

ESTANCIA MUNICIPAL SCHOOLS

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

JUNE 30, 2015

Woodard Cowen & Co.

Certified Public Accountants

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

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STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

OFFICIAL ROSTER

JUNE 30, 2015

BOARD OF EDUCATION

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

SCHOOL OFFICIALS

Audie Brown	Superintendent
Marla Lovato	Finance Director

Woodard, Cowen & Co.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Timothy Keller
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, 2015, and the related notes to the financial statements which collectively comprise the Estancia Municipal Schools basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Estancia Municipal Schools non-major governmental, fiduciary funds and the budgetary comparisons for 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, 2015 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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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, 2015, 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, 2015, and the respective changes in financial position, thereof and the respective budgetary comparisons statements for 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, except schedule 6, 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2015 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 18, 2015

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT A

STATEMENT OF NET POSITION

JUNE 30, 2015

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 2,232,551
Property taxes receivable	15,170
Interest receivable	26
Due from other governments	217,290
Food Inventory	2,208
Total current asstes	<u>2,467,245</u>
Non-current assets:	
Capital assets, net	13,863,068
Total non-current assets	<u>13,863,068</u>
Total assets	<u>16,330,313</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows related to pensions	620,553
Total deferred outflows	<u>620,553</u>
<u>LIABILITIES</u>	
Current liabilities:	
Due to activity funds	160
Accrued interest payable	12,783
Current portion of long term debt	435,000
Accrued compensated absences	116,657
Total current liabilities	<u>564,600</u>
Non-current liabilities:	
Bond premium, net	50,257
Net pension liability	9,684,898
Non-current portion of long term debt	3,980,000
Total non-current liabilities	<u>13,715,155</u>
Total liabilities	<u>14,279,755</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Unavailable Revenue	639,569
Deferred inflows related to pensions	1,425,388
Total deferred inflows	<u>2,064,957</u>
<u>NET POSITION</u>	
Net investment in capital assets	9,448,068
Restricted:	
Debt Service	93,784
Capital Projects	128,630
Unrestricted	<u>(9,064,328)</u>
Total net position	<u>\$ 606,154</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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue & Changes in Net Position
					Primary Governmental Activities
Primary government:					
Governmental activities:					
Instruction	\$ 4,551,898	\$ 34,240	\$ 393,817	\$ -	\$ (4,123,841)
Support Services	-	-	-	-	-
Support Services Students	933,330	-	227,862	-	(705,668)
Support Services Instruction	338,752	-	7,341	-	(331,411)
Support Services General Administration	333,206	-	-	-	(333,206)
Support Services School Administration	520,157	-	401	-	(519,756)
Central Services	270,071	-	-	-	(270,071)
Operation and Maintenance of Plant	1,920,114	-	-	-	(1,920,114)
Student Transportation	504,616	-	384,492	-	(120,124)
Other Support Services	9,417	-	-	-	(9,417)
Food Services Operations	442,218	7,535	369,093	-	(65,590)
Bond interest paid	118,753	-	-	-	(118,753)
Amortization-unallocated	-	9,194	39,829	29,978	79,001
Total governmental activities	\$ 9,942,532	\$ 50,969	\$ 1,422,635	\$ 29,978	(8,438,950)
General revenues:					
Property Taxes:					
					43,027
					568,018
					204,734
					7,406,868
					-
					298
					38,402
					<u>8,261,347</u>
					(177,603)
					11,362,767
					<u>(10,579,010)</u>
					<u>783,757</u>
					<u>\$ 606,154</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, 2015

	GENERAL	TITLE I
ASSETS		
Cash on Deposit	\$ 755,583	\$ -
Investments	242,792	-
Accounts Receivable		
Property Taxes	846	-
Interest	26	-
Federal	-	134,346
State	-	-
Inventories	-	-
Due from Other Funds	216,189	-
Due from Other Governments	1,101	-
TOTAL ASSETS	\$ 1,216,537	\$ 134,346
LIABILITIES AND OTHER CREDITS		
Accounts Payable	\$ -	\$ -
Accrued Interest	-	-
Due to Activity Funds	160	-
Due to Other Funds	-	134,346
TOTAL LIABILITIES	160	134,346
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue	-	-
TOTAL DEFERRED INFLOWS	-	-
FUND BALANCE		
Nonspendable	-	-
Restricted	28,281	-
Committed	-	-
Assigned	-	-
Unassigned	1,188,096	-
TOTAL FUND BALANCE	1,216,377	-
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 1,216,537	\$ 134,346

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

EXHIBIT C

WIND FARM PROJECTS	SB-9	NON MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 623,662	\$ 321,549	\$ 288,877	\$ 1,989,671
-	-	88	242,880
-	3,932	10,392	15,170
-	-	-	26
-	-	67,355	201,701
-	-	14,488	14,488
-	-	2,208	2,208
-	-	-	216,189
-	-	-	1,101
<u>\$ 623,662</u>	<u>\$ 325,481</u>	<u>\$ 383,408</u>	<u>\$ 2,683,434</u>
\$ -	\$ -	\$ -	\$ -
-	-	12,783	12,783
-	-	-	160
-	-	81,843	216,189
-	-	94,626	229,132
623,662	-	15,907	639,569
<u>623,662</u>	<u>-</u>	<u>15,907</u>	<u>639,569</u>
-	-	2,208	2,208
-	325,481	270,667	624,429
-	-	-	-
-	-	-	-
-	-	-	1,188,096
-	325,481	272,875	1,814,733
<u>\$ 623,662</u>	<u>\$ 325,481</u>	<u>\$ 383,408</u>	<u>\$ 2,683,434</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, 2015

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

Fund Balances - total governmental funds	\$ 1,814,733
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	13,863,068
Deferred outflows related to pensions not reported in the funds	620,553
Net pension liability not reported in the funds	(9,684,898)
Deferred inflows related to pensions not reported in the funds	(1,425,388)
Compensated absences are not reported in the funds.	(116,657)
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	(4,415,000)
Bond Issuance Premium, net	(50,257)
Net position of governmental activities	<u>\$ 606,154</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, 2015

	GENERAL	TITLE I
REVENUE		
Federal Programs	\$ 1,815	\$ 223,032
State Programs	442,492	-
Local Programs	18,710	-
State Equalization	7,176,185	-
Property Taxes	43,027	-
Service Revenues	4,636	-
Interest	298	-
Other revenue sources	38,402	-
TOTAL REVENUES	<u>7,725,565</u>	<u>223,032</u>
EXPENDITURES		
Current		
Instruction	4,013,182	146,762
Support Services Students	674,849	76,270
Support Services Instruction	320,808	-
Support Services General Administration	328,169	-
Support Services School Administration	523,235	-
Central Services	267,707	-
Operation and Maintenance of Plant	1,110,457	-
Student Transportation	410,450	-
Other Support Services	9,417	-
Food Services Operations	-	-
Capital Outlay	-	-
Debt Service		
Principal	-	-
Interest and Fiscal Charge	-	-
TOTAL EXPENDITURES	<u>7,658,274</u>	<u>223,032</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	67,291	-
OTHER FINANCING SOURCES (USES)		
Transfer In/Transfers (Out)	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	67,291	-
FUND BALANCE June 30, 2014	1,149,134	-
Restatements	(48)	-
FUND BALANCE June 30, 2014, as restated	<u>1,149,086</u>	<u>-</u>
FUND BALANCE June 30, 2015	<u>\$ 1,216,377</u>	<u>\$ -</u>

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

EXHIBIT E

WIND FARM PROJECTS	SB-9	NON MAJOR GOVERNMENTAL FUNDS	Total GOVERNMENTAL FUNDS
\$ -	\$ -	\$ 672,005	\$ 896,852
-	-	94,559	537,051
230,683	-	-	249,393
-	-	-	7,176,185
-	204,734	568,018	815,779
-	-	46,333	50,969
-	-	-	298
-	-	-	38,402
<u>230,683</u>	<u>204,734</u>	<u>1,380,915</u>	<u>9,764,929</u>
-	-	242,599	4,402,543
34,281	-	151,392	936,792
13,278	-	7,341	341,427
-	2,045	5,667	335,881
-	-	401	523,636
-	-	-	267,707
177,982	-	-	1,288,439
-	-	-	410,450
-	-	-	9,417
-	-	438,212	438,212
5,142	147,439	501,262	653,843
-	-	435,000	435,000
-	-	123,799	123,799
<u>230,683</u>	<u>149,484</u>	<u>1,905,673</u>	<u>10,167,146</u>
-	55,250	(524,758)	(402,217)
-	-	-	-
-	-	-	-
-	55,250	(524,758)	(402,217)
-	270,231	797,692	2,217,057
-	-	(59)	(107)
-	<u>270,231</u>	<u>797,633</u>	<u>2,216,950</u>
<u>\$ -</u>	<u>\$ 325,481</u>	<u>\$ 272,875</u>	<u>\$ 1,814,733</u>

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, 2015

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

Net change in fund balance - total governmental funds	\$ (402,217)
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	542,636
Depreciation	(858,109)
Expenses in Statement of Activities which do not require use of current financial resources i.e. Compensated Absences	10,871
Amortization of bond premium	5,046
Pension related expense	89,170
Bond Principal	435,000
Change in Net Position	<u>\$ (177,603)</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, 2015

