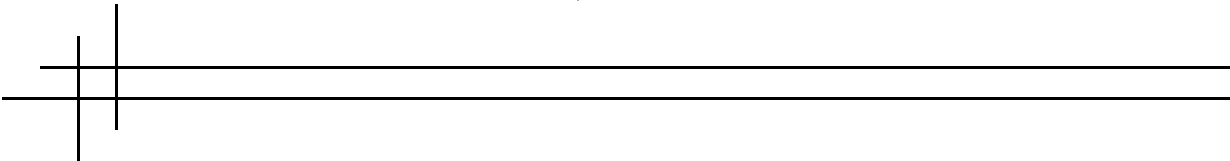


STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS

ANNUAL FINANCIAL REPORT
June 30, 2013

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



STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
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STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
Official Roster
June 30, 2013

BOARD OF EDUCATION

Larry Crites	President
Johnny Mack Owen	Vice-President
Jackie Ford	Secretary
Jimmy M. Samaneigo, Jr.	Member
Bobby Kimball	Member

SCHOOL OFFICIALS

Israel H. Carrera	Superintendent
Laurie Thomas	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101
(855) 253-4313

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Jal Public Schools

Mr. Balderas and Members of the Board

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Jal Public Schools (District), as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, and the budgetary comparisons for the major capital projects fund and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2013, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2013, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital projects fund and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The schedule required by 2.2.2.NMAC is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule required by 2.2.2 NMAC is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the schedule required by 2.2.2 NMAC is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 17, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

De'Ann Willoughby CPA PC

Clovis, New Mexico
January 17, 2014

FINANCIAL SECTION

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
 Government-Wide Statement of Net Position
 June 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 421,955
Investments	1,410,641
Taxes Receivable	4,610
Due From Grantor	216,924
Inventory	11,057
Total Current Assets	<u>2,065,187</u>
Noncurrent Assets	
Capital Assets	23,783,943
Less: Accumulated Depreciation	<u>(18,601,455)</u>
Total Noncurrent Assets	<u>5,182,488</u>
Total Assets	<u>7,247,675</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	24,189
Compensated Absences	15,559
Total Current Liabilities	<u>39,748</u>
Total Liabilities	<u>39,748</u>
NET POSITION	
Net Investment in Capital Assets	5,182,488
Restricted Special Revenue	55,399
Unrestricted	1,970,040
Total Net Position	<u>\$ 7,207,927</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
 Government-Wide Statement of Activities
 For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 2,518,918	\$ 16,357	\$ 296,033	\$ 0	\$ (2,206,528)
Support Service-Students	215,952	29,182	44,708	0	(142,062)
Support Services-Instruction	51,745	0	0	0	(51,745)
Support Services-General Administration	205,883	0	8,938	0	(196,945)
Support Services-School Administration	261,654	0	0	0	(261,654)
Central Services	106,378	0	5,832	0	(100,546)
Operation & Maintenance of Plant	1,383,538	8,000	0	0	(1,375,538)
Student Transportation	175,514	0	165,619	0	(9,895)
Other	93,153	0	0	0	(93,153)
Food Services	211,918	23,312	135,152	0	(53,454)
Community Service	11,853	0	0	0	(11,853)
Total Governmental Activities	<u>\$ 5,236,506</u>	<u>\$ 76,851</u>	<u>\$ 656,282</u>	<u>\$ 0</u>	<u>(4,503,373)</u>
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					
					187,031
Property Taxes, Levied for Capital Projects					
					750,486
Federal and State aid not restricted to specific purpose					
General					
					3,248,037
Capital					
					0
Interest and investment earnings					
					1,881
Miscellaneous					
					128,222
Subtotal, General Revenues					
					<u>4,315,657</u>
Change in Net Position					
					<u>(187,716)</u>
Net Position - Beginning					
					7,408,317
Restatement					
					(12,674)
Restated Beginning Net Position					
					<u>7,395,643</u>
Net Position - Ending					
					<u>\$ 7,207,927</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2013

