

**STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS**

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
JUNE 30, 2015**

Woodard, Cowen & Co.

Certified Public Accountants

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
JUNE 30, 2015

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STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

OFFICIAL ROSTER

June 30, 2015

BOARD OF EDUCATION

Chad Hamill	President
Christopher Villa	Vice President
Lois Stephens	Secretary
Destry Moss	Member
Heidi Gray	Member

SCHOOL OFFICIALS

Rickey Williams	Superintendent
Cherryl Andrews	Director of Business & Finance

Woodard, Cowen & Co.

Certified Public Accountants

INDEPENDENT AUDITOR REPORT

Timothy Keller
New Mexico State Auditor
The Board of Education
Hagerman Municipal Schools
Hagerman, 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 Hagerman Municipal Schools (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's 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.

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.

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Clovis: PO Box 1874, 116 E. Grand Avenue Clovis NM, 88101 Phone: 575-762-3811 Fax: 575-762-3866

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2015, and the respective changes in financial position, thereof and the respective budgetary 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 the District, 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

The District has 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 the District'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, Schedule of the Proportionate Share of net Pension Liability, Schedule of Contributions, Notes Required to Supplementary Information, and the additional schedules listed as “required 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 for the Vendor Schedule on pages 75 & 76 of this report, 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, Schedule of the Proportionate Share of net Pension Liability, Schedule of Contributions, Notes Required to Supplementary Information, and the additional schedules listed as “required 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 on pages 75 & 76 of this report 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 November 5, 2015 on our consideration of the District'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 the District's internal control over financial reporting and compliance.

Handwritten signature in cursive script: Woodward, Lauren S.

Portales, New Mexico
November 5, 2015

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
STATEMENT OF NET POSITION

June 30, 2015

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,858,482
Property Taxes Receivable	24,434
Due From Other Agencies	182,266
Inventory	<u>5,443</u>
Non-current assets:	
Capital assets, net	<u>9,353,202</u>
TOTAL ASSETS	<u>\$ 11,423,827</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflows of Resources from pensions	\$ 387,150
 <u>LIABILITIES</u>	
Current:	
Accounts Payable	\$ -
Accrued Interest Payable	3,875
Debt due in one year	<u>150,000</u>
Non-current:	
Debt in more than one year:	615,000
Net Pension Liability	<u>5,577,343</u>
TOTAL LIABILITIES	<u>6,346,218</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Unearned Revenue	84,090
Deferred Inflows of Resources from pension	<u>840,321</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>924,411</u>
 <u>NET POSITION</u>	
Net Investment in Capital Assets	8,588,202
Restricted for:	
Capital Projects	723,419
Debt Service	190,980
Inventory	5,443
Textbooks	13,337
Cafeteria	200,955
Athletics	17,525
Special Revenue	2,123
Unrestricted	<u>(5,201,636)</u>
TOTAL NET POSITION	<u>\$ 4,540,348</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
STATEMENT OF ACTIVITIES

For the 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	\$ 2,855,657	\$ 12,785	\$ 544,092	\$ -	\$ (2,298,780)
Support Services			-		
Support Services-Students	401,320	-	139,281	-	(262,039)
Support Services-Instruction	54,466	-	9,538	-	(44,928)
Support Services-General Administration	243,576	-	-	-	(243,576)
Support Services-School Administration	316,187	-	8,007	-	(308,180)
Central Services	71,378	-	-	-	(71,378)
Operation & Maintenance of Plant	767,884	-	1,900	-	(765,984)
Student Transportation	273,362	-	273,699	-	337
Other Support Services	7,974	-	-	-	(7,974)
Food Services-Operations	290,817	13,874	335,323	-	58,380
Community Services-operations	-	-	-	-	-
Bond Interest	9,473	-	-	-	(9,473)
Depreciation-unallocated	430,551	-	-	-	(430,551)
Amortization Unallocated	-	-	-	-	-
Unallocated Revenue	-	-	-	-	-
Total governmental activities	\$ 5,722,645	\$ 26,659	\$ 1,311,840	\$ -	\$ (4,384,146)

General revenues:

Property taxes:

Levied for General purpose	\$ 15,012
Levied for Capital Projects	67,122
Levied for Debt Service	173,411
State Capital Projects	37,393
Fees	665
Local Grants	2,123
Federal Sources	34,872
PED Equalization Guarantee	4,339,685
Unrestricted interest income	189
Miscellaneous	38,580
Donations	10,108

Total general revenues	4,719,160
Change in net position	335,014
Net position - beginning	10,323,700
Restatement	(6,118,366)
Restated Beginning Net Position	4,205,334
Net position - ending	\$ 4,540,348

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

June 30, 2015

	GENERAL	TITLE I	KINDERGARTEN THREE PLUS
ASSETS			
Cash on Deposit	\$ 659,455	\$ -	\$ -
Due from Other Funds	182,266	-	-
Due from Other Governments	-	58,020	65,592
Due From External Funds	-	-	-
Property Taxes Receivable	1,325	-	-
Inventory	-	-	-
TOTAL ASSETS	<u>\$ 843,046</u>	<u>\$ 58,020</u>	<u>\$ 65,592</u>
LIABILITIES			
Due to Other Funds	\$ -	\$ 58,020	\$ 65,592
Accounts Payable	-	-	-
TOTAL LIABILITIES	-	58,020	65,592
DEFERRED INFLOWS OF RESOURCES			
Unearned Revenue	831	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>831</u>	-	-
FUND BALANCE			
Non-spendable	-	-	-
Restricted for: Capital Projects	-	-	-
Restricted for: Debt Service	-	-	-
Restricted for: Instructional Materials	13,337	-	-
Restricted for: Cafeteria	-	-	-
Restricted for: Athletics	-	-	-
Restricted for: Special Revenue	-	-	-
Unassigned:			
General Fund	828,878	-	-
Special Revenue Funds	-	-	-
TOTAL FUND BALANCE	<u>842,215</u>	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 843,046</u>	<u>\$ 58,020</u>	<u>\$ 65,592</u>

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

MEDICAID	BOND BUILDING	SENATE BILL NINE	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	Total GOVERNMENTAL FUNDS
\$ 28,913	\$ 531,977	\$ 189,244	\$ 189,337	\$ 259,556	\$ 1,858,482
-	-	-	-	-	182,266
-	-	-	-	58,654	182,266
-	-	-	-	-	-
-	-	6,407	16,702	-	24,434
-	-	-	-	5,443	5,443
<u>\$ 28,913</u>	<u>\$ 531,977</u>	<u>\$ 195,651</u>	<u>\$ 206,039</u>	<u>\$ 323,653</u>	<u>\$ 2,252,891</u>
\$ -	\$ -	\$ -	\$ -	\$ 58,654	\$ 182,266
-	-	-	3,875	-	3,875
-	-	-	3,875	58,654	186,141
28,913	-	4,209	11,184	38,953	84,090
<u>28,913</u>	<u>-</u>	<u>4,209</u>	<u>11,184</u>	<u>38,953</u>	<u>84,090</u>
-	-	-	-	5,443	5,443
-	531,977	191,442	-	-	723,419
-	-	-	190,980	-	190,980
-	-	-	-	-	13,337
-	-	-	-	200,955	200,955
-	-	-	-	17,525	17,525
-	-	-	-	2,123	2,123
-	-	-	-	-	828,878
-	-	-	-	-	-
-	<u>531,977</u>	<u>191,442</u>	<u>190,980</u>	<u>226,046</u>	<u>1,982,660</u>
<u>\$ 28,913</u>	<u>\$ 531,977</u>	<u>\$ 195,651</u>	<u>\$ 206,039</u>	<u>\$ 323,653</u>	<u>\$ 2,252,891</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
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	\$ 1,982,660
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	9,353,202
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds are as follows:	
Deferred Outflows of Resources from pension	387,150
Accrued interest payable not reported in the funds.	-
Liabilities not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Net Pension Liability	(5,577,343)
Deferred Inflows of Resources from pensions	(840,321)
Bonded Debt	<u>(765,000)</u>
Net positon of governmental activities	<u>\$ 4,540,348</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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

Year Ended June 30, 2015

	GENERAL	TITLE I	KINDERGARTEN THREE PLUS
REVENUE			
Residential/Non-Residential Taxes	\$ 15,013	\$ -	\$ -
Fees - Educational	665	-	-
Fees-Users	-	-	-
Interest Income	94	-	-
State Equalization	4,339,685	-	-
State Programs	300,091	-	102,259
Donations	8,858	-	-
Access Board	33,986	-	-
Refunds	637	-	-
Local Grants	-	-	-
Indirect Cost - (Flow Through Grants)	34,275	-	-
Insurance Recoveries	3,666	-	-
Federal Program	886	190,647	-
TOTAL REVENUES	<u>4,737,856</u>	<u>190,647</u>	<u>102,259</u>
EXPENDITURES			
Current			
Instruction	2,385,682	190,647	86,941
Support Services-Students	265,651	-	-
Support Services-Instruction	45,133	-	-
Support Services-General Administration	245,909	-	-
Support Services-School Administration	315,367	-	8,007
Central Services	73,002	-	-
Operation & Maintenance of Plant	703,654	-	1,900
Student Transportation	268,289	-	5,411
Other Support Services	7,817	-	-
Food Services-Operations	-	-	-
Acquisition & Construction	67,517	-	-
Bond Principal	-	-	-
Bond Interest	-	-	-
TOTAL EXPENDITURES	<u>4,378,021</u>	<u>190,647</u>	<u>102,259</u>
EXCESS (DEFICIENCY) OF			
REVENUE OVER EXPENDITURES	359,835	-	-
Other Financing Sources			
Bond Premium	-	-	-
Transfers In<Out>	-	-	-
Total Other Financial Sources	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	359,835	-	-
FUND BALANCE			
June 30, 2014	482,380	-	-
Restatement	-	-	-
Restated Fund Balance June 30, 2014	<u>482,380</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
June 30, 2015	<u>\$ 842,215</u>	<u>\$ -</u>	<u>\$ -</u>