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 1,815	\$ 20,525	\$ 18,710
State Programs	7,598,129	7,605,884	7,618,677	12,793
Local Programs	46,182	46,182	86,307	40,125
TOTAL REVENUE	7,644,311	7,653,881	\$ 7,725,509	\$ 71,628
BUDGETED CASH BALANCE	1,034,858	1,179,572		
TOTAL REVENUE & CASH	\$ 8,679,169	\$ 8,833,453		
EXPENDITURES				
Current				
Instruction	\$ 4,825,241	\$ 4,869,955	\$ 4,013,182	\$ 856,773
Support Services	-	-	-	-
Support Services Students	753,211	753,211	674,849	78,362
Support Services Instruction	326,483	369,483	320,808	48,675
Support Services General Administration	298,457	334,042	328,169	5,873
Support Services School Administration	611,136	532,551	523,235	9,316
Central Services	213,993	280,113	267,707	12,406
Operation and Maintenance of Plant	1,199,357	1,237,288	1,142,812	94,476
Student Transportation	419,246	424,765	410,450	14,315
Other Support Services	22,045	22,045	9,417	12,628
Food Services Operations	10,000	10,000	-	10,000
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	\$ 8,679,169	\$ 8,833,453	\$ 7,690,629	\$ 1,142,824

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT H

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

YEAR ENDED JUNE 30, 2015

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 250,667	\$ 267,074	\$ 192,471	\$ (74,603)
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>250,667</u>	<u>267,074</u>	<u>\$ 192,471</u>	<u>\$ (74,603)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 250,667</u>	<u>\$ 267,074</u>		
EXPENDITURES				
Current				
Instruction	\$ 173,693	\$ 189,689	\$ 146,762	\$ 42,927
Support Services	-	-	-	-
Support Services Students	76,974	77,385	76,270	1,115
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>\$ 250,667</u>	<u>\$ 267,074</u>	<u>\$ 223,032</u>	<u>\$ 44,042</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, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	149,500	149,500	149,500	-
TOTAL REVENUE	149,500	149,500	\$ 149,500	\$ -
BUDGETED CASH BALANCE	704,846	704,846		
TOTAL REVENUE & CASH	\$ 854,346	\$ 854,346		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	34,401	34,281	120
Support Services Instruction	130,800	96,399	13,278	83,121
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	142,824	142,824	-	142,824
Operation and Maintenance of Plant	243,460	243,460	177,982	65,478
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	337,262	337,262	5,142	332,120
TOTAL EXPENDITURES	\$ 854,346	\$ 854,346	\$ 230,683	\$ 623,663

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT J

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

YEAR ENDED JUNE 30, 2015

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	88,385	88,385
Local Programs	201,215	201,215	204,454	3,239
TOTAL REVENUE	<u>201,215</u>	<u>201,215</u>	<u>\$ 292,839</u>	<u>\$ 91,624</u>
BUDGETED CASH BALANCE	<u>116,065</u>	<u>116,065</u>		
TOTAL REVENUE & CASH	<u>\$ 317,280</u>	<u>\$ 317,280</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	2,013	2,013	2,045	(32)
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	315,267	315,267	147,439	167,828
TOTAL EXPENDITURES	<u>\$ 317,280</u>	<u>\$ 317,280</u>	<u>\$ 149,484</u>	<u>\$ 167,796</u>

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT K

STATEMENT OF FIDUCIARY NET POSITION -- AGENCY FUNDS

JUNE 30, 2015

	<u>Agency Funds</u>
ASSETS	
Cash on Deposit	\$ 119,206
TOTAL ASSETS	<u>\$ 119,206</u>
LIABILITIES	
Due To Student Groups	\$ 119,206
TOTAL LIABILITIES	<u>\$ 119,206</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, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Implementation of New Accounting Policies

During the fiscal year 2004 the Estancia Municipal Schools 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, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

The government reports the following major governmental funds:

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

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

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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, 2015

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, 2015 the District had \$242,880 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 2015 fiscal year was \$109,115,108. 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, 2015

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, 2015 was \$116,657. Compensated absences are expended in the fund in which the liability is incurred. The general fund has been used to liquidate compensated absences in prior years. The summary in changes in compensated absences is as follows:

<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Amounts due</u> <u>in One Year</u>
<u>\$ 127,528</u>	<u>\$ 22,217</u>	<u>\$ (33,088)</u>	<u>\$ 116,657</u>	<u>\$ 116,657</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 \$222,414 is comprised of Capital Projects \$128,630 and Debt Service \$93,784.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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 \$7,176,185 in state equalization guarantee distributions during the year ended June 30, 2015.

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 \$390,265 in transportation distributions during the year ended June 30, 2015.

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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 \$ (4,415,000) difference is as follows:

Bonds Payable	\$ (4,415,000)
Ed Tech Equipment Notes	<u>-0-</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ (4,415,000)</u>

Other liabilities that are not reported in the funds are the net pension liabilities and the related deferred inflows and outflows. The details of the \$ (11,105,009) difference is as follows:

Net pension Liability	\$ (9,684,898)
Deferred outflows	620,553
Deferred inflows	<u>(2,040,664)</u>
Net adjustment to reduce fund balance- total governmental funds to arrive at net position- governmental activities	<u>\$(11,105,009)</u>

Another element of the reconciliation is the amounts provided for compensated absences. The details of the \$(116,657) difference is as follows:

Compensated Absences	<u>\$ (116,657)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ (116,657)</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 \$(315,473) difference is as follows:

Capital Outlay	\$ 542,636
Depreciation expense	<u>(858,109)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net position of governmental activities	<u>\$ (315,473)</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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 \$435,000 difference is as follows:

Principal repayments:	
General obligation debt	<u>\$ 435,000</u>
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 435,000</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, 2015

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, 2015 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:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 8,679,169	\$ 8,833,453
Special Revenue Funds	2,099,653	2,457,934
Capital Projects Funds	638,637	638,637
Debt Service Funds	611,211	611,211
	<u>\$ 12,028,670</u>	<u>\$ 12,541,235</u>

B. Deficit fund equity

There were not any deficit fund balances at June 30, 2015.

C. Deficit net position

The net position at June 30, 2015 has a deficit balance of \$ 9,122.

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and temporary investments

At June 30, 2015, the carrying amount of the District's deposits was \$2,108,857 and the bank balance was \$2,708,603. Of this balance \$250,000 was covered by federal depository insurance and \$1,594,478 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	\$	2,708,603
	Less: FDIC coverage		(250,000)
	Uninsured Public Funds		<u>2,458,603</u>
	50% collateral requirement		1,229,302
	Pledged collateral held by pledging bank's agent in the District's name		<u>1,594,478</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, 2015

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, 2015, none of the government's bank balance and temporary investments of \$2,708,603 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	Title I	SB-9	Other Governmental	TOTAL
Taxes:					
Property	\$ 846	\$ -	\$ 3,932	\$ 10,392	\$ 15,170
Intergovernmental					-
Grants:					
Federal	-	134,346	-	67,355	201,701
State	-	-	-	14,488	14,488
Other Governments	1,101	-	-	-	1,101
Other: Interest Receivable	26	-	-	-	26
	<u>\$ 1,973</u>	<u>\$ 134,346</u>	<u>\$ 3,932</u>	<u>\$ 92,235</u>	<u>\$ 232,486</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	\$ <u>639,569</u>
Total deferred/unearned revenue for government funds	\$ <u>639,569</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

IV. DETAILED NOTES ON ALL FUNDS (continued)

D. Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balance 7/1/2014	Increases	Decreases	Ending Balance 6/30/2015
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,602,468	\$ -	\$ -	\$ 1,602,468
Construction in Progress	2,519,617	-	2,519,617	-
Total Capital assets, not being depreciated	<u>4,122,085</u>	<u>-</u>	<u>2,519,617</u>	<u>1,602,468</u>
Capital assets, being depreciated:				
Equipment	2,156,485	72,830	194,325	2,034,990
Building & Improvements	25,555,253	2,989,423	3,823,561	24,721,115
Total Capital assets being depreciated	<u>27,711,738</u>	<u>3,062,253</u>	<u>4,017,886</u>	<u>26,756,105</u>
Less accumulated depreciation for:				
Equipment	1,492,972	141,611	179,510	1,455,073
Building & Improvements	16,162,310	696,646	3,818,524	13,040,432
Total accumulated depreciation	<u>17,655,282</u>	<u>838,257</u>	<u>3,998,034</u>	<u>14,495,505</u>
Total Capital assets, being depreciated, net	<u>10,056,456</u>	<u>2,223,996</u>	<u>19,852</u>	<u>12,260,600</u>
Governmental activities capital assets, net	<u>\$ 14,178,541</u>	<u>\$ 2,223,996</u>	<u>\$ 2,539,469</u>	<u>\$ 13,863,068</u>

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

Instruction	\$ 85,344
Support Services	-
Support Services Students	2,780
Support Services Instruction	-
Support Services General Administration	-
Support Services School Administration	3,655
Central Services	5,931
Operation and Maintenance of Plant	637,025
Student Transportation	97,733
Other Support Services	-
Food Services Operations	5,789
Total	<u>\$ 838,257</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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, 2015 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>5,253</u>	<u>5,046</u>	<u>-</u>	<u>10,299</u>
Bond premium, net	<u>\$ 55,303</u>	<u>\$ (5,046)</u>	<u>\$ -</u>	<u>\$ 50,257</u>

E. Long-Term Debt

Governmental Activities
Bonds Payable

A summary in changes in long-term obligations follows:

	<u>Balance 7-1-2014</u>	<u>Bonds Issued</u>	<u>Bonds Redeemed</u>	<u>Balance 6-30-2015</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%	1,350,000	-	135,000	1,215,000	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%	750,000	-	50,000	700,000	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%	2,750,000	-	250,000	2,500,000	250,000
Total	<u>\$ 4,850,000</u>	<u>\$ -</u>	<u>\$ 435,000</u>	<u>\$ 4,415,000</u>	<u>\$ 435,000</u>

Total bond interest paid for the year was \$123,799.