	General		
	Operational 11000	Transportation 13000	Instructional Material 14000
ASSETS			
Cash and Cash Equivalents	\$ 226,567	\$ 2,760	\$ 8,599
Investments	0	0	0
Receivables			
Property Taxes	847	0	0
Due From Grantor	0	0	0
Interfund Balance	216,924	0	0
Inventory	0	0	0
Total Assets	<u>\$ 444,338</u>	<u>\$ 2,760</u>	<u>\$ 8,599</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	12,311	0	0
Deferred Revenue	622	0	0
Total Liabilities	<u>12,933</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable for Inventory	0	0	0
Restricted for Special Revenue	0	0	0
Assigned for Capital Projects	0	0	0
Unassigned	431,405	2,760	8,599
Total Fund Balances	<u>431,405</u>	<u>2,760</u>	<u>8,599</u>
Total Liabilities and Fund Balances	<u>\$ 444,338</u>	<u>\$ 2,760</u>	<u>\$ 8,599</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2013

	Special Revenue		
	Title I 24101	IDEA B Entitlement 24106	Title XIX Medicaid 3/21 yrs. 25153
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Investments	0	0	0
Receivables			
Property Taxes	0	0	0
Due From Grantor	40,230	63,325	36,010
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	\$ 40,230	\$ 63,325	\$ 36,010
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 40,230	\$ 63,325	\$ 36,010
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	40,230	63,325	36,010
Fund Balances			
Nonspendable for Inventory	0	0	0
Restricted for Special Revenue	0	0	0
Assigned for Capital Projects	0	0	0
Unassigned	0	0	0
Total Fund Balances	0	0	0
Total Liabilities and Fund Balances	\$ 40,230	\$ 63,325	\$ 36,010

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2013

	Special Revenue	Capital Projects	Other Governmental Funds
	State Pre-K 27149	SB9 31700	
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 128,569	\$ 55,460
Investments	0	1,410,641	0
Receivables			
Property Taxes	0	3,763	0
Due From Grantor	22,609	0	54,750
Interfund Balance	0	0	0
Inventory	0	0	11,057
Total Assets	<u>\$ 22,609</u>	<u>\$ 1,542,973</u>	<u>\$ 121,267</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 22,609	\$ 0	\$ 54,750
Accounts Payable	0	11,817	61
Deferred Revenue	0	2,764	0
Total Liabilities	<u>22,609</u>	<u>14,581</u>	<u>54,811</u>
Fund Balances			
Nonspendable for Inventory	0	0	11,057
Restricted for Special Revenue	0	0	55,399
Assigned for Capital Projects	0	1,528,392	0
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>1,528,392</u>	<u>66,456</u>
Total Liabilities and Fund Balances	<u>\$ 22,609</u>	<u>\$ 1,542,973</u>	<u>\$ 121,267</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2013

	Total Governmental Funds
	<u> </u>
ASSETS	
Cash and Cash Equivalents	\$ 421,955
Investments	1,410,641
Receivables	
Property Taxes	4,610
Due From Grantor	216,924
Interfund Balance	216,924
Inventory	11,057
Total Assets	<u>\$ 2,282,111</u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Interfund Balance	\$ 216,924
Accounts Payable	24,189
Deferred Revenue	3,386
Total Liabilities	<u>244,499</u>
Fund Balances	
Nonspendable for Inventory	11,057
Restricted for Special Revenue	55,399
Assigned for Capital Projects	1,528,392
Unassigned	442,764
Total Fund Balances	<u>2,037,612</u>
Total Liabilities and Fund Balances	<u>\$ 2,282,111</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 June 30, 2013

Total Fund Balance - Governmental Funds \$ 2,037,612

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

	\$	23,783,943	
The cost of capital assets			
Accumulated depreciation		<u>(18,601,455)</u>	5,182,488

Property taxes receivable will be collected after the period of availability, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. 3,386

Compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (15,559)

Total Net Position - Governmental Activities \$ 7,207,927

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2013

	General		
	Operational 11000	Transportation 13000	Instructional Material 14000
Revenues			
Property Taxes	\$ 186,409	\$ 0	\$ 0
Investment Income	725	0	0
Fees	9,132	0	0
State and Local Grants	3,248,037	165,619	24,419
Federal Grants	0	0	0
Miscellaneous	128,222	0	0
Total Revenues	<u>3,572,525</u>	<u>165,619</u>	<u>24,419</u>
Expenditures			
Current			
Instruction	2,134,098	0	25,689
Support Services-Students	142,028	0	0
Support Services-Instruction	51,745	0	0
Support Services-General Administration	188,718	0	0
Support Services-School Administration	261,654	0	0
Central Services	103,126	0	0
Operation & Maintenance of Plant	659,933	0	0
Student Transportation	11,428	163,605	0
Other	93,153	0	0
Food Service	71,687	0	0
Community Services	11,855	0	0
Total Expenditures	<u>3,729,425</u>	<u>163,605</u>	<u>25,689</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(156,900)</u>	<u>2,014</u>	<u>(1,270)</u>
Other Financing Sources (Uses)			
Transfers	3,715	0	0
Total Other Sources (Uses)	<u>3,715</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(153,185)	2,014	(1,270)
Fund Balances at Beginning of Year	<u>584,590</u>	<u>746</u>	<u>9,869</u>
Fund Balance End of Year	<u>\$ 431,405</u>	<u>\$ 2,760</u>	<u>\$ 8,599</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2013