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

MEDICAID	BOND BUILDING	SENATE BILL NINE	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ 67,122	\$ 173,410	\$ -	\$ 255,545
-	-	-	-	-	665
-	-	-	-	26,659	26,659
-	53	17	10	16	190
-	-	-	-	-	4,339,685
-	-	37,393	-	126,296	566,039
-	-	-	-	1,250	10,108
-	-	-	-	-	33,986
-	-	-	-	-	637
-	-	-	-	15,580	15,580
-	-	-	-	-	34,275
-	-	-	-	-	3,666
65,274	-	-	-	513,817	770,624
<u>65,274</u>	<u>53</u>	<u>104,532</u>	<u>173,420</u>	<u>683,618</u>	<u>6,057,659</u>
-	-	-	-	253,018	2,916,288
65,274	-	-	-	74,007	404,932
-	-	-	-	9,538	54,671
-	-	625	1,620	-	248,154
-	-	-	-	-	323,374
-	-	-	-	-	73,002
-	-	-	-	-	705,554
-	-	-	-	-	273,700
-	157	-	-	-	7,974
-	-	-	-	293,112	293,112
-	37,159	107,085	-	-	211,761
-	-	-	145,000	-	145,000
-	-	-	9,473	-	9,473
<u>65,274</u>	<u>37,316</u>	<u>107,710</u>	<u>156,093</u>	<u>629,675</u>	<u>5,666,995</u>
-	(37,263)	(3,178)	17,327	53,943	390,664
-	-	-	-	-	-
-	-	-	-	-	-
-	(37,263)	(3,178)	17,327	53,943	390,664
-	569,240	194,620	178,377	172,103	1,596,720
-	-	-	(4,724)	-	(4,724)
-	569,240	194,620	173,653	172,103	1,591,996
<u>\$ -</u>	<u>\$ 531,977</u>	<u>\$ 191,442</u>	<u>\$ 190,980</u>	<u>\$ 226,046</u>	<u>\$ 1,982,660</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
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	\$ 390,664
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	(288,502)
Expenses in the statement of activities which do not require use of current financial resources	
(Increase)/Decrease in pension expense not reported in the funds	87,852
Decrease in interest payable	-
Bond principal payments	145,000
	<hr/>
Change in Net Position	<u>\$ 335,014</u>

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

STATE OF NEW MEXICO
Hagerman MUNICIPAL SCHOOLS
COMBINED STATEMENT OF REVENUE AND EXPENDITURES--BUDGET
(NON-GAAP) AND ACTUAL-GENERAL FUND
Year Ended June 30, 2015

	General Fund			VARIANCE
	ORIGINAL BUDGET	BUDGET	ACTUAL	Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 13,440	\$ 13,440	\$ 15,007	\$ 1,567
Fees - Educational	-	-	50	50
Fees-Summer School	-	-	615	615
Donations/Gifts	-	-	8,858	8,858
Interest Income	75	75	94	19
State Equalization	3,997,177	4,340,680	4,339,685	(995)
State Flow Through Grants	270,848	300,092	300,091	(1)
Access Board	14,900	14,900	33,986	19,086
Refunds	-	-	637	637
Indirect Cost - (DFG)	-	26,460	34,275	7,815
Insurance Recoveries	-	-	3,666	3,666
Federal Revenue	-	51	886	835
TOTAL REVENUE	<u>4,296,440</u>	<u>4,695,698</u>	<u>\$ 4,737,850</u>	<u>\$ 42,152</u>
Cash Balance Budgeted	<u>378,583</u>	<u>378,583</u>		
TOTAL REVENUE & CASH	<u>\$ 4,675,023</u>	<u>\$ 5,074,281</u>		
EXPENDITURES				
Current				
Instruction	\$ 2,772,016	\$ 2,848,683	\$ 2,385,683	\$ 463,000
Support Services-Students	226,229	268,115	265,649	2,466
Support Services-Instruction	40,712	53,282	45,133	8,149
Support Services-General Administration	242,680	280,330	245,909	34,421
Support Services-School Administration	332,457	341,157	315,367	25,790
Central Services	73,443	74,443	73,002	1,441
Operation & Maintenance of Plant	724,187	840,737	703,654	137,083
Student Transportation	250,477	268,289	268,289	-
Other Support Services	12,822	12,822	7,817	5,005
Acquisition & Construction	-	86,423	67,518	18,905
TOTAL EXPENDITURES	<u>\$ 4,675,023</u>	<u>\$ 5,074,281</u>	<u>\$ 4,378,021</u>	<u>\$ 696,260</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 4,737,850	
Differences-Budget to GAAP				
Property tax Receivable			6	
Total Revenues (GAAP Basis)			<u>\$ 4,737,856</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 4,378,021	
Differences-budget to GAAP				
Total Expenditures (GAAP Basis)			<u>\$ 4,378,021</u>	

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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 Revenue	\$ 181,101	\$ 208,177	\$ 192,889	\$ (15,288)
TOTAL REVENUE	<u>181,101</u>	<u>208,177</u>	<u>192,889</u>	<u>(15,288)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 181,101</u>	<u>\$ 208,177</u>		
EXPENDITURES				
Current				
Instruction	\$ 181,101	\$ 208,177	\$ 190,647	\$ 17,530
Support Services-Instruction	-	-	-	-
Support Services-School Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 181,101</u>	<u>\$ 208,177</u>	<u>\$ 190,647</u>	<u>\$ 17,530</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 192,889
Differences-Budget to GAAP	
Current Year Receivable	58,020
Prior Year Receivable	(60,262)
Total Revenues (GAAP Basis)	<u>\$ 190,647</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 190,647
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 190,647</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--KINDERGARTEN-THREE PLUS

Year Ended June 30, 2015

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 45,342	\$ 116,436	\$ 54,688	\$ (61,748)
TOTAL REVENUE	<u>45,342</u>	<u>116,436</u>	<u>\$ 54,688</u>	<u>\$ (61,748)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 45,342</u>	<u>\$ 116,436</u>		
EXPENDITURES				
Current				
Instruction	\$ 40,692	\$ 97,422	\$ 86,941	\$ 10,481
Support Services				
Support Services-School Administration	-	10,431	8,007	2,424
Operation & Maintenance of Plant	-	2,636	1,900	736
Student Transportation	4,650	5,947	5,411	536
TOTAL EXPENDITURES	<u>\$ 45,342</u>	<u>\$ 116,436</u>	<u>\$ 102,259</u>	<u>\$ 14,177</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 54,688
Differences-Budget to GAAP	
Current Year Receivable	65,592
Prior Year Receivable	(18,021)
Total Revenues (GAAP Basis)	<u>\$ 102,259</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 102,259
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 102,259</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--TITLE XIX MEDICAID 3/21

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 29,500	\$ 29,500	\$ 36,307	\$ 6,807
TOTAL REVENUE	<u>29,500</u>	<u>29,500</u>	<u>\$ 36,307</u>	<u>\$ 6,807</u>
Cash Balance Budgeted	<u>55,661</u>	<u>55,661</u>		
TOTAL REVENUE & CASH	<u>\$ 85,161</u>	<u>\$ 85,161</u>		
EXPENDITURES				
Current				
Support Services-Students	69,183	69,183	65,274	3,909
TOTAL EXPENDITURES	<u>\$ 69,183</u>	<u>\$ 69,183</u>	<u>\$ 65,274</u>	<u>\$ 3,909</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 36,307
Differences-Budget to GAAP	
Current Year Deferral	(28,912)
Prior Year Deferral	57,879
Total Revenues (GAAP Basis)	<u>\$ 65,274</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 65,274
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 65,274</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

June 30, 2015

ASSETS

Pooled Cash	<u>\$ 155,450</u>
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LIABILITIES AND FUND BALANCE

Liabilities:	
Deposits Held for Students	<u>\$ 155,450</u>
Total Liabilities	<u>\$ 155,450</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

I. Summary of Significant Accounting Policies

A. Reporting Entity

Hagerman Municipal School District is a special purpose government corporation 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 City of Hagerman 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 Hagerman 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.

There were no component units.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of interfund 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 is 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. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. 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 uncollectible amounts, in the year for which they are levied, even if not available. Grants and similar items are recognized as revenue as soon as all 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.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

I. Summary of Significant Accounting Policies (continued)

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

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.

The government reports the following major governmental funds:

General Funds – The general fund 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 Fund) – The Title I project provides remedial instruction in language arts for educationally deprived students in low-income areas. The project is funded by the Federal Government through the New Mexico State Department of Education under the Elementary and Secondary Education Act of 1965, Title I, Chapter I, part A, 20 U.S.C. 2701 et seq.