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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, 2015, including interest of \$678,931 are shown below:

	Governmental Activities	
	G.O. Bonds	
	Principal	Interest
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
6/30/2020	455,000	76,863
2021-2025	2,105,000	181,818
2026-2027	75,000	3,563
TOTAL	<u>\$ 4,415,000</u>	<u>\$ 678,931</u>

Legal Debt Margin

The legal debt margin is specified by Article IX Section 11 of the Constitution of the State of New Mexico as not greater than 6% of the assessed value of the taxable property within the School District. Based on these criteria, the maximum general obligation debt permissible is \$6,546,906 including \$4,415,000 debt outstanding based on the June 30, 2015 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, 2015.

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, 2015

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 – Education Retirement Board

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan Description – Substantially all of the Estancia Municipal School District's (District) 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

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

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

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

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

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

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

Contributions - The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$620,553 for the year ended June 30, 2015.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the District reported a liability of \$9,684,898 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the District's proportion was .16974 percent, which was a decrease of .0086 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$(89170). At June 30, 2015, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 144,275
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	880,423
Changes in proportion and differences between the District contributions and proportionate share of contributions	-	400,690
The District contributions subsequent to the measurement date	<u>620,553</u>	<u>-</u>
Total	<u>\$ 620,553</u>	<u>\$ 1,425,388</u>

\$620,553 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

Year ended June 30:

2016	(409,324)
2017	(409,324)
2018	(386,617)
2019	(220,101)
Thereafter	Unavailable

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

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

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

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

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

Asset Class	2014 Long-Term Expected Real Rate of Return	2013 Long-Term Expected Real Rate of Return
Cash	1.50%	0.75%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	0.75%
Global Bonds (Hedged)	1.38%	0.93%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The District's proportionate share of the net pension liability	<u>\$ 13,177,424</u>	<u>\$ 9,684,898</u>	<u>\$ 6,767,857</u>

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

Payables to the pension plan – The District has no payables to the pension plan.

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, 2015

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

The Estancia Municipal School District's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$90,192, \$93,914 and \$96,754 respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

V. OTHER INFORMATION (continued)

E. Restatement of Beginning Net Position for Governmental Funds

	Governmental Activities
Net Assets at June 30, 2014	\$ 11,362,767
Prior Period Adjustments	
To correct beginning balance of investments	(107)
To book pension liability per GASB 68	(10,578,903)
Net Assets at June 30, 2014 as Restated	<u>\$ 783,757</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, 2015.

G. – Restatements of Beginning Fund Balances

Adjustments made to the District's prior year fund balances consisted of the following:

Operational - to correct beginning balance of investments	\$	(48)
Ed Tech Equipment Act - to correct beginning balance of investments	\$	(59)

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, 2015, they consisted of the following:

Due to Operational	<u>\$ 216,189</u>
Due From:	
Title I	\$ 134,346
IDEA-B Entitlement	24,274
IDEA-B Preschool	2,452
Teacher/Principal Training	28,129
USDA Equip Assistance	12,500
Dual Credit	209
NM Reads to Leads K-3	3,851
Breakfast for Elementary Students	4,434
Parent Advocacy	5,994
Total Due From	<u>\$ 216,189</u>
Due to Activities	<u>\$ 160</u>
Due from Operational	<u>\$ 160</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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	SB-9	Non-Major Governmental Funds	Total
Nonspendable:				
Inventory	\$ -	\$ -	\$ 2,208	\$ 2,208
Total Nonspendable	-	-	2,208	2,208
Restricted for:				
Transportation	5,773	-	-	5,773
Instructional Materials	22,508	-	-	22,508
Special Revenue Funds	-	325,481	48,253	373,734
Debt Service	-	-	93,784	93,784
Capital Projects	-	-	128,630	128,630
Total Restricted	28,281	325,481	270,667	624,429
Unassigned	1,188,096	-	-	1,188,096
Total Fund Balances	\$ 1,216,377	\$ 325,481	\$ 272,875	\$ 1,814,733

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

V. OTHER INFORMATION (continued)

K. – Overspent Budgets

At June 30, 2015 the District had two funds which had overspent budgets that consisted of the following:

SB-9	\$32
Debt Service	\$33

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

V. OTHER INFORMATION (continued)

L - Reconciliation of Budgetary and GAAP Basis Amounts

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>
REVENUES			
Budgetary Basis	\$ 7,283,146	\$ 390,265	\$ 52,098
Add:			
Current Year Receivables & Other Credits	872	-	-
Deduct:			
Prior Year Receivables & Other Debits	<u>816</u>	<u>-</u>	<u>-</u>
REVENUE --GAAP BASIS	<u>\$ 7,283,202</u>	<u>\$ 390,265</u>	<u>\$ 52,098</u>
EXPENDITURES			
Budgetary Basis	\$ 7,267,441	\$ 384,492	\$ 38,696
Add:			
Current Year Payables & Other Debits	-	-	-
Deduct:			
Prior Year Payables & Other Credits	<u>32,355</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u>\$ 7,235,086</u>	<u>\$ 384,492</u>	<u>\$ 38,696</u>

<u>Food Services</u>	<u>Athletics</u>	<u>Title I</u>	<u>Entitlement</u>	<u>Preschool</u>	<u>Risk Pool</u>
\$ 330,071	\$ 38,798	\$ 192,471	\$ 242,604	\$ 14,037	\$ 1,713
27,560	-	134,346	24,274	2,452	-
-	-	103,785	108,526	4,425	1,713
<u>\$ 357,631</u>	<u>\$ 38,798</u>	<u>\$ 223,032</u>	<u>\$ 158,352</u>	<u>\$ 12,064</u>	<u>\$ -</u>
\$ 393,849	\$ 34,240	\$ 223,032	\$ 158,352	\$ 12,064	\$ -
27,560	-	-	-	-	-
2,194	-	-	-	-	-
<u>\$ 419,215</u>	<u>\$ 34,240</u>	<u>\$ 223,032</u>	<u>\$ 158,352</u>	<u>\$ 12,064</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

V. OTHER INFORMATION (continued)

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

	Teacher/ Principal Training	USDA Equip Assistance	Medicaid Title XIX
REVENUES			
Budgetary Basis	\$ 39,125	\$ -	\$ 78,416
Add:			
Current Year Receivables & Other Credits	28,129	12,500	3,468
Deduct:			
Prior Year Receivables & Other Debits	<u>15,437</u>	<u>-</u>	<u>-</u>
REVENUE --GAAP BASIS	<u><u>\$ 51,817</u></u>	<u><u>\$ 12,500</u></u>	<u><u>\$ 81,884</u></u>
EXPENDITURES			
Budgetary Basis	\$ 51,817	\$ 12,500	\$ 81,884
Add:			
Current Year Payables & Other Debits	-	-	-
Deduct:			
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u><u>\$ 51,817</u></u>	<u><u>\$ 12,500</u></u>	<u><u>\$ 81,884</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>
\$ 5,292	\$ 2,692	\$ 2,225	\$ -	\$ 63,683	\$ 4,999
-	209	-	-	3,851	-
-	-	2,225	-	18,345	4,999
<u>\$ 5,292</u>	<u>\$ 2,901</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,189</u>	<u>\$ -</u>
\$ 5,292	\$ 2,901	\$ -	\$ -	\$ 49,189	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 5,292</u>	<u>\$ 2,901</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,189</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

V. OTHER INFORMATION (continued)

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

	Beginning Teacher Mentoring	Breakfast for Elementary Students	2010 GOB Instructional Materials
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Budgetary Basis	\$ -	\$ 10,533	\$ 2,057
Add:			
Current Year Receivables & Other Credits	-	4,434	-
Deduct:			
Prior Year Receivables & Other Debits	<u>-</u>	<u>8,470</u>	<u>2,057</u>
REVENUE --GAAP BASIS	<u>\$ -</u>	<u>\$ 6,497</u>	<u>\$ -</u>
EXPENDITURES			
Budgetary Basis	\$ -	\$ 6,497	\$ -
Add:			
Current Year Payables & Other Debits	-	-	-
Deduct:			
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u>\$ -</u>	<u>\$ 6,497</u>	<u>\$ -</u>

<u>NM Grown FVV</u>	<u>Parent Advocacy Project</u>	<u>Wind Farm Projects</u>	<u>SB-9</u>	<u>Bond Building</u>	<u>SCO State</u>
\$ 590	\$ -	\$ 149,500	\$ 292,839	\$ -	\$ 29,978
-	5,994	81,183	3,932	-	-
<u>590</u>	<u>-</u>	<u>-</u>	<u>92,037</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 5,994</u>	<u>\$ 230,683</u>	<u>\$ 204,734</u>	<u>\$ -</u>	<u>\$ 29,978</u>
\$ -	\$ 5,994	\$ 230,683	\$ 149,484	\$ 471,284	\$ 29,978
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 5,994</u>	<u>\$ 230,683</u>	<u>\$ 149,484</u>	<u>\$ 471,284</u>	<u>\$ 29,978</u>

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

V. OTHER INFORMATION (continued)

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

	Ed Tech Equipment Act	Debt Service	Ed Tech Debt Service
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Budgetary Basis	\$ -	\$ 563,475	\$ 3,220
Add:			
Current Year Receivables & Other Credits	-	9,994	398
Deduct:			
Prior Year Receivables & Other Debits	<u>-</u>	<u>8,631</u>	<u>438</u>
REVENUE --GAAP BASIS	<u>\$ -</u>	<u>\$ 564,838</u>	<u>\$ 3,180</u>
EXPENDITURES			
Budgetary Basis	\$ -	\$ 565,835	\$ 32
Add:			
Current Year Payables & Other Debits	-	12,783	-
Deduct:			
Prior Year Payables & Other Credits	<u>-</u>	<u>14,184</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u>\$ -</u>	<u>\$ 564,434</u>	<u>\$ 32</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, 2015