	Special Revenue		
	Title I 24101	IDEA B Entitlement 24106	Title XIX Medicaid 3/21 yrs. 25153
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	29,182
State and Local Grants	0	0	0
Federal Grants	101,207	106,854	0
Miscellaneous	0	0	0
Total Revenues	<u>101,207</u>	<u>106,854</u>	<u>29,182</u>
Expenditures			
Current			
Instruction	101,207	61,104	0
Support Services-Students	0	39,918	29,182
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	5,832	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Other	0	0	0
Food Service	0	0	0
Community Services	0	0	0
Total Expenditures	<u>101,207</u>	<u>106,854</u>	<u>29,182</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2013

	Special Revenue	Capital Projects	Other Governmental Funds
	State Pre-K 27149	SB9 31700	
Revenues			
Property Taxes	\$ 0	\$ 747,722	\$ 0
Investment Income	0	1,127	29
Fees	0	0	38,537
State and Local Grants	36,325	0	11,303
Federal Grants	0	0	210,555
Miscellaneous	0	0	0
Total Revenues	<u>36,325</u>	<u>748,849</u>	<u>260,424</u>
Expenditures			
Current			
Instruction	36,325	0	79,738
Support Services-Students	0	0	4,790
Support Services-Instruction	0	0	0
Support Services-General Administration	0	3,277	8,938
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	481,339	0
Student Transportation	0	0	0
Other	0	0	0
Food Service	0	0	140,231
Community Services	0	0	0
Total Expenditures	<u>36,325</u>	<u>484,616</u>	<u>233,697</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>264,233</u>	<u>26,727</u>
Other Financing Sources (Uses)			
Transfers	0	0	(3,715)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(3,715)</u>
Net Change in Fund Balance	0	264,233	23,012
Fund Balances at Beginning of Year	<u>0</u>	<u>1,264,159</u>	<u>43,444</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 1,528,392</u>	<u>\$ 66,456</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2013

	Total Governmental Funds
	<u> </u>
Revenues	
Property Taxes	\$ 934,131
Investment Income	1,881
Fees	76,851
State and Local Grants	3,485,703
Federal Grants	418,616
Miscellaneous	128,222
Total Revenues	<u>5,045,404</u>
Expenditures	
Current	
Instruction	2,438,161
Support Services-Students	215,918
Support Services-Instruction	51,745
Support Services-General Administration	200,933
Support Services-School Administration	261,654
Central Services	108,958
Operation & Maintenance of Plant	1,141,272
Student Transportation	175,033
Other	93,153
Food Service	211,918
Community Services	11,855
Total Expenditures	<u>4,910,600</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>134,804</u>
Other Financing Sources (Uses)	
Transfers	<u>0</u>
Total Other Sources (Uses)	<u>0</u>
Net Change in Fund Balance	134,804
Fund Balances at Beginning of Year	<u>1,902,808</u>
Fund Balance End of Year	<u><u>\$ 2,037,612</u></u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2013

Net Change in Fund Balance \$ 134,804

Amounts reported for Governmental Activities in the Statement of Activities are

Some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities.