KINDERGARTEN THREE PLUS – To account for the funds used to provide additional educational time for students in kindergarten through the third grade with at least 25 additional instructional days beginning up to two months earlier than the regular school year. The funding and authority provided by the NM PED.

TITLE XIX MEDICAID (Special Revenue Fund) – The purpose of this fund is to account 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.

Bond Building (Capital Projects 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 from the sale of General Obligation Bonds.

SB 9 (Special Revenue Fund) – To account for 2 mill levy restricted by board resolution for erecting, remodeling, making additions to, providing equipment for, furnishing school buildings, and 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 1978, 22-25-1 to 22-25-10.

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.

The government also reports the following fund types:

Governmental Funds:

Nonmajor Special Revenue Funds – The District accounts for resources restricted to, or designated for, a specific purpose by the District or a grantor in a special revenue fund.

Fiduciary Funds:

Agency Funds – The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Fund is the Student Activity Fund.

Similar to 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 interfund activity has been eliminated from the government-wide financial statements.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

I. Summary of Significant Accounting Policies (continued)

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

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, and then unrestricted resources as they are needed.

D. Assets, liabilities, and net assets 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 investment policies listed below.

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.

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.

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 interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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 initial assessed valuation for the 2014 fiscal year was \$33,512,609. 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.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

I. Summary of Significant Accounting Policies (continued)

D. Assets, liabilities, and net assets or equity (continued)

4. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life that extends beyond a single reporting period. The District is capitalizing qualifying software and library books 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 capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component units, are 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 District's policy not to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave or vacation.

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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

7. Fund equity

For the government-wide financial statements, net assets are reported as restricted when constraints are placed on net asset use are either 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws and regulations of other governments; 2) Imposed by law through constitutional provisions or enabling legislation.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

I. Summary of Significant Accounting Policies (continued)

D. Assets, liabilities, and net assets or equity (continued)

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 \$4,339,685 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 \$268,289 in transportation distributions during the year ended 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 assets

The governmental fund balance sheet includes reconciliation between fund *balance total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains, long-term liabilities, including bonds payable, is not due and payable in the current period and therefore is not reported in the funds." The details of the \$765,000 difference are as follows:

Bonds Payable	\$ 765,000
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 765,000</u>

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE 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.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets 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 this (\$288,502) difference are as follows:

Capital Outlay	\$ 142,049
Depreciation expense	<u>(430,551)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	<u>\$(288,502)</u>

Another element of that reconciliation states "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 assets. 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 this \$145,000 difference are as follows:

Principal repayments:	
General obligation debt	\$ 145,000
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 145,000</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 reappropriated 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. The legal level of budgetary control is at the function level.

Actual expenditures may not exceed the budget at the function level, i.e., budgeted expenditures 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.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

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

III. Stewardship, compliance, and accountability (continued)

A. Budgetary Information (continued)

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
- 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.
- 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:

Budget comparison statements have been omitted on those funds that had no cash (receipts or expense) activity during the fiscal year.

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 4,675,023	\$ 5,074,281
Special Revenue Fund	1,332,056	1,714,350
Debt Service	335,607	335,607
Capital Projects Fund	573,213	573,213
	<u>\$ 6,915,899</u>	<u>\$ 7,697,451</u>

B. Deficit fund equity

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE 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 \$2,013,934 and the bank balance was \$2,234,370. Of this balance \$250,000 was covered by federal depository insurance and \$1,295,575 was covered by collateral held in the District's name in joint safekeeping by a third party. The remaining \$688,795 is comprised of amounts in excess of those required to be collateralized under state law and is classified as uninsured.

New Mexico 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 identified in the Supplementary Information 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 \$250,000 coverage for public unit demand deposits at the same institution.

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 is not SEC registered. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10 I through 6-10-10 P and Sections 6-10-10.1 A and E, NMSA 1978. The pool does not have unit shares. Per Sections 6-10-10.1F, 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 fund amounts were invested. Participation in the local government investment pool is voluntary.

For the year ended June 30, 2015, the investments held in the LGIP had an interest risk (WAM) of 59 days and a Standard and Poor's Rating of AAAm.

Custodial Credit Risk – Deposits

Custodial Credit Risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial risk. As of June 30, 2015, \$688,795 of the government's bank balance of \$2,234,370 was exposed to custodial risk as follows:

Uninsured and Uncollateralized	\$688,795
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STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

IV. Detailed notes on all funds (continued)

B. Receivables

Receivables as of year end for the government's individual major funds and non-major funds in the aggregate, including the following:

	Due From Other Agencies	Property Taxes Receivable
General Funds	\$ -	\$ 1,325
Senate Bill Nine	-	6,407
Debt Service	-	16,702
Title I	58,020	
Title I Migrant	13,581	-
Entitlement	15,981	-
NM Autism Project	2,508	
Preschool	1,001	
Risk Pool	90	
Teacher/Principal Training	3,488	-
NM Reads to Lead	12,497	
Kindergarten Three Plus	65,592	
ENMU Grants	9,508	
Totals	<u>\$ 182,266</u>	<u>\$ 24,434</u>

Governmental funds reported *deferred inflows of resources* 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. Amounts due to the District from delinquent property tax due to the County Treasurer 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>\$ 84,090</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 84,090</u>

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

IV. Detailed notes on all funds (continued)

C. Capital Assets

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

	Balance 06/30/14	Increases	Decreases	Balance 06/30/15
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 77,083	\$ -	\$ -	\$ 77,083
Construction in Progress	-	8,751	-	8,751
Total Capital Assets not being depreciated	77,083	8,751	-	85,834
Capital Assets being depreciated				
Buildings & Improvements	14,859,913	10,073	-	14,869,986
Equipment & Vehicles	2,367,459	123,225	25,598	2,465,086
Total Capital Assets being depreciated	17,227,372	133,298	25,598	17,335,072
Less: Accumulated Depreciation				
Buildings & Improvements	5,848,580	357,271	-	6,205,851
Equipment & Vehicles	1,814,171	73,280	25,598	1,861,853
Total Accumulated Depreciation	7,662,751	430,551	25,598	8,067,704
Net Capital Assets being depreciated	9,564,621	(297,253)	-	9,267,368
Total Net Capital Assets	\$ 9,641,704	\$ (288,502)	\$ -	\$ 9,353,202

The Schedule of General Capital Assets by Function and Activity, and the Schedule of Changes in General Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

Depreciation expense was not charged to function/programs of the School District because the detail information was not available due to historical date not being available. Depreciation was calculated using the estimated useful lives of 50 years for buildings and improvements and land improvements and using 10 years for equipment.

D. Long-term debt – General Obligation Bonds

Series	Original Amount	Interest Rate	Balance 6/30/2013	Additions	Retirements	Balance 6/30/2014	Amount Due in One Year
2005	\$ 400,000	1.52-2.03%	\$ 70,000	-	\$ 35,000	\$ 35,000	\$ 35,000
2007	400,000	1.99-2.17%	185,000	-	35,000	150,000	40,000
2009	400,000	.67-3.59%	255,000	-	35,000	220,000	35,000
2013	400,000	.235%-1.175%	400,000	-	40,000	360,000	40,000
Total	\$ 1,600,000		\$ 910,000	-	145,000	\$ 765,000	\$ 150,000

Fiscal Year	Principal	Interest	Total
2016	\$ 150,000	\$ 8,169	\$ 158,169
2017	115,000	6,210	121,210
2018	115,000	4,513	119,513
2019	125,000	2,596	127,596
2020	100,000	961	100,961
2021-2024	160,000	752	160,752
	\$ 765,000	\$ 23,201	\$ 788,201

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

IV. Detailed notes on all funds (continued)

D. Long-term debt – General Obligation Bonds (continued)

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 \$2,010,757 including \$765,000 debt outstanding based on the 2013 initial 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.

C. Pension Plan

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

General Information about the Pension Plan

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

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

V. Other information (continued)

C. Pension Plan (continued)

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 before July 1, 2010, or any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date is as follows: the member's age and earned service credit add up to the sum of 80- or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide 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 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 20, 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 be 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 retirement. 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 year or more years of service credit have 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 provided 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 years 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 state 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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

V. Other information (continued)

C. Pension Plan (continued)

District were \$105,603 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the District's reported a liability of \$5,577,343 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 .09775 percent, which was a decrease of .00537% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$299,270. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 83,087
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	507,033
Changes in proportion and differences between District contributions and proportionate share of contributions	-	250,201
District's contributions subsequent to the measurement date	<u>387,150</u>	-
Total	<u>\$387,150</u>	<u>\$840,321</u>

\$387,150 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	(\$242,475)
2017	(\$242,475)
2018	(\$228,589)
2019	(\$126,752)
2020	-

Actuarial assumptions. As described above, the total ERB pension liability and net 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 20, 2014 incorporate the following assumption:

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. COLA's 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.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

V. Other information (continued)

C. Pension Plan (continued)

For those 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 measurements are as follows:

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

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 from 2014 and 2013 for 30-year return assumptions are summarized in the following table:

<u>Asset Class</u>	<u>2014 Long-Term Expected Real Rate of Return</u>	<u>2013 Long-Term Expected Real Rate of Return</u>
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%

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

V. Other information (continued)

C. Pension Plan (continued)

Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Fund Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75)	1% Increase (8.75%)
	<u> </u>	<u> </u>	<u> </u>
District's proportionate share of the net pension liability	\$7,588,620	\$5,577,343	\$3,897,586

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.