	Operational	Transportation	Instructional Materials	TOTALS
ASSETS				
Cash on Deposit	\$ 727,302	\$ 5,773	\$ 22,508	\$ 755,583
Investments	242,792	-	-	242,792
Accounts Receivable				
Property Taxes	846	-	-	846
Interest	26	-	-	26
Federal	-	-	-	-
State	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	216,189	-	-	216,189
Due from Other Governments	1,101	-	-	1,101
TOTAL ASSETS	\$ 1,188,256	\$ 5,773	\$ 22,508	\$ 1,216,537
LIABILITIES AND OTHER CREDITS				
Accounts Payable	-	-	-	-
Accrued Interest Payable	-	-	-	-
Due to Activity Funds	160	-	-	160
Due to Other Funds	-	-	-	-
TOTAL LIABILITIES	160	-	-	160
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	-	5,773	22,508	28,281
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	1,188,096	-	-	1,188,096
TOTAL FUND BALANCE	1,188,096	5,773	22,508	1,216,377
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 1,188,256	\$ 5,773	\$ 22,508	\$ 1,216,537

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

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

YEAR ENDED JUNE 30, 2015

	Operational	Transportation	Instructional Materials	TOTALS
REVENUE				
Federal Programs	\$ 1,815	\$ -	\$ -	\$ 1,815
State Programs	219	390,265	52,008	442,492
Local Programs	18,710	-	-	18,710
State Equalization	7,176,185	-	-	7,176,185
Property Taxes	43,027	-	-	43,027
Service Revenues	4,636	-	-	4,636
Interest	298	-	-	298
Other revenue sources	38,312	-	90	38,402
TOTAL REVENUES	7,283,202	390,265	52,098	7,725,565
EXPENDITURES				
Current				
Instruction	3,974,486	-	38,696	4,013,182
Support Services Students	674,849	-	-	674,849
Support Services Instruction	320,808	-	-	320,808
Support Services General Administration	323,169	-	-	323,169
Support Services School Administration	523,235	-	-	523,235
Central Services	267,707	-	-	267,707
Operation and Maintenance of Plant	1,110,457	-	-	1,110,457
Student Transportation	25,958	384,492	-	410,450
Other Support Services	9,417	-	-	9,417
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	7,235,086	384,492	38,696	7,658,274
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	48,116	5,773	13,402	67,291
OTHER FINANCING SOURCES (USES)				
Transfer In/Transfers (Out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-
NET CHANGE IN FUND BALANCE	48,116	5,773	13,402	67,291
FUND BALANCE June 30, 2014	1,140,028	-	9,106	1,149,134
Restatements	(48)	-	-	(48)
June 30, 2014 as restated	1,139,980	-	9,106	1,149,086
FUND BALANCE June 30, 2015	\$ 1,188,096	\$ 5,773	\$ 22,508	\$ 1,216,377

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, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 42,282	\$ 42,282	\$ 42,975	\$ 693
Fees - Users	1,000	1,000	1,651	651
Fees - Activities	100	100	146	46
Fees - Educational	600	600	589	(11)
Fees - Summer School	1,000	1,000	2,250	1,250
Interest Income	200	200	294	94
Refunds	-	-	1,752	1,752
State Equalization	7,173,536	7,175,772	7,176,185	413
Sale of Personal Property	-	-	3,825	3,825
Insurance Recoveries	1,000	1,000	32,735	31,735
Fees-Govt Agencies	-	-	219	219
Forrest Reserve	-	1,815	1,815	-
Access Board (E-Rate)	-	-	18,710	18,710
TOTAL REVENUE	<u>7,219,718</u>	<u>7,223,769</u>	<u>\$ 7,283,146</u>	<u>\$ 59,377</u>
BUDGETED CASH BALANCE	<u>1,033,216</u>	<u>1,170,466</u>		
TOTAL REVENUE & CASH	<u>\$ 8,252,934</u>	<u>\$ 8,394,235</u>		
EXPENDITURES				
Current				
Instruction	\$ 4,783,752	\$ 4,821,002	\$ 3,974,486	\$ 846,516
Support Services	-	-	-	-
Support Services Students	753,211	753,211	674,849	78,362
Support Services Instruction	326,483	369,483	320,808	48,675
Support Services General Administration	298,457	334,042	328,169	5,873
Support Services School Administration	611,136	532,551	523,235	9,316
Central Services	213,993	280,113	267,707	12,406
Operation and Maintenance of Plant	1,199,357	1,237,288	1,142,812	94,476
Student Transportation	34,500	34,500	25,958	8,542
Other Support Services	22,045	22,045	9,417	12,628
Food Services Operations	10,000	10,000	-	10,000
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 8,252,934</u>	<u>\$ 8,394,235</u>	<u>\$ 7,267,441</u>	<u>\$ 1,126,794</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, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	384,746	390,265	390,265	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>384,746</u>	<u>390,265</u>	<u>\$ 390,265</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 384,746</u>	<u>\$ 390,265</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	384,746	390,265	384,492	5,773
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 384,746</u>	<u>\$ 390,265</u>	<u>\$ 384,492</u>	<u>\$ 5,773</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, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	39,847	39,847	52,008	12,161
Local Programs	-	-	90	90
TOTAL REVENUE	<u>39,847</u>	<u>39,847</u>	<u>\$ 52,098</u>	<u>\$ 12,251</u>
BUDGETED CASH BALANCE	<u>1,642</u>	<u>9,106</u>		
TOTAL REVENUE & CASH	<u>\$ 41,489</u>	<u>\$ 48,953</u>		
EXPENDITURES				
Current				
Instruction	\$ 41,489	\$ 48,953	\$ 38,696	\$ 10,257
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>\$ 41,489</u>	<u>\$ 48,953</u>	<u>\$ 38,696</u>	<u>\$ 10,257</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.

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

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

IDEA-B 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.

USDA EQUIPMENT ASSISTANCE PROGRAM – to provide assistance for the purchase of new kitchen equipment under the USDA School Equipment Grant funded by the National School Lunch Program. Fund and authority provided by U.S. Department of Agriculture Food Nutrition Service 41 CFR 1-15.2: any USDA Regulations implementing OMB Circulars, such as 7CFR 3015, 3016, 3017, 3018. And 3019, 3021 as amended Omniscircular.

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.

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.

PARENT ADVOCACY PROJECT – to provide funding for the opportunity to receive services to develop a student-parent portal or request reimbursement for an existing student-parent portal. These portals can be used to deliver student information and reports to students and parents online. Fund and authority provided by the NM PED.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

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

JUNE 30, 2015

	FOOD SERVICES	ATHLETICS	IDEA-B ENTITLEMENT	IDEA-B PRESCHOOL
ASSETS				
Cash on Deposit	\$ 34,105	\$ 14,148	\$ -	\$ -
Investments	-	-	-	-
Accounts Receivable				
Property Taxes	-	-	-	-
Interest	-	-	-	-
Federal	-	-	24,274	2,452
State	-	-	-	-
Inventories	2,208	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
TOTAL ASSETS	\$ 36,313	\$ 14,148	\$ 24,274	\$ 2,452
LIABILITIES AND OTHER CREDITS				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Interest	-	-	-	-
Due to Activity Funds	-	-	-	-
Due to Other Funds	-	-	24,274	2,452
TOTAL LIABILITIES	-	-	24,274	2,452
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-	-
FUND BALANCE				
Nonspendable	2,208	-	-	-
Restricted	34,105	14,148	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	36,313	14,148	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 36,313	\$ 14,148	\$ 24,274	\$ 2,452

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

EXHIBIT B-1

IDEA-B RISK POOL	TEACHER/ PRINCIPAL TRAINING	USDA EQUIP ASSISTANCE PROGRAM	TITLE XIX MEDICAID	R.E.A.P.	2009 DUAL CREDIT INSTRUCTIONAL MATERIALS	2010 GO BOND STUDENT LIBRARY FUND
\$ -	\$ -	\$ -	\$ 14,842	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	28,129	12,500	-	-	-	-
-	-	-	-	-	209	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 28,129</u>	<u>\$ 12,500</u>	<u>\$ 14,842</u>	<u>\$ -</u>	<u>\$ 209</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	28,129	12,500	-	-	209	-
-	28,129	12,500	-	-	209	-
-	-	-	14,842	-	-	-
-	-	-	14,842	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 28,129</u>	<u>\$ 12,500</u>	<u>\$ 14,842</u>	<u>\$ -</u>	<u>\$ 209</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

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

JUNE 30, 2015

	2012 GO BOND STUDENT LIBRARY FUND	NM READS TO LEADS K-3	TEACHER/LEADER STIPENDS SERVING @ RISK & ADVANCED PLACEMENT
ASSETS			
Cash on Deposit	\$ -	\$ -	\$ -
Investments	-	-	-
Accounts Receivable			
Property Taxes	-	-	-
Interest	-	-	-
Federal	-	-	-
State	-	3,851	-
Inventories	-	-	-
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
TOTAL ASSETS	\$ -	\$ 3,851	\$ -
LIABILITIES AND OTHER CREDITS			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Interest	-	-	-
Due to Activity Funds	-	-	-
Due to Other Funds	-	3,851	-
TOTAL LIABILITIES	-	3,851	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-
FUND BALANCE			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCE	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ -	\$ 3,851	\$ -