Property Taxes Receivable, June 30, 2012	\$ 0	
Property Taxes Receivable, June 30, 2013	<u>3,386</u>	3,386

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Depreciation expense	(323,021)	
Capital Outlays	<u>0</u>	(323,021)

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences, June 30, 2012	12,674	
Compensated Absences, June 30, 2013	<u>(15,559)</u>	<u>(2,885)</u>

Changes in Net Position of Governmental Activities	\$	<u><u>(187,716)</u></u>
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 142,991	\$ 142,991	\$ 198,871	\$ 55,880
Investment Income	1,000	1,000	725	(275)
Fees	8,000	8,000	9,132	1,132
State Grant	2,979,765	3,259,151	3,248,037	(11,114)
Miscellaneous	0	0	128,161	128,161
Total Revenues	3,131,756	3,411,142	3,584,926	173,784
Expenditures				
Instruction				
Personnel Services	1,548,590	1,589,590	1,579,005	10,585
Employee Benefits	431,233	442,318	438,826	3,492
Professional & Tech Services	10,500	11,996	11,653	343
Other Purchased Services	30,250	36,076	48,109	(12,033)
Supplies	48,589	61,182	56,505	4,677
Total Instruction	2,069,162	2,141,162	2,134,098	7,064
Support Services-Students				
Personnel Services	87,042	92,042	91,530	512
Employee Benefits	27,160	38,669	28,275	10,394
Professional & Tech Services	26,600	26,600	20,952	5,648
Supplies	1,200	10,043	1,271	8,772
Total Support Services-Students	142,002	167,354	142,028	25,326
Support Services-Instruction				
Personnel Services	31,100	31,000	31,000	0
Employee Benefits	17,030	17,030	16,210	820
Professional & Tech Services	0	1,000	926	74
Supplies	3,750	4,750	3,608	1,142
Total Support Services-Instruction	51,880	53,780	51,744	2,036
Support Services-General Administration				
Personnel Services	121,418	121,418	119,124	2,294
Employee Benefits	33,826	31,836	30,159	1,677
Professional & Tech Services	17,645	29,995	26,160	3,835
Other Purchased Services	5,200	5,432	2,665	2,767
Supplies	6,000	10,418	10,417	1
Total Support Services-General Administration	\$ 184,089	\$ 199,099	\$ 188,525	\$ 10,574

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 182,354	\$ 211,025	\$ 188,527	\$ 22,498
Employee Benefits	65,185	65,903	58,116	7,787
Professional & Tech Services	6,000	11,560	11,129	431
Supplies	4,250	5,651	3,881	1,770
Total Support Services-School Administration	257,789	294,139	261,653	32,486
Central Services				
Personnel Services	59,556	81,776	70,878	10,898
Employee Benefits	14,010	19,055	15,172	3,883
Professional & Tech Services	3,200	3,454	2,953	501
Supplies	17,000	17,000	13,180	3,820
Supply Assets	1,000	1,000	913	87
Total Central Services	94,766	122,285	103,096	19,189
Operation & Maintenance of Plant				
Personnel Services	252,007	271,583	266,870	4,713
Employee Benefits	118,350	114,828	104,874	9,954
Professional & Tech Services	714	714	400	314
Purchased Property Services	250,369	379,564	159,844	219,720
Other Purchased Services	106,620	114,520	99,846	14,674
Supplies	16,200	19,714	16,251	3,463
Total Operation & Maintenance of Plant	744,260	900,923	648,085	252,838
Transportation				
Purchased Property Services	2,000	27,000	11,428	15,572
Total Transportation	2,000	27,000	11,428	15,572
Other Support Services				
Purchased Property Services	8,339	8,339	953	7,386
Loss on Grant	0	0	91,960	(91,960)
Total Other Support Services	8,339	8,339	92,913	(84,574)
Food Service				
Personnel Services	39,826	39,826	32,431	7,395
Employee Benefits	17,899	52,302	31,936	20,366
Supplies	14,000	14,000	7,323	6,677
Total Food Service	\$ 71,725	\$ 106,128	\$ 71,690	\$ 34,438