Payable to the pension plan. The District has no payables to the pension plan.

D. Post-retirement health care benefits

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

V. Other information (continued)

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

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

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

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

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

D. Post-retirement health care benefits (continued)

The District's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$55,705, \$53,892 and \$55,949, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

V. Other information (continued)

E. Interfund Balances

Due from	Due to Operational
Title I	\$ 58,020
Title I Migrant	13,581
Entitlement	15,981
NM Autism Project	2,508
Preschool	1,001
Risk Pool	90
Teacher/Principal Training	3,488
NM Reads to Lead	12,497
Kindergarten Three Plus	65,592
ENMU Grants	9,508
	<u>\$ 182,266</u>

These amounts represent temporary operating loans that will be repaid during the next fiscal year.

F. Restatement of Beginning Balance of Net Position

The following restatement was made to record the prior year Net Pension Liability.

Restatement of Net Position:

Net Position – Governmental Activities at June 30, 2014	\$10,323,700
Recording of Net Pension Liability for year ended June 30, 2013	<u>(6,118,366)</u>
Restated Balance at July 1, 2014	<u>\$ 4,205,334</u>

G. Fund Balances Classified

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented here.

Fund Balances	General Fund	Senate Bill 9	Bond Building	Debt Service	Non-Major Governmental Funds	Total
Non-Spendable:						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 5,443	\$ 5,443
Total Nonspendable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,443</u>	<u>5,443</u>
Restricted for:						
Debt Service	-	-	-	190,980	-	190,980
Capital Improvements	-	191,442	531,977	-	-	723,419
Athletics	-	-	-	-	17,525	17,525
Cafeteria	-	-	-	-	200,955	200,955
Instructional Materials	13,337	-	-	-	-	13,337
Special Revenue	-	-	-	-	2,123	2,123
Total restricted	<u>13,337</u>	<u>191,442</u>	<u>531,977</u>	<u>190,980</u>	<u>220,603</u>	<u>1,148,339</u>
Unassigned	<u>828,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>828,878</u>
Total Fund Balances	<u>\$ 842,215</u>	<u>\$ 191,442</u>	<u>\$ 531,977</u>	<u>\$ 190,980</u>	<u>\$ 226,046</u>	<u>\$ 1,982,660</u>

NON-MAJOR SPECIAL REVENUE FUNDS

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

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

TITLE I MIGRANT – To account for a Federal program to implement school-wide bilingual education programs of special alternative instruction programs to improve, reform, and upgrade relevant programs and operations within an entire local educational agency, that serve a significant number of children and youth of limited English proficiency. The fund was created under the authority of Title VII, Section 7115 of the ESEA (20USC 7425).

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.

NEW MEXICO AUTISM PROJECT – To account for funds provided to the District to support the District's implementation of the NMAP and improve outcomes for students with Autism Spectrum Disorders. 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 - to assist states in providing free, appropriate public education to all handicapped children from ages 3 to 5. The program is funded by the United States Government. Authority for creation of this fund is Part Public Law 105-17.

IDEA B – RISK POOL – To account for a federal grant restricted to the operation and maintenance of meeting the special education needs of children with disabilities. (Authority, Individuals with Disabilities Act, Part B Sec 611, as amended; P.L. 91-230, 93-380, 94-142, 98-199, 99-457, 100-630, and 101-476; U.S.C. 1401-1419, P.L. 105-17)

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 I, Part A, Public Law 107-110.

RURAL EDUCATION – 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 (ESEA), Title VI, Part B, as amended.

RURAL VISION – To account for revenue received from the sale of telecommunication time sold to cable networks. The New Mexico Public Education Department requires this revenue to be accounted for in a separate fund. Authorized by the District's local school board.

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. Funding and authority provided by House Bill 2, 2009 page 226 lines 12-19.

2012 G.O. BOND STUDENT LIBRARY – This fund is used to account for the revenue and expenditures to acquire supplementary library books, equipment, and library resources for public schools and juvenile detention libraries statewide.

NEW MEXICO READS TO LEAD – To account for the funding provided by the PED for the purchase of K-3 non-fiction books, K-3 non-fiction classroom libraries, and K-3 non-fiction text materials. Fund was created under the state-wide reading initiative authorized under NM Section 22-13-1.3.

NON-MAJOR SPECIAL REVENUE FUNDS

BREAKFAST FOR ELEMENTARY STUDENTS – To account for funds used to provide elementary students with breakfast in the classroom. Creation authorized by the Child Nutrition Act of the United States Department of Agriculture.

ENMU GRANTS – To account for funds from the ENMU – Roswell Gear Up Program to purchase an Apple Education Mobile Learning Lab for biology classes at the high school.

CITY/COUNTY GRANTS – To account for grants received from local city and county sources. Funding provided by grant contract in which sources will vary from year to year. Expenditures in this fund are stipulated by individual grant contract. All private grants are subject to board approval.

INDUSTRIAL REVENUE BONDS – To account for local funds received for revenue in lieu of taxes due to tax incentives given to new business development within the District's tax district. All private and local grants are subject to board approval.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2015

	<u>CAFETERIA</u>	<u>ATHLETICS</u>	<u>MIGRANT</u>	<u>ENTITLEMENT</u>
ASSETS				
Cash	\$ 200,955	\$ 17,525	\$ -	\$ -
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	13,581	15,981
Due from External Funds	-	-	-	-
Property Taxes Receivable	-	-	-	-
Inventory	5,443	-	-	-
TOTAL ASSETS	<u>\$ 206,398</u>	<u>\$ 17,525</u>	<u>\$ 13,581</u>	<u>\$ 15,981</u>
LIABILITIES				
Due to other Funds	\$ -	\$ -	\$ 13,581	\$ 15,981
Accounts Payable	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>13,581</u>	<u>15,981</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Non-spendable	5,443	-	-	-
Restricted				
Cafeteria	200,955	-	-	-
Athletics	-	17,525	-	-
Special Revenue	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	<u>206,398</u>	<u>17,525</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 206,398</u>	<u>\$ 17,525</u>	<u>\$ 13,581</u>	<u>\$ 15,981</u>

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

NEW MEXICO AUTISM PROJECT	PRESCHOOL	RISK POOL	TEACHER/ PRINCIPAL TRAINING	RURAL EDUCATION ACHIEVEMENT	RURAL VISION	2009 DUAL CREDIT INSTRUCTION	2012 GO BOND STUDENT LIBRARY
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,877	\$ -	\$ -
-	-	-	-	-	-	-	-
2,508	1,001	90	3,488	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 2,508</u>	<u>\$ 1,001</u>	<u>\$ 90</u>	<u>\$ 3,488</u>	<u>\$ -</u>	<u>\$ 15,877</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,508	\$ 1,001	\$ 90	\$ 3,488	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>2,508</u>	<u>1,001</u>	<u>90</u>	<u>3,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	15,877	-	-
-	-	-	-	-	<u>15,877</u>	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 2,508</u>	<u>\$ 1,001</u>	<u>\$ 90</u>	<u>\$ 3,488</u>	<u>\$ -</u>	<u>\$ 15,877</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2015

	NEW MEXICO READS TO LEAD	BREAKFAST FOR ELEMENTARY STUDENTS	ENMU GRANTS	CITY/COUNTY GRANTS
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ 23,076
Due from Other Funds	-	-	-	-
Due from Other Governments	12,497	-	9,508	-
Due from External Funds	-	-	-	-
Property Taxes Receivable	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	\$ 12,497	\$ -	\$ 9,508	\$ 23,076
LIABILITIES				
Due to other Funds	\$ 12,497	\$ -	\$ 9,508	\$ -
Accounts Payable	-	-	-	-
TOTAL LIABILITIES	12,497	-	9,508	-
DEFERRED INFLOWS OF RESOURCES				
Unearned Revenue	-	-	-	23,076
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	23,076
FUND BALANCE				
Non-spendable	-	-	-	-
Restricted				
Cafeteria	-	-	-	-
Athletics	-	-	-	-
Special Revenue	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 12,497	\$ -	\$ 9,508	\$ 23,076

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

INDUSTRIAL REVENUE BONDS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ 2,123	\$ 259,556
-	-
-	58,654
-	-
-	-
-	5,443
<u>\$ 2,123</u>	<u>\$ 323,653</u>
\$ -	\$ 58,654
-	-
<u>-</u>	<u>58,654</u>
-	38,953
<u>-</u>	<u>38,953</u>
-	5,443
-	200,955
-	17,525
2,123	2,123
<u>-</u>	<u>-</u>
<u>-</u>	<u>226,046</u>
<u>\$ -</u>	<u>\$ 323,653</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	CAFETERIA	ATHLETICS	MIGRANT	ENTITLEMENT
REVENUE				
Fees-Users	\$ 13,874	\$ 12,785	\$ -	\$ -
Fees-Summer School	-	-	-	-
Interest Income	14	2	-	-
State Programs	-	-	-	-
Impact Aid	-	-	-	-
Donations	-	1,250	-	-
Local Grants	-	-	-	-
Federal Program	323,861	-	30,553	112,663
TOTAL REVENUES	<u>337,749</u>	<u>14,037</u>	<u>30,553</u>	<u>112,663</u>
EXPENDITURES				
Current				
Instruction	-	18,316	30,553	96,674
Support Services-Students	-	-	-	15,989
Support Services-Instruction	-	-	-	-
Food Services-Operations	281,650	-	-	-
Community Services-operations	-	-	-	-
Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	<u>281,650</u>	<u>18,316</u>	<u>30,553</u>	<u>112,663</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	56,099	(4,279)	-	-
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN/ TRANSFERS OUT	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	56,099	(4,279)	-	-
FUND BALANCE				
June 30, 2014	150,299	21,804	-	-
Restatement	-	-	-	-
FUND BALANCE	<u>150,299</u>	<u>21,804</u>	<u>-</u>	<u>-</u>
June 30, 2015	<u>\$ 206,398</u>	<u>\$ 17,525</u>	<u>\$ -</u>	<u>\$ -</u>