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

EXHIBIT B-1
CONTINUED

BEGINNING TEACHER MENTORING	BREAKFAST FOR ELEMENTARY STUDENTS	2010 GOB INSTRUCTIONAL MATERIALS	NEW MEXICO GROWN FVV	PARENT ADVOCACY PROJECT	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ 1,065	\$ -	\$ -	\$ -	\$ -	\$ 64,160
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	67,355
-	4,434	-	-	5,994	14,488
-	-	-	-	-	2,208
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,065</u>	<u>\$ 4,434</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,994</u>	<u>\$ 148,211</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	4,434	-	-	5,994	81,843
-	<u>4,434</u>	-	-	<u>5,994</u>	<u>81,843</u>
1,065	-	-	-	-	15,907
<u>1,065</u>	-	-	-	-	<u>15,907</u>
-	-	-	-	-	2,208
-	-	-	-	-	48,253
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	50,461
<u>\$ 1,065</u>	<u>\$ 4,434</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,994</u>	<u>\$ 148,211</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, 2015

	FOOD SERVICES	ATHLETICS	IDEA-B ENTITLEMENT	IDEA-B PRESCHOOL
REVENUE				
Federal Programs	\$ 350,096	\$ -	\$ 158,352	\$ 12,064
State Programs	-	-	-	-
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Property Taxes	-	-	-	-
Service Revenues	7,535	38,798	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
TOTAL REVENUES	<u>357,631</u>	<u>38,798</u>	<u>158,352</u>	<u>12,064</u>
EXPENDITURES				
Current				
Instruction	-	34,240	80,391	12,064
Support Services Students	-	-	76,213	-
Support Services Instruction	-	-	1,347	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	401	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	419,215	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>419,215</u>	<u>34,240</u>	<u>158,352</u>	<u>12,064</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(61,584)	4,558	-	-
OTHER FINANCING SOURCES (USES)				
Transfer In/Transfers (Out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(61,584)	4,558	-	-
FUND BALANCE June 30, 2014	97,897	9,590	-	-
Restatements	-	-	-	-
June 30, 2014 as restated	<u>97,897</u>	<u>9,590</u>	<u>-</u>	<u>-</u>
FUND BALANCE June 30, 2015	<u>\$ 36,313</u>	<u>\$ 14,148</u>	<u>\$ -</u>	<u>\$ -</u>

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

EXHIBIT B-2

IDEA-B RISK POOL	TEACHER/ PRINCIPAL TRAINING	USDA EQUIP ASSISTANCE PROGRAM	TITLE XIX MEDICAID	R.E.A.P.	2009 DUAL CREDIT INSTRUCTIONAL MATERIALS	2010 GO BOND STUDENT LIBRARY FUND
\$ -	\$ 51,817	\$ 12,500	\$ 81,884	\$ 5,292	\$ -	\$ -
-	-	-	-	-	2,901	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	51,817	12,500	81,884	5,292	2,901	-
-	51,817	-	6,705	5,292	2,901	-
-	-	-	75,179	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	12,500	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	51,817	12,500	81,884	5,292	2,901	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2015

	2012 GO BOND STUDENT LIBRARY FUND	NM READS TO LEADS K-3	TEACHER/LEADER STIPENDS SERVING @ RISK & ADVANCED PLACEMENT
REVENUE			
Federal Programs	\$ -	\$ -	\$ -
State Programs	-	49,189	-
Local Programs	-	-	-
State Equalization	-	-	-
Property Taxes	-	-	-
Service Revenues	-	-	-
Interest	-	-	-
Other revenue sources	-	-	-
TOTAL REVENUES	-	49,189	-
EXPENDITURES			
Current			
Instruction	-	49,189	-
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	-	-	-
Debt Service			
Principal	-	-	-
Interest and Fiscal Charge	-	-	-
TOTAL EXPENDITURES	-	49,189	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfer In/Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE June 30, 2014			
Restatements	-	-	-
June 30, 2014 as restated	-	-	-
FUND BALANCE June 30, 2015	\$ -	\$ -	\$ -

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

EXHIBIT B-2
CONTINUED

BEGINNING TEACHER MENTORING	BREAKFAST FOR ELEMENTARY STUDENTS	2010 GOB INSTRUCTIONAL MATERIALS	NEW MEXICO GROWN FVV	PARENT ADVOCACY PROJECT	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 672,005
-	6,497	-	-	5,994	64,581
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	46,333
-	-	-	-	-	-
-	-	-	-	-	-
-	6,497	-	-	5,994	782,919
-	-	-	-	-	242,599
-	-	-	-	-	151,392
-	-	-	-	5,994	7,341
-	-	-	-	-	-
-	-	-	-	-	401
-	-	-	-	-	-
-	-	-	-	-	-
-	6,497	-	-	-	438,212
-	-	-	-	-	-
-	-	-	-	-	-
-	6,497	-	-	5,994	839,945
-	-	-	-	-	(57,026)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(57,026)
-	-	-	-	-	107,487
-	-	-	-	-	-
-	-	-	-	-	107,487
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,461

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

YEAR ENDED JUNE 30, 2015

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 330,000	\$ 330,000	\$ 322,536	\$ (7,464)
State Programs	-	-	-	-
Local Programs	12,000	12,000	7,535	(4,465)
TOTAL REVENUE	<u>342,000</u>	<u>342,000</u>	<u>\$ 330,071</u>	<u>\$ (11,929)</u>
BUDGETED CASH BALANCE	<u>112,000</u>	<u>112,000</u>		
TOTAL REVENUE & CASH	<u>\$ 454,000</u>	<u>\$ 454,000</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	454,000	454,000	393,849	60,151
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 454,000</u>	<u>\$ 454,000</u>	<u>\$ 393,849</u>	<u>\$ 60,151</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, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	18,001	31,581	38,798	7,217
TOTAL REVENUE	<u>18,001</u>	<u>31,581</u>	<u>\$ 38,798</u>	<u>\$ 7,217</u>
BUDGETED CASH BALANCE	<u>4,236</u>	<u>9,589</u>		
TOTAL REVENUE & CASH	<u>\$ 22,237</u>	<u>\$ 41,170</u>		
EXPENDITURES				
Current				
Instruction	\$ 22,237	\$ 41,170	\$ 34,240	\$ 6,930
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>\$ 22,237</u>	<u>\$ 41,170</u>	<u>\$ 34,240</u>	<u>\$ 6,930</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 AND EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B ENTITLEMENT

YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 257,890	\$ 242,604	\$ (15,286)
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>257,890</u>	<u>\$ 242,604</u>	<u>\$ (15,286)</u>
 BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
 TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 257,890</u>		
 EXPENDITURES				
Current				
Instruction	\$ -	\$ 101,692	\$ 80,391	\$ 21,301
Support Services	-	-	-	-
Support Services Students	-	145,512	76,213	69,299
Support Services Instruction	-	5,000	1,347	3,653
Support Services General Administration	-	-	-	-
Support Services School Administration	-	5,686	401	5,285
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 257,890</u>	<u>\$ 158,352</u>	<u>\$ 99,538</u>

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

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

YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 13,144	\$ 14,037	\$ 893
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>13,144</u>	<u>\$ 14,037</u>	<u>\$ 893</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 13,144</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 13,144	\$ 12,064	\$ 1,080
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>\$ 13,144</u>	<u>\$ 12,064</u>	<u>\$ 1,080</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, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 177	\$ 1,713	\$ 1,536
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>177</u>	<u>\$ 1,713</u>	<u>\$ 1,536</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 177</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 177	\$ -	\$ 177
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>\$ 177</u>	<u>\$ -</u>	<u>\$ 177</u>

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-8

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

YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 37,135	\$ 55,415	\$ 39,125	\$ (16,290)
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>37,135</u>	<u>55,415</u>	<u>\$ 39,125</u>	<u>\$ (16,290)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 37,135</u>	<u>\$ 55,415</u>		
EXPENDITURES				
Current				
Instruction	\$ 37,135	\$ 55,415	\$ 51,817	\$ 3,598
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>\$ 37,135</u>	<u>\$ 55,415</u>	<u>\$ 51,817</u>	<u>\$ 3,598</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--USDA 2010 EQUIP ASSISTANCE PROGRAM

YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 12,500	\$ -	\$ (12,500)
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>12,500</u>	<u>\$ -</u>	<u>\$ (12,500)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 12,500</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	-	12,500	12,500	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 12,500</u>	<u>\$ 12,500</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--MEDICAID TITLE XIX

YEAR ENDED JUNE 30, 2015

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 89,800	\$ 89,800	\$ 78,416	\$ (11,384)
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>89,800</u>	<u>89,800</u>	<u>\$ 78,416</u>	<u>\$ (11,384)</u>
BUDGETED CASH BALANCE	<u>5,163</u>	<u>5,163</u>		
TOTAL REVENUE & CASH	<u>\$ 94,963</u>	<u>\$ 94,963</u>		
EXPENDITURES				
Current				
Instruction	\$ 16,872	\$ 16,872	\$ 6,705	\$ 10,167
Support Services	-	-	-	-
Support Services Students	78,091	78,091	75,179	2,912
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>\$ 94,963</u>	<u>\$ 94,963</u>	<u>\$ 81,884</u>	<u>\$ 13,079</u>

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

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

YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 5,292	\$ 5,292	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>5,292</u>	<u>\$ 5,292</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 5,292</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 5,292	\$ 5,292	\$ -
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>\$ 5,292</u>	<u>\$ 5,292</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, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	3,167	2,692	(475)
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>3,167</u>	<u>\$ 2,692</u>	<u>\$ (475)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 3,167</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 3,167	\$ 2,901	\$ 266
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>\$ 3,167</u>	<u>\$ 2,901</u>	<u>\$ 266</u>

