Out & Adjustments	270,570	-	-	-
	7,588,491	420,306	54,928	367,885
NET CASH, JUNE 30, 2014	899,896	-	9,106	97,883
Investments on Hand	(242,840)	-	-	-
TOTAL CASH, JUNE 30, 2014	<u>\$ 657,056</u>	<u>\$ -</u>	<u>\$ 9,106</u>	<u>\$ 97,883</u>

SCHEDULE 3

Athletics	Federal Projects	Local/State Account	SB-9	Bond Building	SCO State
\$ 6,637	\$ -	\$ 556,410	\$ 126,951	\$ 2,939,323	\$ -
-	-	-	-	-	-
6,637	-	556,410	126,951	2,939,323	-
-	-	-	-	-	-
22,518	653,158	409,936	301,975	-	22,609
-	233,884	36,686	-	-	-
29,155	887,042	1,003,032	428,926	2,939,323	22,609
19,265	618,885	254,705	250,732	2,339,500	22,609
300	249,847	42,417	-	-	-
19,565	868,732	297,122	250,732	2,339,500	22,609
9,590	18,310	705,910	178,194	599,823	-
-	-	-	-	-	-
<u>\$ 9,590</u>	<u>\$ 18,310</u>	<u>\$ 705,910</u>	<u>\$ 178,194</u>	<u>\$ 599,823</u>	<u>\$ -</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE 3
continued

BANK RECONCILIATION

JUNE 30, 2014

	Ed Tech Equip Act	Debt Service	Ed Tech Debt Service	Activities
Audited Net Cash				
JUNE 30, 2013	\$ 3	\$ 105,120	\$ 40,821	\$ 108,090
Investments on hand/Loans	147	-	-	-
TOTAL CASH BALANCE				
JUNE 30, 2013	150	105,120	40,821	108,090
Add: Prior year void checks	-	-	-	-
2013-2014 Revenue	-	506,747	4,724	157,285
Transfers In & Adjustments	-	-	-	300
TOTAL AVAILABLE CASH	150	611,867	45,545	265,675
Net Change				
2013-2014 Expenditures	-	562,017	47	159,987
Transfers Out & Adjustments	-	-	1	-
	-	562,017	48	159,987
NET CASH, JUNE 30, 2014	150	49,850	45,497	105,688
Investments on Hand	(147)	-	-	-
TOTAL CASH, JUNE 30, 2014	\$ 3	\$ 49,850	\$ 45,497	\$ 105,688

Woodard, Cowen & 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, 2014, 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 September 26, 2014.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001 and 2014-002.

Estancia Municipal School District's Responses to Findings

The Estancia Municipal School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Estancia Municipal School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

Woodard, Cowen & Co

Clovis, New Mexico
September 26, 2014

Woodard, Cowen & 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

Hector H. Balderas
New Mexico 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, 2014. 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.

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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, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-003 and 2014-004. Our opinion on each major federal program is not modified with respect to these matters.

Estancia Municipal School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Estancia Municipal School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a 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
September 26, 2014

Woodard, Cowen & Co

SINGLE AUDIT SECTION

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2014

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements	Unmodified
Significant Deficiencies on GAGAS	None
Other matters required to be reported	2014-001 and 2014-002
Material Noncompliance	None
Questioned Cost	None
Type A & Type B dollar threshold	\$300,000
Entity Risk	Low Risk
Major Federal Programs	Special Education Cluster (IDEA) IDEA B – Risk Pool CFDA # 84.027 IDEA B – Entitlement CFDA # 84.027 IDEA B – Preschool CFDA # 84.173 Title I CFDA # 84.010
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	2014-003 and 2014-004

II. FINANCIAL STATEMENT FINDINGS

Control

2014-001 Capital Assets (other)

- Condition: Capital Assets were not updated and reconciled in a timely manner.
- Criteria: Assets are to be safe guarded and GASB 34 requires depreciation schedule to be maintained.
- Cause: District staff in charge of the capital assets did not update and reconcile the capital assets until the auditors requested the information for audit.
- Effect: Inability of the District to prove value of losses if requested and inability to comply with accounting procedures required by standards.
- Recommendation: The District should reconcile, update and maintain capital asset records throughout the year, preferably on a monthly basis.
- Response: The District agrees with the recommendation will work diligently to maintain capital asset records on a monthly basis.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

JUNE 30, 2014

II. FINANCIAL STATEMENT FINDINGS (continued)

2014-002 Purchase Orders (other)

Condition: The district had several invoices dated before the purchase order. Of 106 invoices tested, 7 or 7% were dated prior to the purchase order. This amounted to \$53,001 of \$3,568,989 tested.