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

NEW MEXICO AUTISM PROJECT	PRESCHOOL	RISK POOL	TEACHER/ PRINCIPAL	RURAL EDUCATION ACHIEVEMENT	RURAL VISION	2009 DUAL CREDIT INSTRUCTION	2012 GO BOND STUDENT LIBRARY
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	830	9,538
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
7,408	5,754	90	20,931	12,557	-	-	-
<u>7,408</u>	<u>5,754</u>	<u>90</u>	<u>20,931</u>	<u>12,557</u>	<u>-</u>	<u>830</u>	<u>9,538</u>
7,408	4,873	90	20,931	12,557	-	830	-
-	881	-	-	-	-	-	-
-	-	-	-	-	-	-	9,538
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>7,408</u>	<u>5,754</u>	<u>90</u>	<u>20,931</u>	<u>12,557</u>	<u>-</u>	<u>830</u>	<u>9,538</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	NEW MEXICO READS TO LEAD	BREAKFAST FOR ELEMENTARY STUDENTS	ENMU GRANTS	CITY/COUNTY GRANTS
REVENUE				
Fees-Users	\$ -	\$ -	\$ -	\$ -
Fees-Summer School	-	-	-	-
Interest Income	-	-	-	-
State Programs	46,776	11,462	57,690	-
Impact Aid	-	-	-	-
Donations	-	-	-	-
Local Grants	-	-	-	13,457
Federal Program	-	-	-	-
TOTAL REVENUES	46,776	11,462	57,690	13,457
EXPENDITURES				
Current				
Instruction	46,776	-	553	13,457
Support Services-Students	-	-	57,137	-
Support Services-Instruction	-	-	-	-
Food Services-Operations	-	11,462	-	-
Community Services-operations	-	-	-	-
Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	46,776	11,462	57,690	13,457
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN/ TRANSFERS OUT	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change In Fund Balance	-	-	-	-
FUND BALANCE				
June 30, 2014	-	-	-	-
Restatement	-	-	-	-
FUND BALANCE	-	-	-	-
June 30, 2015	\$ -	\$ -	\$ -	\$ -

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

INDUSTRIAL REVENUE BONDS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ 26,659
-	-
-	16
-	126,296
-	-
-	1,250
2,123	15,580
-	513,817
<u>2,123</u>	<u>683,618</u>
-	253,018
-	74,007
-	9,538
-	293,112
-	-
-	-
<u>-</u>	<u>629,675</u>
2,123	53,943
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
2,123	53,943
-	172,103
-	-
<u>-</u>	<u>172,103</u>
<u>\$ 2,123</u>	<u>\$ 226,046</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees-Users	\$ 14,636	\$ 14,636	\$ 13,874	\$ (762)
Interest Income	10	10	14	4
Federal Revenue	243,500	243,500	309,192	65,692
TOTAL REVENUE	<u>258,146</u>	<u>258,146</u>	<u>\$ 323,080</u>	<u>\$ 64,934</u>
Cash Balance Budgeted	<u>128,962</u>	<u>128,962</u>		
TOTAL REVENUE & CASH	<u>\$ 387,108</u>	<u>\$ 387,108</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ 387,108	\$ 387,108	\$ 264,907	\$ 122,201
TOTAL EXPENDITURES	<u>\$ 387,108</u>	<u>\$ 387,108</u>	<u>\$ 264,907</u>	<u>\$ 122,201</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 323,080
Differences-Budget to GAAP	
Commodities Received	14,669
Total Revenues (GAAP Basis)	<u>\$ 337,749</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 264,907
Differences-budget to GAAP	
Cost of Commodities Used	14,669
Inventory Adjustment	2,074
Total Expenditures (GAAP Basis)	<u>\$ 281,650</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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				
Fees-Users	\$ 16,873	\$ 16,873	\$ 12,785	\$ (4,088)
Donations/Gifts	-	-	1,250	1,250
Interest Income	-	-	2	2
TOTAL REVENUE	<u>16,873</u>	<u>16,873</u>	<u>\$ 14,037</u>	<u>\$ (2,836)</u>
Cash Balance Budgeted	<u>20,508</u>	<u>20,508</u>		
TOTAL REVENUE & CASH	<u>\$ 37,381</u>	<u>\$ 37,381</u>		
EXPENDITURES				
Current				
Instruction	\$ 37,381	\$ 37,381	\$ 18,316	\$ 19,065
TOTAL EXPENDITURES	<u>\$ 37,381</u>	<u>\$ 37,381</u>	<u>\$ 18,316</u>	<u>\$ 19,065</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 14,037
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 14,037</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 18,316
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 18,316</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--MIGRANT CHILDREN EDUCATION

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 36,000	\$ 69,157	\$ 62,419	\$ (6,738)
TOTAL REVENUE	<u>36,000</u>	<u>69,157</u>	<u>\$ 62,419</u>	<u>\$ (6,738)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>-</u>	<u>-</u>		
EXPENDITURES				
Current				
Instruction	\$ 36,000	\$ 69,157	\$ 30,553	\$ 38,604
TOTAL EXPENDITURES	<u>\$ 36,000</u>	<u>\$ 69,157</u>	<u>\$ 30,553</u>	<u>\$ 38,604</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 62,419
Differences-Budget to GAAP	
Current Year Receivable	13,581
Prior Year Receivable	(45,447)
Total Revenues (GAAP Basis)	<u>\$ 30,553</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 30,553
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 30,553</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 106,593	\$ 130,861	\$ 133,053	\$ 2,192
TOTAL REVENUE	<u>106,593</u>	<u>130,861</u>	<u>\$ 133,053</u>	<u>\$ 2,192</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 106,593</u>	<u>\$ 130,861</u>		
EXPENDITURES				
Current				
Instruction	\$ 90,604	\$ 114,872	\$ 96,674	\$ 18,198
Support Services-Students	15,989	15,989	15,989	-
Support Services-General Administration				-
TOTAL EXPENDITURES	<u>\$ 106,593</u>	<u>\$ 130,861</u>	<u>\$ 112,663</u>	<u>\$ 18,198</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 133,053
Differences-Budget to GAAP	
Current Year Receivable	15,981
Prior Year Receivable	(36,371)
Total Revenues (GAAP Basis)	<u>\$ 112,663</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 112,663
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 112,663</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--NEW MEXICO AUTISM PROJECT

Year Ended June 30 2015

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 7,465	\$ 9,930	\$ 2,465
TOTAL REVENUE	<u>-</u>	<u>7,465</u>	<u>9,930</u>	<u>2,465</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 7,465</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 7,465	\$ 7,408	\$ 57
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 7,465</u>	<u>\$ 7,408</u>	<u>\$ 57</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 9,930
Differences-Budget to GAAP	
Current Year Receivable	2,508
Prior Year Receivable	(5,030)
Total Revenues (GAAP Basis)	<u>\$ 7,408</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 7,408
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 7,408</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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 Revenue	\$ 5,875	\$ 7,214	\$ 5,971	\$ (1,243)
TOTAL REVENUE	<u>5,875</u>	<u>7,214</u>	<u>\$ 5,971</u>	<u>\$ (1,243)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 5,875</u>	<u>\$ 7,214</u>		
EXPENDITURES				
Current				
Instruction	\$ 4,993	\$ 6,332	\$ 4,873	\$ 1,459
Support Services-Students	882	882	881	1
TOTAL EXPENDITURES	<u>\$ 5,875</u>	<u>\$ 7,214</u>	<u>\$ 5,754</u>	<u>\$ 1,460</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 5,971
Differences-Budget to GAAP	
Current Year Receivable	1,001
Prior Year Receivable	(1,218)
Total Revenues (GAAP Basis)	<u>\$ 5,754</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 5,754
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 5,754</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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 Revenue	\$ -	\$ 90	\$ 14,295	\$ 14,205
TOTAL REVENUE	<u>-</u>	<u>90</u>	<u>\$ 14,295</u>	<u>\$ 14,205</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 90</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 90	\$ 90	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ 90</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 14,295
Differences-Budget to GAAP	
Current Year Receivable	90
Prior Year Receivable	(14,295)
Total Revenues (GAAP Basis)	<u>\$ 90</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 90
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 90</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 20,948	\$ 29,543	\$ 21,891	\$ (7,652)
TOTAL REVENUE	<u>20,948</u>	<u>29,543</u>	<u>\$ 21,891</u>	<u>\$ (7,652)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 20,948</u>	<u>\$ 29,543</u>		
EXPENDITURES				
Current				
Instruction	\$ 20,948	\$ 29,543	\$ 20,931	\$ 8,612
TOTAL EXPENDITURES	<u>\$ 20,948</u>	<u>\$ 29,543</u>	<u>\$ 20,931</u>	<u>\$ 8,612</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 21,891
Differences-Budget to GAAP	
Current Year Receivable	3,488
Prior Year Receivable	(4,448)
Total Revenues (GAAP Basis)	<u>\$ 20,931</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 20,931
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 20,931</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--RURAL EDUCATION ACHIEVEMENT