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

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-13

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

YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	2,225	2,225
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 2,225</u>	<u>\$ 2,225</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--2012 GO BOND STUDENT LIBRARY FUND

YEAR ENDED JUNE 30, 2015

	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, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	50,000	50,000	63,683	13,683
Local Programs	-	-	-	-
TOTAL REVENUE	<u>50,000</u>	<u>50,000</u>	<u>\$ 63,683</u>	<u>\$ 13,683</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 50,000</u>	<u>\$ 50,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 49,500	\$ 49,500	\$ 49,189	\$ 311
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	500	500	-	500
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 49,189</u>	<u>\$ 811</u>

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-16

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--TEACHER/LEADER STIPENDS SERVING @ RISK

YEAR ENDED JUNE 30, 2015

	ORIGINAL ACTUAL	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	4,999	4,999
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 4,999</u>	<u>\$ 4,999</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--BEGINNING TEACHER MENTORING

YEAR ENDED JUNE 30, 2015

	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, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	6,497	10,533	4,036
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>6,497</u>	<u>\$ 10,533</u>	<u>\$ 4,036</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 6,497</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	-	6,497	6,497	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 6,497</u>	<u>\$ 6,497</u>	<u>\$ -</u>

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

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

YEAR ENDED JUNE 30, 2015

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-20

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

YEAR ENDED JUNE 30, 2015

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	590	590
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 590</u>	<u>\$ 590</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--PARENT ADVOCACY PROJECT

YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	5,994	-	(5,994)
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>5,994</u>	<u>\$ -</u>	<u>\$ (5,994)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 5,994</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	5,994	5,994	-
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>\$ 5,994</u>	<u>\$ 5,994</u>	<u>\$ -</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, 2015

	<u>DEBT SERVICE</u>	<u>ED TECH DEBT SERVICE</u>	<u>TOTAL NONMAJOR DEBT SERVICE</u>
ASSETS			
Cash on Deposit	\$ 47,490	\$ 48,685	\$ 96,175
Investments	-	-	-
Accounts Receivable			
Property Taxes	9,994	398	10,392
Interest	-	-	-
Federal	-	-	-
State	-	-	-
Inventories			
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
TOTAL ASSETS	<u>\$ 57,484</u>	<u>\$ 49,083</u>	<u>\$ 106,567</u>
LIABILITIES AND OTHER CREDITS			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Interest	12,783	-	12,783
Due to Activity Funds	-	-	-
Due to Other Funds	-	-	-
TOTAL LIABILITIES	<u>12,783</u>	<u>-</u>	<u>12,783</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Nonspendable	-	-	-
Restricted	44,701	49,083	93,784
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCE	<u>44,701</u>	<u>49,083</u>	<u>93,784</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 57,484</u>	<u>\$ 49,083</u>	<u>\$ 106,567</u>

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT C-2

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

YEAR ENDED JUNE 30, 2015

	DEBT SERVICE	ED TECH DEBT SERVICE	TOTAL NONMAJOR DEBT SERVICE
REVENUE			
Federal Programs	\$ -	\$ -	\$ -
State Programs	-	-	-
Local Programs	-	-	-
State Equalization	-	-	-
Property Taxes	564,838	3,180	568,018
Service Revenues	-	-	-
Interest	-	-	-
Other revenue sources	-	-	-
TOTAL REVENUES	564,838	3,180	568,018
EXPENDITURES			
Current			
Instruction	-	-	-
Support Services Students	-	-	-
Support Services Instruction	-	-	-
Support Services General Administration	5,635	32	5,667
Support Services School Administration	-	-	-
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	-	-	-
Capital Outlay	-	-	-
Debt Service			
Principal	435,000	-	435,000
Interest and Fiscal Charge	123,799	-	123,799
TOTAL EXPENDITURES	564,434	32	564,466
EXCESS (DEFICIENCY) OF			
REVENUE OVER EXPENDITURES	404	3,148	3,552
OTHER FINANCING SOURCES (USES)			
Transfers In/Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-
NET CHANGE IN FUND BALANCE	404	3,148	3,552
FUND BALANCE June 30, 2014	44,297	45,935	90,232
Restatements	-	-	-
June 30, 2014 as restated	44,297	45,935	90,232
FUND BALANCE June 30, 2015	\$ 44,701	\$ 49,083	\$ 93,784

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, 2015

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	565,802	565,802	563,475	(2,327)
TOTAL REVENUE	<u>565,802</u>	<u>565,802</u>	<u>\$ 563,475</u>	<u>\$ (2,327)</u>
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	<u>\$ 565,802</u>	<u>\$ 565,802</u>		
EXPENDITURES				
Support Services General Administration	\$ 5,602	\$ 5,602	\$ 5,635	\$ (33)
Debt Service - Principal	435,000	435,000	435,000	-
Debt Service - Interest	125,200	125,200	125,200	-
TOTAL EXPENDITURES	<u>\$ 565,802</u>	<u>\$ 565,802</u>	<u>\$ 565,835</u>	<u>\$ (33)</u>

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

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT C-4

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

YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	3,220	3,220
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 3,220</u>	<u>\$ 3,220</u>
BUDGETED CASH BALANCE	<u>45,409</u>	<u>45,409</u>		
TOTAL REVENUE & CASH	<u>\$ 45,409</u>	<u>\$ 45,409</u>		
EXPENDITURES				
Support Services General Administration	\$ 50	\$ 50	\$ 32	\$ 18
Debt Service - Principal	45,359	45,359	-	45,359
Debt Service - Interest	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 45,409</u>	<u>\$ 45,409</u>	<u>\$ 32</u>	<u>\$ 45,377</u>

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

CAPITAL PROJECTS FUND

BOND BUILDING FUND -- 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.

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, 2015

	<u>BOND BUILDING</u>	<u>SPECIAL CAPITAL OUTLAY STATE</u>
ASSETS		
Cash on Deposit	\$ 128,539	\$ -
Investments	-	-
Accounts Receivable		
Property Taxes	-	-
Interest	-	-
Federal	-	-
State	-	-
Inventories	-	-
Due from Other Funds	-	-
Due from Other Governments	-	-
TOTAL ASSETS	<u>\$ 128,539</u>	<u>\$ -</u>
LIABILITIES AND OTHER CREDITS		
Accounts Payable	\$ -	\$ -
Accrued Interest	-	-
Due to Activity Funds	-	-
Due to Other Funds	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>
FUND BALANCE		
Nonspendable	-	-
Restricted	128,539	-
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCE	<u>128,539</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 128,539</u>	<u>\$ -</u>

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

EXHIBIT D-1

<u>ED TECH EQUIPMENT ACT</u>	<u>TOTAL NONMAJOR CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR SPECIAL REVENUE</u>	<u>TOTAL NONMAJOR DEBT SERVICE</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
\$ 3 88	\$ 128,542 88	\$ 64,160 -	\$ 96,175 -	\$ 288,877 88
-	-	-	10,392	10,392
-	-	-	-	-
-	-	67,355	-	67,355
-	-	14,488	-	14,488
-	-	2,208	-	2,208
-	-	-	-	-
-	-	-	-	-
<u>\$ 91</u>	<u>\$ 128,630</u>	<u>\$ 148,211</u>	<u>\$ 106,567</u>	<u>\$ 383,408</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	12,783	12,783
-	-	-	-	-
-	-	81,843	-	81,843
-	-	81,843	12,783	94,626
-	-	15,907	-	15,907
-	-	15,907	-	15,907
-	-	2,208	-	2,208
91	128,630	48,253	93,784	270,667
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>91</u>	<u>128,630</u>	<u>50,461</u>	<u>93,784</u>	<u>272,875</u>
<u>\$ 91</u>	<u>\$ 128,630</u>	<u>\$ 148,211</u>	<u>\$ 106,567</u>	<u>\$ 383,408</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, 2015

	<u>BOND BUILDING</u>	<u>SPECIAL CAPITAL OUTLAY STATE</u>
REVENUE		
Federal Programs	\$ -	\$ -
State Programs	-	29,978
Local Programs	-	-
State Equalization	-	-
Property Taxes	-	-
Service Revenues	-	-
Interest	-	-
Other revenue sources	-	-
TOTAL REVENUES	<u>-</u>	<u>29,978</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	471,284	29,978
Debt Service		
Principal	-	-
Interest and Fiscal Charge	-	-
TOTAL EXPENDITURES	<u>471,284</u>	<u>29,978</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(471,284)	-
OTHER FINANCING SOURCES (USES)		
Transfer In/Transfers (Out)	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(471,284)	-
FUND BALANCE June 30, 2014	599,823	-
Restatements	-	-
June 30, 2014 as restated	<u>599,823</u>	<u>-</u>
FUND BALANCE June 30, 2015	\$ 128,539	\$ -