Criteria: Good budgetary control and board policies and procedures require that purchase orders be issued before the obligation is incurred.

Cause: District policies and procedures were ignored, circumvented or erroneously missed with respect to the disbursements.

Effect: Loss of budgetary control.

Recommendation: The District should consider additional training of employees regarding the procedures for purchasing and the purpose and need of purchase orders.

Response: The District will work to retrain all employees regarding the purchasing policies and procedures.

III. FEDERAL PROGRAM FINDINGS

2014-003 Late Federal Report (other)

Condition: The data collection form and reporting package was not submitted to the federal clearinghouse or to the federal agencies within nine months of the fiscal year end June 30, 2013.

Criteria: OMB Circular A-133.320 requires the data collections form and reporting package to be submitted to the federal clearinghouse and federal agencies nine months after the entity's year end for entities expending \$500,000 or more of federal funds in a fiscal year.

Cause: The business manager inadvertently let the deadline pass by and the auditor failed to make a second follow up contact to the District to remind them of the need to get the audit submitted to the clearinghouse.

Effect: The data collection form and reporting package was not submitted by the nine month deadline. Failure to comply with federal reporting requirements could affect future federal funding.

Recommendation: The District should implement procedures which include follow up from a secondary person to ensure that the data collection form is timely filed.

Response: Management concurs with the recommendation and procedures will be implemented to include a follow up before the deadline.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

JUNE 30, 2014

III. FEDERAL PROGRAM FINDINGS (continued)

2014-004 Time Records- FYE June 30, 2014 Title I CFDA#84.010 and IDEA B CFDA#84.027 and CFDA#84.173
US Department of Education passed thru the New Mexico Public Education Department (other)

Condition: The Districts time records for employees being paid from Title I CFDA# 84.010 and IDEA B CFDA# 84.027 and 84.173 programs were not specific to the time allocated to the program verses other funds, when the employee's duties were split. 5 of 12 or 42% Title I and 4 of 7 IDEA B employee records were not specific. Employee files were not updated when employees were moved from other programs to Title I or IDEA B.

Criteria: OMB Circular A-133 compliance requirements for Title I and IDEA B require that payroll charges are supported by personnel activity reports, attendance records, etc.

Cause: The staff in charge of personnel inadvertently missed making the changes in the files to keep them updated.

Effect: Non-compliance with federal program requirements could cause the District to have to repay those funds or lose future funding.

Recommendation: The District should implement review procedures after the contracts are signed in the spring to ensure that any changes or updates for employees being paid from federal funds are recorded properly in the employee files.

Response: Management concurs with the recommendation and procedures will be implemented to include proper review procedures.

IV. PRIOR YEAR AUDIT FINDINGS

None

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2014

	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM EXPENDITURES
<u>US DEPARTMENT OF EDUCATION</u>			
Passed Through the State Department of Education			
<1>Title I	84.010	24101	\$ 294,809
<1>IDEA-B - Entitlement	84.0270	24106	173,595
<1>IDEA-B - Risk Pool	84.0270	24120	1,713
<1>IDEA-B - Preschool	84.173	24109	13,293
Title II - A Teacher/Principal Training	84.367A	24154	41,979
Rural Education Achievement	84.358	25233	16,608
TOTAL PASSTHROUGH GRANTS			<u>541,997</u>
TOTAL DEPARTMENT OF EDUCATION			<u>\$ 541,997</u>
<u>US DEPARTMENT OF AGRICULTURE</u>			
Passed Through the State Department of Education			
National School Lunch Program	10.555	21000-8602	\$ 289,294
Forrest Reserve	10.665	11000	16,139
			<u>305,433</u>
Passed Through New Mexico State			
Department of Human Services			
<1>Non-Monetary Assistance	10.565	21000-8904	25,177
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 330,610</u>
<u>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through the State Department of Education			
Title XIX Medicaid	93.7780	25153	\$ 76,889
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$ 76,889</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 949,496</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, 2014

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 September 26, 2014. Present were:

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

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