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 9,531	\$ 22,600	\$ 12,557	\$ (10,043)
TOTAL REVENUE	<u>9,531</u>	<u>22,600</u>	<u>\$ 12,557</u>	<u>\$ (10,043)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 9,531</u>	<u>\$ 22,600</u>		
EXPENDITURES				
Current				
Instruction	\$ 9,531	\$ 22,600	\$ 12,557	\$ 10,043
TOTAL EXPENDITURES	<u>\$ 9,531</u>	<u>\$ 22,600</u>	<u>\$ 12,557</u>	<u>\$ 10,043</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 12,557
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 12,557</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 12,557
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 12,557</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Grants	\$ 2,000	\$ 2,000	\$ 2,400	\$ 400
TOTAL REVENUE	<u>2,000</u>	<u>2,000</u>	<u>\$ 2,400</u>	<u>\$ 400</u>
Cash Balance Budgeted	<u>13,077</u>	<u>13,077</u>		
TOTAL REVENUE & CASH	<u>\$ 15,077</u>	<u>\$ 15,077</u>		
EXPENDITURES				
Current				
Acquisition & Construction	\$ 15,077	\$ 15,077	\$ -	\$ 15,077
TOTAL EXPENDITURES	<u>\$ 15,077</u>	<u>\$ 15,077</u>	<u>\$ -</u>	<u>\$ 15,077</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 2,400
Differences-Budget to GAAP	
Current Year Deferral	(15,877)
Prior Year Deferral	13,477
Total Revenues (GAAP Basis)	<u>\$ -</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ -</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Grants	\$ -	\$ 1,187	\$ 830	\$ (357)
TOTAL REVENUE	<u>\$ -</u>	<u>\$ 1,187</u>	<u>\$ 830</u>	<u>\$ (357)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 1,187</u>		
EXPENDITURES				
Current				
Support Services-Instruction	\$ -	\$ 1,187	\$ 830	\$ 357
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 1,187</u>	<u>\$ 830</u>	<u>\$ 357</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 830
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 830</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 830
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 830</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND-2012 G.O. BOND LIBRARY FUND

Year Ended June 30 2015

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 9,538	\$ 9,538	\$ 9,538	\$ -
Forest Reserve				-
TOTAL REVENUE	<u>9,538</u>	<u>9,538</u>	<u>\$ 9,538</u>	<u>\$ -</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 9,538</u>	<u>\$ 9,538</u>		
EXPENDITURES				
Current				
Support Services-Instruction	\$ 9,538	\$ 9,538	\$ 9,538	\$ -
TOTAL EXPENDITURES	<u>\$ 9,538</u>	<u>\$ 9,538</u>	<u>\$ 9,538</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) \$ 9,538
 Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 9,538

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 9,538
 Differences-budget to GAAP

Total Expenditures (GAAP Basis) \$ 9,538

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--NEW MEXICO READS TO LEAD

Year Ended June 30 2015

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 50,000	\$ 50,000	\$ 46,162	
TOTAL REVENUE	<u>50,000</u>	<u>50,000</u>	<u>\$ 46,162</u>	<u>\$ -</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 50,000</u>	<u>\$ 50,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 50,000	\$ 50,000	\$ 46,776	\$ 3,224
TOTAL EXPENDITURES	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 46,776</u>	<u>\$ 3,224</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 46,162
Differences-Budget to GAAP	
Current Year Receivable	12,497
Prior Year Receivable	(11,883)
Total Revenues (GAAP Basis)	<u>\$ 46,776</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 46,776
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 46,776</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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

Year Ended June 30, 2015

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 11,622	\$ 11,462	\$ (160)
TOTAL REVENUE	<u>-</u>	<u>11,622</u>	<u>11,462</u>	<u>(160)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 11,622</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ -	\$ 11,622	\$ 11,462	\$ 160
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 11,622</u>	<u>11,462</u>	<u>160</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) \$ 11,462
Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 11,462

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 11,462
Differences-budget to GAAP
Total Expenditures (GAAP Basis) \$ 11,462

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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

Year Ended June 30, 2015

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 64,692	\$ 54,964	\$ (9,728)
Indirect Cost - (Flow Through Grants)	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>64,692</u>	<u>\$ 54,964</u>	<u>\$ (9,728)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 64,692</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 7,500	\$ 553	\$ 6,947
Support Services-Students	-	57,192	57,137	55
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 64,692</u>	<u>\$ 57,690</u>	<u>\$ 7,002</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 54,964
Differences-Budget to GAAP	
Current Year Receivable	9,508
Prior Year Receivable	(6,782)
Total Revenues (GAAP Basis)	<u>\$ 57,690</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 57,690
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 57,690</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--CITY/COUNTY GRANTS

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
City/Local Grants	\$ -	\$ 12,000	\$ 15,200	\$ 3,200
TOTAL REVENUE	<u>-</u>	<u>12,000</u>	<u>\$ 15,200</u>	<u>\$ 3,200</u>
Cash Balance Budgeted	<u>21,628</u>	<u>21,628</u>		
TOTAL REVENUE & CASH	<u>\$ 21,628</u>	<u>\$ 33,628</u>		
EXPENDITURES				
Current				
Instruction	\$ 21,628	\$ 33,628	\$ 13,457	\$ 20,171
TOTAL EXPENDITURES	<u>\$ 21,628</u>	<u>\$ 33,628</u>	<u>\$ 13,457</u>	<u>\$ 20,171</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 15,200
Differences-Budget to GAAP	
Current Year Deferral	(23,076)
Prior Year Deferral	21,333

Total Revenues (GAAP Basis) \$ 13,457

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 13,457
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 13,457</u>

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

STATE OF NEW MEXICO
EUNICE MUNICIPAL SCHOOLS

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

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
City/Local Grants	\$ -	\$ 2,123	\$ 2,123	\$ -
TOTAL REVENUE	<u>-</u>	<u>2,123</u>	<u>2,123</u>	<u>-</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 2,123</u>		
EXPENDITURES				
Current				
Acquisition & Construction	\$ -	\$ 2,123	\$ -	\$ 2,123
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 2,123</u>	<u>\$ -</u>	<u>\$ 2,123</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 2,123
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 2,123</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ -</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET -- GENERAL FUND

June 30, 2015

	OPERATIONAL	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TOTALS
ASSETS				
Cash on Deposit	\$ 646,118	\$ -	\$ 13,337	659,455
Due From Other Governments	-	-	-	-
Due from Other Funds	182,266	-	-	182,266
Taxes Receivable	1,325	-	-	1,325
TOTAL ASSETS	\$ 829,709	\$ -	\$ 13,337	843,046
LIABILITIES				
Due to Other Funds	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unearned Revenue	831	-	-	831
TOTAL DEFERRED INFLOWS OF RESOURCES	831	-	-	831
FUND BALANCE				
Fund Balance				
Reserved for Text Books	-	-	13,337	13,337
Restricted	828,878	-	-	828,878
Unassigned	-	-	-	-
TOTAL FUND BALANCE	829,709	-	13,337	842,215
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 829,709	\$ -	\$ 13,337	842,215

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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

Year Ended June 30, 2015

	OPERATIONAL	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TOTALS
REVENUE				
Residential/Non-Residential Taxes	\$ 15,013	\$ -	\$ -	15,013
Fees - Educational	665	-	-	665
Interest Income	94	-	-	94
State Equalization	4,339,685	-	-	4,339,685
State Programs	-	268,289	31,802	300,091
Donations	8,858	-	-	8,858
Access Board	33,986	-	-	33,986
Refunds	637	-	-	637
Indirect Cost - (Flow Through Grants)	34,275	-	-	34,275
Insurance Recoveries	3,666	-	-	3,666
Federal Revenue	886	-	-	886
TOTAL REVENUES	4,437,765	268,289	31,802	4,737,856
EXPENDITURES				
Instruction	2,363,217	-	22,465	2,385,682
Support Services-Students	265,651	-	-	265,651
Support Services-Instruction	45,133	-	-	45,133
Support Services-General Administration	245,909	-	-	245,909
Support Services-School Administration	315,367	-	-	315,367
Central Services	73,002	-	-	73,002
Operation & Maintenance of Plant	703,654	-	-	703,654
Student Transportation	-	268,289	-	268,289
Other Support Services	7,817	-	-	7,817
Acquisition & Construction	67,517	-	-	67,517
TOTAL EXPENDITURES	4,087,267	268,289	22,465	4,378,021
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	350,498	-	9,337	359,835
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN/ TRANSFERS OUT	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change In Fund Balance	350,498	-	9,337	359,835
FUND BALANCE				
June 30, 2014	478,380	-	4,000	482,380
Restatement	-	-	-	-
Restated Fund Balance June 30, 2014	478,380	-	4,000	482,380
FUND BALANCE June 30, 2015	\$ 828,878	\$ -	\$ 13,337	842,215