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

EXHIBIT D-2

<u>ED TECH EQUIPMENT ACT</u>	<u>TOTAL NONMAJOR CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR SPECIAL REVENUE</u>	<u>TOTAL NONMAJOR DEBT SERVICE</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
\$ -	\$ -	\$ 672,005	\$ -	\$ 672,005
-	29,978	64,581	-	94,559
-	-	-	-	-
-	-	-	-	-
-	-	-	568,018	568,018
-	-	46,333	-	46,333
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>29,978</u>	<u>782,919</u>	<u>568,018</u>	<u>1,380,915</u>
-	-	242,599	-	242,599
-	-	151,392	-	151,392
-	-	7,341	-	7,341
-	-	-	5,667	5,667
-	-	401	-	401
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	438,212	-	438,212
-	501,262	-	-	501,262
-	-	-	-	-
-	-	-	435,000	435,000
-	-	-	123,799	123,799
<u>-</u>	<u>501,262</u>	<u>839,945</u>	<u>564,466</u>	<u>1,905,673</u>
-	(471,284)	(57,026)	3,552	(524,758)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(471,284)	(57,026)	3,552	(524,758)
150	599,973	107,487	90,232	797,692
(59)	(59)	-	-	(59)
<u>91</u>	<u>599,914</u>	<u>107,487</u>	<u>90,232</u>	<u>797,633</u>
<u>\$ 91</u>	<u>\$ 128,630</u>	<u>\$ 50,461</u>	<u>\$ 93,784</u>	<u>\$ 272,875</u>

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

YEAR ENDED JUNE 30, 2015

	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>601,887</u>	<u>601,887</u>		
TOTAL REVENUES & CASH	<u>\$ 601,887</u>	<u>\$ 601,887</u>		
EXPENDITURES				
Other Support Services	\$ -	\$ -	\$ -	\$ -
Capital Outlay	601,887	601,887	471,284	130,603
TOTAL EXPENDITURES	<u>\$ 601,887</u>	<u>\$ 601,887</u>	<u>\$ 471,284</u>	<u>\$ 130,603</u>

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

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

YEAR ENDED JUNE 30, 2015

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	36,750	36,750	29,978	(6,772)
Local Programs	-	-	-	-
TOTAL REVENUE	<u>36,750</u>	<u>36,750</u>	<u>\$ 29,978</u>	<u>\$ (6,772)</u>
 BUDGETED CASH BALANCE	 <u>-</u>	 <u>-</u>		
 TOTAL CASH & REVENUE	 <u>\$ 36,750</u>	 <u>\$ 36,750</u>		
 EXPENDITURES				
Other Support Services	\$ -	\$ -	\$ -	\$ -
Capital Outlay	36,750	36,750	29,978	6,772
 TOTAL EXPENDITURES	 <u>\$ 36,750</u>	 <u>\$ 36,750</u>	 <u>\$ 29,978</u>	 <u>\$ 6,772</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, 2015

	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.

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 E-1

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

YEAR ENDED JUNE 30, 2015

	Balance 6/30/2014	ADDITIONS	DEDUCTIONS	Balance 6/30/2015
ASSETS				
Cash				
Dist-Library Funds	\$ 527	\$ -	\$ 103	\$ 424
Dist-Exceptional Programs	39	1,705	1,371	373
Buckland's Gang	825	-	-	825
EVLC-Grants	100	-	-	100
Estancia High School	62,957	175,192	166,210	71,939
Estancia Middle School	17,041	21,633	20,168	18,506
Estancia Elementary School	24,199	29,901	26,901	27,199
Total Cash	<u>105,688</u>	<u>228,431</u>	<u>214,753</u>	<u>119,366</u>
Due from:				
Operational	-	-	160	(160)
Total Due from	<u>-</u>	<u>-</u>	<u>160</u>	<u>(160)</u>
TOTAL ASSETS	<u>\$ 105,688</u>	<u>\$ 228,431</u>	<u>\$ 214,913</u>	<u>\$ 119,206</u>
LIABILITIES				
Due to Student groups	<u>\$ 105,688</u>	<u>\$ 228,431</u>	<u>\$ 214,913</u>	<u>\$ 119,206</u>
TOTAL LIABILITIES	<u>\$ 105,688</u>	<u>\$ 228,431</u>	<u>\$ 214,913</u>	<u>\$ 119,206</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE 1

BANK SUMMARY

JUNE 30, 2015

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING (CHECKS) DEPOSITS	NET CASH BALANCE
Wells Fargo Bank	Checking	Multi Fund	\$ 2,572,620	\$ (597,097)	\$ 1,975,523
	Checking	Athletics	14,128	-	14,128
	Checking	Activity	121,855	(2,649)	119,206
Total Wells Fargo Bank			<u>2,708,603</u>	<u>(599,746)</u>	<u>2,108,857</u>
New Mexico State Treasurer	LGIP	Operational *	242,792	-	242,792
New Mexico State Treasurer	LGIP	Operational *	-	-	-
New Mexico State Treasurer	LGIP	Ed Tech. Equip. Act *	-	-	-
New Mexico State Treasurer	LGIP	Ed Tech. Equip. Act *	88	-	88
			<u>242,880</u>	<u>-</u>	<u>242,880</u>
Total All Accounts			<u>\$ 2,951,483</u>	<u>\$ (599,746)</u>	<u>\$ 2,351,737</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>\$ 242,880</u>	59-day WAM
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STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE 2

SCHEDULE OF PLEDGED COLLATERAL

JUNE 30, 2015

	Total Deposits	FDIC Insurance	Collateral Required	Collateral Pledged	Uninsured Uncollateralized
Wells Fargo Bank	\$ 2,708,603	\$ 250,000	\$ 1,229,302	\$ 1,594,478	\$ -
Total	\$ 2,708,603	\$ 250,000	\$ 1,229,302	\$ 1,594,478	\$ -

Collateral Description	Amount	Matures
FN AI0830	187,065	10/01/41
FN AJ8361	42,927	01/01/42
FN AO8780	11,084	08/01/42
FN AQ0440	21,240	10/01/42
FN AQ9991	952,265	02/01/43
FN AR9199	86,584	03/01/43
FN AB7744	263,260	01/01/43
FN AD1656	22,379	03/01/40
FN AE2539	7,674	09/01/40
	<u>\$ 1,594,478</u>	

Collateral is held at Wells Fargo Bank

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2015

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Food Services</u>
Audited Net Cash				
JUNE 30, 2014	\$ 657,056	\$ -	\$ 9,106	\$ 97,883
Investments on hand/Loans	242,840	-	-	-
TOTAL CASH BALANCE				
JUNE 30, 2014	899,896	-	9,106	97,883
Add: Prior year void checks	-	-	-	-
2014-2015 Revenue	7,283,146	390,265	52,098	330,071
Transfers In & Adjustments	270,730	-	-	-
TOTAL AVAILABLE CASH	8,453,772	390,265	61,204	427,954
Net Change				
2014-2015 Expenditures	7,267,441	384,492	38,696	393,849
Transfers Out & Adjustments	216,237	-	-	-
	<u>7,483,678</u>	<u>384,492</u>	<u>38,696</u>	<u>393,849</u>
NET CASH, JUNE 30, 2015	970,094	5,773	22,508	34,105
Cash On hand	-	-	-	-
Investments on Hand	<u>(242,792)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CASH, JUNE 30, 2015	<u>\$ 727,302</u>	<u>\$ 5,773</u>	<u>\$ 22,508</u>	<u>\$ 34,105</u>

SCHEDULE 3

Athletics	Federal Projects	Local/State Account	SB-9	Bond Building	SCO State
\$ 9,590	\$ 18,310	\$ 705,910	\$ 178,194	\$ 599,823	\$ -
-	-	-	-	-	-
9,590	18,310	705,910	178,194	599,823	-
-	-	-	-	-	-
38,798	573,658	236,279	292,839	-	29,978
-	201,701	14,488	-	-	-
48,388	793,669	956,677	471,033	599,823	29,978
34,240	544,941	295,264	149,484	471,284	29,978
20	233,886	36,686	-	-	-
34,260	778,827	331,950	149,484	471,284	29,978
14,128	14,842	624,727	321,549	128,539	-
20	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 14,148</u>	<u>\$ 14,842</u>	<u>\$ 624,727</u>	<u>\$ 321,549</u>	<u>\$ 128,539</u>	<u>\$ -</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE 3
continued

BANK RECONCILIATION

JUNE 30, 2015

	Ed Tech Equip Act	Debt Service	Ed Tech Debt Service	Activities
Audited Net Cash				
JUNE 30, 2014	\$ 3	\$ 49,850	\$ 45,497	\$ 105,688
Investments on hand/Loans	147	-	-	-
TOTAL CASH BALANCE				
JUNE 30, 2014	150	49,850	45,497	105,688
Add: Prior year void checks	-	-	-	-
2014-2015 Revenue	-	563,475	3,220	228,431
Transfers In & Adjustments	-	-	-	-
TOTAL AVAILABLE CASH	150	613,325	48,717	334,119
Net Change				
2014-2015 Expenditures	-	565,835	32	214,753
Transfers Out & Adjustments	59	-	-	160
	59	565,835	32	214,913
NET CASH, JUNE 30, 2015	91	47,490	48,685	119,206
Cash On hand				
Investments on Hand	(88)	-	-	-
TOTAL CASH, JUNE 30, 2015	<u>\$ 3</u>	<u>\$ 47,490</u>	<u>\$ 48,685</u>	<u>\$ 119,206</u>

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE 4

SCHEDULE OF THE PROPORTIONATE SHARE OF NET PENSION LIABILITY
EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN - LAST 10 FISCAL YEARS*

JUNE 30, 2015

	<u>2015</u>
Proportion of the net pension liability	0.16974%
Proportionate share of the net pension liability	\$ 9,684,898
Covered-employee payroll	\$ 4,678,766
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	206.99%
Plan fiduciary net position as a percentage of total pension liability	66.54%

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

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE 5

SCHEDULE OF CONTRIBUTIONS EDUCATIONAL RETIREMENT
BOARD (ERB) PENSION PLAN - LAST 10 FISCAL YEARS*

JUNE 30, 2015

	<u>2015</u>
Contractually required contribution	\$ 620,553
Contributions in relation to the contractually required contribuion	620,553
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 4,678,766
Contributions as a percentage of covered-employee payroll	13.26%