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Community Service				
Personnel Services	\$ 6,250	\$ 11,250	\$ 10,592	\$ 658
Employee Benefits	1,314	1,411	1,262	149
Supplies	200	1,200	0	1,200
Total Community Service	<u>7,764</u>	<u>13,861</u>	<u>11,854</u>	<u>2,007</u>
Total Expenditures	<u>3,633,776</u>	<u>4,034,070</u>	<u>3,717,114</u>	<u>316,956</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(502,020)</u>	<u>(622,928)</u>	<u>(132,188)</u>	<u>490,740</u>
Other Financing Sources (Uses)				
Transfers	<u>0</u>	<u>0</u>	<u>3,776</u>	<u>3,776</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>3,776</u>	<u>3,776</u>
Net Change in Cash Balance	(502,020)	(622,928)	(128,412)	494,516
Cash Balance Beginning of Year	<u>571,903</u>	<u>571,903</u>	<u>571,903</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 69,883</u>	<u>\$ (51,025)</u>	<u>\$ 443,491</u>	<u>\$ 494,516</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (128,412)	
Net Change in Taxes Receivable			(12,462)	
Net Change in Taxes Delinquent			622	
Net Change in Payables			(12,311)	
Net Change in Deferred Revenue			(622)	
Net Change in Fund Balance			<u>\$ (153,185)</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
GENERAL FUND-TRANSPORTATION-13000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 158,825	\$ 165,619	\$ 165,619	\$ 0
Total Revenues	<u>158,825</u>	<u>165,619</u>	<u>165,619</u>	<u>0</u>
Expenditures				
Student Transportation				
Personnel Services	80,759	80,759	80,759	0
Employee Benefits	34,610	34,610	34,596	14
Professional & Tech Services	1,730	12,103	12,103	0
Other Purchased Services	7,400	7,400	5,871	1,529
Supplies	24,326	31,120	29,903	1,217
Other	0	373	373	0
Total Student Transportation	<u>148,825</u>	<u>166,365</u>	<u>163,605</u>	<u>2,760</u>
Total Expenditures	<u>148,825</u>	<u>166,365</u>	<u>163,605</u>	<u>2,760</u>
Excess (Deficiency) of Revenues Over Expenditures	10,000	(746)	2,014	2,760
Cash Balance Beginning of Year	<u>746</u>	<u>746</u>	<u>746</u>	<u>0</u>
Cash Balance End of Year	\$ <u>10,746</u>	\$ <u>0</u>	\$ <u>2,760</u>	\$ <u>2,760</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>2,014</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>2,014</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
GENERAL FUND-INSTRUCTIONAL MATERIAL-14000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 24,419	\$ 24,419	\$ 24,419	\$ 0
Total Revenues	<u>24,419</u>	<u>24,419</u>	<u>24,419</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	30,553	34,288	25,689	8,599
Total Instruction	<u>30,553</u>	<u>34,288</u>	<u>25,689</u>	<u>8,599</u>
Total Expenditures	<u>30,553</u>	<u>34,288</u>	<u>25,689</u>	<u>8,599</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,134)	(9,869)	(1,270)	8,599
Cash Balance Beginning of Year	<u>9,869</u>	<u>9,869</u>	<u>9,869</u>	<u>0</u>
Cash Balance End of Year	\$ <u>3,735</u>	\$ <u>0</u>	\$ <u>8,599</u>	\$ <u>8,599</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,270)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(1,270)</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-TITLE I-24101
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 189,059	\$ 189,599	\$ 148,436	\$ (41,163)
Total Revenues	<u>189,059</u>	<u>189,599</u>	<u>148,436</u>	<u>(41,163)</u>
Expenditures				
Instruction				
Personnel Services	77,303	77,303	77,053	250
Employee Benefits	11,287	11,385	11,351	34
Professional & Tech Services	0	1,040	1,000	40
Supplies	13,010	12,412	11,803	609
Total Instruction	<u>101,600</u>	<u>102,140</u>	<u>101,207</u>	<u>933</u>
Total Expenditures	<u>101,600</u>	<u>102,140</u>	<u>101,207</u>	<u>933</u>
Excess (Deficiency) of Revenues Over Expenditures	87,459	87,459	47,229	(40,230)
Cash Balance Beginning of Year	<u>(87,459)</u>	<u>(87,459)</u>	<u>(87,459)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (40,230)</u>	<u>\$ (40,230)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 47,229	
Net Change in Due from Grantor			<u>(47,229)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-IDEA B ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 130,399	\$ 197,809	\$ 75,363	\$ (122,446)
Local Support	0	0	8,143	8,143
Total Revenues	<u>130,399</u>	<u>197,809</u>	<u>83,506</u>	<u>(114,303)</u>
Expenditures				
Instruction				
Personnel Services	46,518	46,518	36,777	9,741
Employee Benefits	<u>19,384</u>	<u>19,384</u>	<u>24,327</u>	<u>(4,943)</u>
Total Instruction	<u>65,902</u>	<u>65,902</u>	<u>61,104</u>	<u>4,798</u>
Support Services-Students				
Personnel Services	3,000	3,000	3,000	0
Employee Benefits	618	618	543	75
Other Purchased Services	<u>13,637</u>	<u>81,047</u>	<u>36,375</u>	<u>44,672</u>