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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	\$ 13,440	\$ 13,440	\$ 15,007	\$ 1,567
Fees - Educational	-	-	50	50
Fees-Summer School	-	-	615	615
Donations/Gifts	-	-	8,858	8,858
Interest Income	75	75	94	19
State Equalization	3,997,177	4,340,680	4,339,685	(995)
Access Board	14,900	14,900	33,986	19,086
Refunds	-	-	637	637
Indirect Cost - (DFG)	-	26,460	34,275	7,815
Indirect Cost - (Flow Through Grants)	-	-	-	-
Insurance Recoveries	-	-	3,666	3,666
Forest Reserve	-	51	886	835
TOTAL REVENUE	4,025,592	4,395,606	\$ 4,437,759	\$ 42,153
Cash Balance Budgeted	376,048	376,048		
TOTAL REVENUE & CASH	\$ 4,401,640	\$ 4,771,654		
EXPENDITURES				
Current				
Instruction	\$ 2,749,110	\$ 2,814,345	\$ 2,363,218	\$ 451,127
Support Services				
Support Services-Students	226,229	268,115	265,649	2,466
Support Services-Instruction	40,712	53,282	45,133	8,149
Support Services-General Administration	242,680	280,330	245,909	34,421
Support Services-School Administration	332,457	341,157	315,367	25,790
Central services	73,443	74,443	73,002	1,441
Operation & Maintenance of Plant	724,187	840,737	703,654	137,083
Other Support Services	12,822	12,822	7,817	5,005
Acquisition & Construction	-	86,423	67,518	18,905
TOTAL EXPENDITURES	\$ 4,401,640	\$ 4,771,654	\$ 4,087,267	\$ 684,387

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 4,437,759
Differences-Budget to GAAP	
Property tax Receivable	6
Prior Year Tax Receivables	-
Total Revenues (GAAP Basis)	\$ 4,437,765

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 4,087,267
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 4,087,267

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 250,477	\$ 268,289	\$ 268,289	\$ -
TOTAL REVENUE	<u>250,477</u>	<u>268,289</u>	<u>\$ 268,289</u>	<u>\$ -</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 250,477</u>	<u>\$ 268,289</u>		
EXPENDITURES				
Current				
Student Transportation	\$ 250,477	\$ 268,289	\$ 268,289	\$ -
TOTAL EXPENDITURES	<u>\$ 250,477</u>	<u>\$ 268,289</u>	<u>\$ 268,289</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 268,289
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 268,289</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 268,289
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 268,289</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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				
State Flow Through Grants	\$ 20,371	\$ 31,803	\$ 31,802	\$ (1)
Refunds	-	-	-	-
TOTAL REVENUE	<u>20,371</u>	<u>31,803</u>	<u>\$ 31,802</u>	<u>\$ (1)</u>
Cash Balance Budgeted	<u>2,535</u>	<u>2,535</u>		
TOTAL REVENUE & CASH	<u>\$ 22,906</u>	<u>\$ 34,338</u>		
EXPENDITURES				
Current				
Instruction	\$ 22,906	\$ 34,338	\$ 22,465	\$ 11,873
TOTAL EXPENDITURES	<u>\$ 22,906</u>	<u>\$ 34,338</u>	<u>\$ 22,465</u>	<u>\$ 11,873</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 31,802
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 31,802</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 22,465
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 22,465</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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

Year Ended June 30, 2015

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Interest Income	\$ 30	\$ 30	\$ 53	\$ 23
TOTAL REVENUE	<u>30</u>	<u>30</u>	<u>\$ 53</u>	<u>\$ 23</u>
Cash Balance Budgeted	<u>573,183</u>	<u>573,183</u>		
TOTAL REVENUE & CASH	<u>\$ 573,213</u>	<u>\$ 573,213</u>		
EXPENDITURES				
Current				
Other Support Services	\$ 272	\$ 272	\$ 157	\$ 115
Acquisition & Construction	572,941	572,941	40,659	532,282
TOTAL EXPENDITURES	<u>\$ 573,213</u>	<u>\$ 573,213</u>	<u>\$ 40,816</u>	<u>\$ 532,397</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 53
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 53</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 40,816
Differences-budget to GAAP	
Accounts Payable	(3,500)
Total Expenditures (GAAP Basis)	<u>\$ 37,316</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--CAPITAL PROJECTS FUND--SENATE BILL 9

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 60,699	\$ 60,699	\$ 67,196	\$ 6,497
Interest Income			17	17
State Flow Through Grants	76,238	180,756	37,393	(143,363)
TOTAL REVENUE	<u>136,937</u>	<u>241,455</u>	<u>\$ 104,606</u>	<u>\$ (136,849)</u>
Cash Balance Budgeted	<u>199,813</u>	<u>199,813</u>		
TOTAL REVENUE & CASH	<u>\$ 336,750</u>	<u>\$ 441,268</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 576	\$ 576	\$ 626	\$ (50)
Other Support Services	55	55	-	55
Acquisition & Construction	336,119	440,637	107,084	333,553
TOTAL EXPENDITURES	<u>\$ 336,750</u>	<u>\$ 441,268</u>	<u>\$ 107,710</u>	<u>\$ 333,558</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 104,606
Differences-Budget to GAAP	
Property tax Receivable	2,198
Prior Year Tax Receivables	(2,272)
Total Revenues (GAAP Basis)	<u>\$ 104,532</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 107,710
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 107,710</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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

Year Ended June 30, 2015

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 155,319	\$ 155,319	\$ 173,741	\$ 18,422
Interest Income	-	-	10	10
TOTAL REVENUE	<u>155,319</u>	<u>155,319</u>	<u>\$ 173,751</u>	<u>\$ 18,432</u>
Cash Balance Budgeted	<u>180,358</u>	<u>180,358</u>		
TOTAL REVENUE & CASH	<u>\$ 335,677</u>	<u>\$ 335,677</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 1,414	\$ 1,621	\$ 1,620	\$ 1
Principal	145,000	145,000	145,000	-
Interest and Finance Charges	10,320	10,320	10,319	1
Debt Service Reserve	178,943	178,736	4	178,732
TOTAL EXPENDITURES	<u>\$ 335,677</u>	<u>\$ 335,677</u>	<u>\$ 156,943</u>	<u>\$ 178,734</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 173,751
Differences-Budget to GAAP	
Property tax Receivable	5,518
Prior Year Tax Receivables	(5,849)
Total Revenues (GAAP Basis)	<u>\$ 173,420</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 156,943
Differences-budget to GAAP	
Current Year Interest Payable	(850)
Total Expenditures (GAAP Basis)	<u>\$ 156,093</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES-- AGENCY FUNDS

Year Ended June 30, 2015

	Balance 6/30/2014	ADDITIONS	DEDUCTIONS	Balance 6/30/2015
Central Office	\$ 148	\$ 1,074	\$ 611	\$ 611
High School	141,728	631,653	631,518	141,863
Middle School	3,502	6,133	5,482	4,153
Elementary School	6,810	24,734	22,721	8,823
	<u>\$ 152,188</u>	<u>\$ 663,594</u>	<u>\$ 660,332</u>	<u>\$ 155,450</u>

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

STATE OF NEW MEXICO
HAGERMAN PUBLIC 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	<1> 84.010	24101	\$ 190,647
IDEA-B Preschool	84.173	24109	5,754
IDEA-B Risk Pool	<1> 84.027	24120	90
Teacher/Principal Training	84.367	24154	20,931
IDEA-B Entitlement	<1> 84.027	24106	112,663
Title I Migrant Children	84.011	24103	30,553
New Mexico Autism Project	<1> 84.027	24108	7,408
Rural Education	84.358	25233	12,557
Title XIX Medicaid	93.778	25153	65,274
TOTAL PASS THROUGH GRANTS			<u>\$ 445,877</u>
TOTAL DEPARTMENT OF EDUCATION			<u>\$ 445,877</u>
<u>US DEPARTMENT OF AGRICULTURE</u>			
Passed Through State Department of Education			
National School Lunch Program	10.555	21000	\$ 309,192
Commodities Received	10.555	21000	14,669
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 323,861</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 769,738</u>
Reconciliation to Federal Revenues in Financial Statements:			
Federal Revenues Per Financial Statements			<u>\$ 769,738</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.