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

Notes to Required Supplementary Information (Schedules 4 & 5)

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

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

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:
 - a. Lower wage inflation from 4.75% to 4.25%
 - b. Lower payroll growth from 3.75% to 3.50%
 - c. Minor changes to demographic assumptions
 - d. Population growth per year from 0.75% to 0.50%
2. Assumptions that were not changed:
 - a. Investment return will remain at 7.75%
 - b. Inflation will remain at 3.00%

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

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE OF VENDOR INFORMATION FOR PURCHASES
 EXCEEDING \$60,000 (EXCLUDING GRT)

FOR THE YEAR ENDED JUNE 30, 2015

PREPARED BY AGENCY STAFF NAME: MARLA E LOVATO
 TITLE: FINANCE DIRECTOR DATE: NOVEMBER 5, 2015

<u>RFB#/RFP#</u>	<u>Type of Procurement</u>	<u>Awarded Vendor</u>	<u>\$ Amount of Awarded Contract</u>	<u>\$ Amount of Amended Contract</u>	<u>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</u>
1213-02	RFP	Bradburyy and Stamm	\$ 2,097,770.00	\$ 2,461,500.36	Bradbury and Stamm/7110 2nd st. NW, Albuquerque, NM 87107
N/A	RFP	Central Region Educational Coop.	\$ 91,173.34	\$ 91,173.34	Central Region Educational Cooperative, 5323 Manual Blvd, NE, Albuquerque, NM 87110
N/A	RFP	Cooperative Educational Services	\$ 154,289.28	\$ 154,289.28	Cooperative Educational Services/ 4216 Balloon Park Rd. NE, Albuquerque, NM 87109

SCHEDULE 6

<i>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
Yes	N/A	Built a New Middle School~~~Payments for FY 2014/2015 were only \$356,990.18
Yes	N/A	Ancillary Service for District for FY 2014/2015.
Yes	N/A	Renovations to Playgrounds (Rubber Chips and Synthetic Turf)

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

Timothy Keller
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, 2015, 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 18, 2015.

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, 2014-002 and 2015-001.

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 18, 2015

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

Timothy Keller
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, 2015. 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, 2015.

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 items 2015-002 and 2015-003. 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.

Woodard, Cowen & Co.

Clovis, New Mexico
September 18, 2015

SINGLE AUDIT SECTION

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2015

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements	Unmodified
Significant Deficiencies on GAGAS	None
Other matters required to be reported	2014-001, 2014-002, 2015-001
Material Noncompliance	None
Questioned Cost	None
Type A & Type B dollar threshold	\$300,000
Entity Risk	High Risk
Major Federal Programs	Special Education Cluster (IDEA) IDEA B – Entitlement CFDA # 84.027 IDEA B – Preschool CFDA # 84.173 National School Lunch Program CFDA # 10.555 Commodities CFDA # 10.565
Significant Deficiencies on Internal Control over Major Programs	None
Material weaknesses identified	None
Report on Compliance with Major Programs	Unmodified
Findings reportable under 510(a) of Circular A-133	2015-002 and 2015-003

II. FINANCIAL STATEMENT FINDINGS

Control

2014-001 Capital Assets (other)

Condition:	Capital Assets were not updated and reconciled in a timely manner, however, management has made significant changes to procedures in the subsequent period.
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 has implemented Monthly Capital Asset reconciliations and ensures that all reports on fixed assets are maintained monthly.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

JUNE 30, 2015

II. FINANCIAL STATEMENT FINDINGS (continued)

2014-002 Purchase Orders (other)

- Condition:** The district had several invoices dated before the purchase order. Of 89 invoices tested, 7 or 8% were dated prior to the purchase order. This amounted to \$85,392 of \$1,544,976 tested. The new finance director has made several significant changes in policy to correct this condition in the subsequent period.
- 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 has conducted trainings with Administrators and Staff on purchasing procedures and that a Purchase Order's must be in place prior to ANY purchases are made or employees will be responsible for the items or service.

Compliance

2015-001 Overspent Budget (other)

- Condition:** The Debt Service and SB-9 Fund budgets in the support services general administration function were overspent in the respective budget category by \$33 and \$32, respectively, for the year ended June 30, 2015.
- Criteria:** 22-8-11(B) NMSA 1978, states "No school board officer or employees of a school district shall make any expenditure or incur any obligation is made in accordance with an operating budget approved by the department. This prohibition does not prohibit the transfer of funds pursuant to the department's rules and procedures".
- Cause:** The District was estimating the 1% administrative costs based on revenue collections and adjusting their budget accordingly. However, collections in the final months were more than expected and by the time the actual amounts were known, it was too late to submit a BAR to increase the budget for those additional funds.
- Effect:** Violation of statutes regarding budgets and expenditures could affect future funding from the state.
- Recommendation:** The District should calculate the 1% fee on a more timely basis in order to prepare BAR's which can be submitted and approved before year end or estimate for delinquent collections with additional administrative fees in the original budget calculations.
- Response:** The District has submitted PED Transfer BAR's to the Board of Education to cover any overages that might occur due to delinquent taxes 1% administrative charge.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

JUNE 30, 2015

III. FEDERAL PROGRAM FINDINGS

2015-002 Request for Reimbursement of Grant Funds – FYE June 30, 2015 NSLP CFDA#10.555 US Department of Agriculture passed thru the New Mexico Public Education Department (other)

- Condition:** The request for reimbursement of funds for one month on the National School Lunch Program, in the amount of \$16,185 was not submitted before the NM Public Education Department deadline for requesting such reimbursements. Therefore, the funds were not reimbursed to the District.
- Criteria:** While there are no specific federal compliance requirements for failure to request reimbursement of funds on the NM Public Education Department's schedule, it is the District's policy and good cash management to request the funds in a timely manner.
- Cause:** The system to request the reimbursement from the NM Public Education Department was not working properly when the request was originally submitted. However, there was not a timely follow up by the District staff to get the problem rectified or determine if there was an alternate solution to ensure the District would get the reimbursement.
- Effect:** When reimbursements for expenditures can no longer be requested, the District must use other funds from other food service revenues or the operational account to cover those expenditures.
- Recommendation:** There should be procedures in place to ensure that all grants requests are timely submitted or alternate procedures if the submissions cannot be transmitted through the PED system.
- Response:** The District has started notifying the PED by the 30th of every month when Request for Reimbursements have not been received.

2015-003 Commodities Inventory – FYE June 30, 2015 Commodities CFDA#10.565 US Department of Agriculture passed thru the New Mexico Public Education Department (other)

- Condition:** The District did not have a complete food inventory, showing costs with extensions available for audit. The total commodities inventory at June 30, 2015 was \$637.
- Criteria:** District policies require that food inventory is to be maintained on a regular basis also, inventory is to be maintained pursuant to USDA Regulations and Policies – Food Distribution under 7 CFR part 250.
- Cause:** The year-end food inventory was taken by the District staff, however, the cost and extensions were not made on the Commodities part of the inventory until the auditors requested the calculations be made.
- Effect:** Failure to maintain records required by 7 CFR Section 250.16 shall be considered prima facie evidence of improper distribution or loss of donated foods, and the district could be liable for the value of the food or replacement of the food in kind.
- Recommendation:** The District should develop systems to ensure that inventories are tracked and maintained pursuant to USDA guidelines possibly by delegating someone from the business office be in charge of receiving and checking the food inventory amounts on a regular basis.
- Response:** The District has implemented a monthly commodity inventory listing and it will be kept on file in the Business Office.

STATE OF NEW MEXICO
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

JUNE 30, 2015

IV. PRIOR YEAR AUDIT FINDINGS

2014-001	Capital Assets	Revised and Repeated
2014-002	Purchase Orders	Revised and Repeated
2014-003	Late Federal Report	Resolved
2014-004	Time Records (Title I and IDEA B)	Resolved

STATE OF NEW MEXICO
 ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2015

	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM EXPENDITURES
<u>US DEPARTMENT OF EDUCATION</u>			
Passed Through the State Department of Education			
Title I	84.010	24101	\$ 223,033
<1>IDEA-B - Entitlement	84.0270	24106	158,352
<1>IDEA-B - Preschool	84.173	24109	12,064
Title II - A Teacher/Principal Training	84.367A	24154	51,817
Rural Education Achievement	84.358	25233	5,292
TOTAL PASSTHROUGH GRANTS			<u>450,558</u>
TOTAL DEPARTMENT OF EDUCATION			<u>\$ 450,558</u>
<u>US DEPARTMENT OF AGRICULTURE</u>			
Passed Through the State Department of Education			
<1>National School Lunch Program	10.555	21000-8602	\$ 322,536
Forrest Reserve	10.665	11000	1,815
2010 Equipment Assistance Program	10.579	24183	12,500
			<u>336,851</u>
Passed Through New Mexico State			
Department of Human Services			
<1>Non-Monetary Assistance	10.565	21000-8904	24,326
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 361,177</u>
<u>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through the State Department of Education			
Title XIX Medicaid	93.7780	25153	\$ 81,884
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$ 81,884</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 893,619</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, 2015

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 18, 2015. Present were:

Kendra Otis
Audie Brown
Marla E. Lovato
Kelley Jimenez
Patricia Gutierrez
Brenda Blaisure
D. Brent Woodard, CPA
Martin E. Mackechnie

Audit Committee – Board Member
Superintendent
Finance Director
Administrative Assistant
Human Resources /Payroll
Accounts Payable
Auditor
Staff Auditor