See Independent Auditor's Report

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

SCHEDULE OF PLEDGED COLLATERAL

JUNE 30, 2015

	TOTAL DEPOSITS	FDIC INSURANCE	UNINSURED DEPOSITS	COLLATERAL REQUIRED	COLLATERAL PLEDGED	UNINSURED & UNCOLLATERALIZED DEPOSITS	PLEDGED COLLATERAL DEFICIT
JAMES POLK STONE BANK	\$ 2,234,370	\$ 250,000	\$ 1,984,370	\$ 992,185	\$ 1,295,575	\$ 688,795	\$ -
COLLATERAL		CUSIP #	MATURES				
FHLB	\$ 1,004,250	3130A1AQ1	09/26/17				
First Bank Puerto Rico CD	240,000	33764JJF3	08/10/15				
Univesrity of NM Gallup BQ	51,325	914684DQ	10/15/17				
	<u>\$ 1,295,575</u>						

COLLATERAL IS HELD AT INDEPENDENT BANKERS BANK DALLAS TEXAS

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

BANK RECONCILIATION

June 30, 2015

	<u>OPERATIONAL</u>	<u>TRANSP.</u>	<u>FOOD SERVICES</u>	<u>ATHLETICS</u>	<u>FEDERAL PROJECTS</u>	<u>LOCAL/STATE ACCOUNT</u>
Audited Net Cash						
JUNE 30, 2014	\$ 262,161	\$ -	\$ 142,782	\$ 21,804	\$ 57,879	\$ 34,810
Outstanding Loans	215,730	-	-	-	(167,072)	(48,658)
TOTAL CASH BALANCE						
JUNE 30, 2014	477,891	-	142,782	21,804	(109,193)	(13,848)
Add: Prior year void checks	-	-	-	-	-	-
2014-2015 Revenue	4,437,759	268,289	323,080	14,037	489,314	209,339
Loans Paid Back						
Transfers In	-	-	-	-	-	-
TOTAL AVAILABLE CASH	4,915,650	268,289	465,862	35,841	380,121	195,491
Prior year void checks	-	-	-	-	-	-
2014-2015 Expenditures	4,087,266	268,289	264,907	18,316	445,878	242,012
Loss on Investment Pool	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
	<u>4,087,266</u>	<u>268,289</u>	<u>264,907</u>	<u>18,316</u>	<u>445,878</u>	<u>242,012</u>
NET CASH, JUNE 30, 2015	828,384	-	200,955	17,525	(65,757)	(46,521)
Cash On hand	-	-	-	-	-	-
Paid back to PED	-	-	-	-	-	-
Held Payroll Checks	-	-	-	-	-	-
Loans (Out) In	(182,266)	-	-	-	94,669	87,597
TOTAL CASH, JUNE 30, 2015	<u>\$ 646,118</u>	<u>\$ -</u>	<u>\$ 200,955</u>	<u>\$ 17,525</u>	<u>\$ 28,912</u>	<u>\$ 41,076</u>

See Independent Auditor's Report

SB-9	ACTIVITIES	INSTRUCTIONAL MATERIALS	BOND BUILDING	DEBT SERVICE
\$ 192,348	\$ 152,188	\$ 4,001	\$ 572,741	\$ 172,528
-	-	-	-	-
192,348	152,188	4,001	572,741	172,528
-	-	-	-	-
104,607	663,519	31,802	53	173,753
-	-	-	-	-
296,955	815,707	35,803	572,794	346,281
-	-	-	-	-
107,712	660,257	22,465	40,817	156,943
-	-	-	-	-
-	-	-	-	-
107,712	660,257	22,465	40,817	156,943
189,243	155,450	13,338	531,977	189,338
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 189,243</u>	<u>\$ 155,450</u>	<u>\$ 13,338</u>	<u>\$ 531,977</u>	<u>\$ 189,338</u>

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

BANK SUMMARY

JUNE 30, 2015

Bank	ACCT TYPE	FUND		BANK BALANCE	OUTSTANDING CHECKS	OUTSTANDING DEPOSITS	CASH BALANCE
JAMES POLK STONE BANK	Checking	Operational	*	\$ 996,238	\$ 218,847	\$ -	\$ 777,391
	Checking	Capital Improvement	*	189,244	-	-	189,244
	Checking	Cafeteria	*	152,571	-	-	152,571
	Checking	Athletics	*	18,187	225	-	17,962
	Checking	Debt Service	*	189,337	-	-	189,337
	Checking	Building Fund	*	531,977	-	-	531,977
	Checking	Activity Fund	*	156,816	1,366	-	155,450
Total Wells Fargo Bank				<u>\$ 2,234,370</u>	<u>\$ 220,438</u>	<u>\$ -</u>	<u>\$ 2,013,932</u>

Total Cash

* Interest Bearing

See Independent Auditor's Report

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
SCHEDULE OF THE PROPORTIONATE SHARE OF NET PENSION LIABILITY
Educational Retirement Board (ERB) Pension Plan

JUNE 30, 2015

	<u>2015</u>
Proportion of the net pension liability	0.09775%
Proportionate share of the net pension liability	\$ 5,577,343
Covered Employee Payroll	\$ 2,694,487
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 District will present information for those years for which information is available.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
SCHEDULE OF CONTRIBUTIONS Educational Retirement Board (ERB) Pension Plan

JUNE 30, 2015

	<u>2015</u>
Contractually required contribution	\$ 387,150
Contributions in relation to the contractually required contribution	\$ 387,150
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 2,694,487
Contributions as a percentage of covered-employee payroll	14.37%

*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 District will present information for those years for which information is available.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION: SCHEDULE OF THE PROPORTIONATE
SHARE OF NET PENSION LIABILITY and SCHEDULE OF CONTRIBUTIONS Educational
Retirement Board (ERB) Pension Plan

JUNE 30, 2015

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

Changes of assumptions.

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

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

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

2. Assumptions that were not changed:

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

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
VENDOR SCHEDULE

JUNE 30, 2015

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Award Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded
NA	RFB	Guy Chevrolet	\$27,775.00		Guy Chevrolet
			\$39,742.20		101 W. Main St
					Artesia, NM 88210
					Desert Sun Motors
					2601 N 2nd St
					Roswell, NM 88201
					Artesia Ford
					300 N First
					Artesia, NM 88210
					Ruidoso Ford
					207 Hwy 70
					Ruidoso, NM 88345
RFP 14-150	RFP	Dyron Murphy Architects	72,657.28		Dyron Murphy Architects PC
					4505 Montbel PI NE
					Albuquerque, NM 87107
					ASA Architects
					2600 N Main St
					Roswell, NM 88201
					Armstrong Group Inc.
					PO Box 92977
					Albuquerque, NM 87199

In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition) **Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A** **Brief Description of the Scope of Work**

Y	N	2015 Chevrolet Traverse
		2015 Chevrolet Suburban
Y	N	2015 Chevrolet Traverse
		2015 Chevrolet Suburban
Y	N	2015 Ford Explorer
Y	N	2015 Ford Explorer
Y	N	Elementary & Middle School
		Roofing Projects
Y	N	
Y	N	

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 (*With no Material Weaknesses and no Significant Deficiencies Identified; and no Reportable Instances of Noncompliance, and no Other Matters Identified*)

Independent Auditor's Report

Mr. Tim Keller
New Mexico State Auditor
School Board
Hagerman Municipal Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of the Hagerman Municipal Schools (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated November 5, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 certain deficiencies in internal control that we consider to be material weaknesses or to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Woodard, Cowen & Co." The signature is written in dark ink and is positioned above the printed name of the firm.

Woodard, Cowen, & Company
Portales, New Mexico
November 5, 2015

Woodard, Cowen & Co.

Certified Public Accountants

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

Mr. Timothy Keller, State Auditor
School Board
Hagerman Municipal Schools
Hagerman, New Mexico

Report on Compliance for Each Major Federal Program

We have audited Hagerman Municipal Schools' (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2015. The 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 the 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 the 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 of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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.

Report on Internal Control Over Compliance

Management of the 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 the District's internal control over compliance with the types of requirements that could have a direct and material effect on each 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 the 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.

A handwritten signature in cursive script that reads "Woodard, Cowen & Co.".

Woodard, Cowen & Company

Portales, New Mexico

November 5, 2015

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2015

PRIOR YEAR AUDIT FINDINGS – Hagerman Municipal Schools

2014-001 – Deficient documentation on activity funds collections – Significant deficiency

Statement of Condition: Upon review of Activity Funds deposits, it was discovered that three activity fund collections from the high school lacked positive documentation of the timing of the collection. Without this documentation, the auditor was unable to determine if the collection of funds was deposited within the required 24 hour deposit requirement. Also noted on these three collections there was no indication that the funds were counted by a second person as required by District policy.

Recommendation: Management should retrain and reinforce the requirements of the District regarding the collections of funds. All activity fund collections should be counted by a second person to ensure accuracy and completeness.

Status: Resolved.

STATE OF NEW MEXICO
HAGERMAN 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
Material Weakness involving Significant Deficiencies	None
Material Noncompliance	None
Questioned Cost	None
Type A & Type B dollar threshold	\$300,000
Entity Risk	Low Risk
Major Federal Program	Title I #84.010 IDEA-B Cluster #84.027
Significant Deficiencies on Internal Control over Major Programs	None
Report on Compliance with Major Programs	Unmodified

II. FEDERAL PROGRAM FINDINGS: None

III. FINANCIAL STATEMENT FINDINGS:

None:

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

June 30, 2015

OTHER DISCLOSURES

AUDITOR PREPARED FINANCIAL STATEMENTS

These financial statements and related footnotes and supplemental information were prepared by the auditor. The auditor cannot be a part of the District's internal control, thus the preparation of the report is not a substitute for managements' internal control and is not considered in the auditors' evaluation of the severity of the internal control deficiency.

EXIT CONFERENCE

An exit conference, to discuss the contents of this report, was held on November 5, 2015. In attendance at the 3:00 p.m. meeting were Rickey Williams, Superintendent, Chad Hamill, School Board President, and Cheryl Andrews, Director of Finance. John McKinley, Jr., CPA represented our firm at this meeting.