Total Support Services-Students	<u>17,255</u>	<u>84,665</u>	<u>39,918</u>	<u>44,747</u>
Central Services				
Personnel Services	6,124	6,124	4,842	1,282
Employee Benefits	<u>1,141</u>	<u>1,141</u>	<u>990</u>	<u>151</u>
Total Central Services	<u>7,265</u>	<u>7,265</u>	<u>5,832</u>	<u>1,433</u>
Total Expenditures	<u>90,422</u>	<u>157,832</u>	<u>106,854</u>	<u>50,978</u>
Excess (Deficiency) of Revenues Over Expenditures	39,977	39,977	(23,348)	(63,325)
Cash Balance Beginning of Year	<u>(39,977)</u>	<u>(39,977)</u>	<u>(39,977)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (63,325)</u>	<u>\$ (63,325)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (23,348)	
Net Change in Due from Grantor			<u>23,348</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-TITLE XIX - MEDICAID 3/21 YRS-25153
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 41,237	\$ 41,417	\$ 0	\$ (41,417)
Total Revenues	<u>41,237</u>	<u>41,417</u>	<u>0</u>	<u>(41,417)</u>
Expenditures				
Support Services-Students				
Personnel Services	25,161	25,161	21,169	3,992
Employee Benefits	9,248	9,248	8,013	1,235
Total Support Services-Students	<u>34,409</u>	<u>34,409</u>	<u>29,182</u>	<u>5,227</u>
Total Expenditures	<u>34,409</u>	<u>34,409</u>	<u>29,182</u>	<u>5,227</u>
Excess (Deficiency) of Revenues Over Expenditures	6,828	7,008	(29,182)	(36,190)
Cash Balance Beginning of Year	<u>(6,828)</u>	<u>(6,828)</u>	<u>(6,828)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 180</u>	<u>\$ (36,010)</u>	<u>\$ (36,190)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (29,182)	
Net Change in Due from Grantor			<u>29,182</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-PRE K-27149
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 3,639	\$ 40,039	\$ 14,110	\$ (25,929)
Local Support	0	0	3,245	3,245
Total Revenues	<u>3,639</u>	<u>40,039</u>	<u>17,355</u>	<u>(22,684)</u>
Expenditures				
Instruction				
Personnel Services	0	31,056	31,052	4
Employee Benefits	0	5,344	5,273	71
Total Instruction	<u>0</u>	<u>36,400</u>	<u>36,325</u>	<u>75</u>
Total Expenditures	<u>0</u>	<u>36,400</u>	<u>36,325</u>	<u>75</u>
Excess (Deficiency) of Revenues Over Expenditures	3,639	3,639	(18,970)	(22,609)
Cash Balance Beginning of Year	<u>(3,639)</u>	<u>(3,639)</u>	<u>(3,639)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (22,609)</u>	<u>\$ (22,609)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (18,970)	
Net Change in Due From Grantor			<u>18,970</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
Statement of Fiduciary Net Position - Agency Funds
June 30, 2013

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 183,404
Total Assets	<u>\$ 183,404</u>
Liabilities	
Deposits Held for Others	\$ 183,404
Total Liabilities	<u>\$ 183,404</u>

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Jal Public Schools (District) ,have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

The District has been in existence since the early nineteen hundreds, and is currently operating under the provisions of the Public School District Code, Chapter 22, of the New Mexico Statutes Annotated, 1978 Compilation. The District operates with a local board of education - superintendent form of government and provides a supervised program of instruction designed to educate students at the elementary and secondary level.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

The District has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected District members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows below:

Governmental Funds

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets and the servicing of general long-term debt.

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

Debt Service Fund - The Debt Service Fund is used to account for the resources for, and the payment of, principal, interest and related costs.

Fiduciary Fund Type

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations. This account is accounted for using the economic resources measurement focus and the accrual basis of accounting.

MAJOR FUNDS

The District reports the following major governmental funds:

General Fund (11000)(13000)(14000). The General Fund consist of three sub funds. The first is the Operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

MAJOR SPECIAL REVENUE FUNDS

Title I (24101). To account for a program funded by a federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the Elementary and Secondary Act of 1965, Chapter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of federal grant provisions.

IDEA B Entitlement (24106). To account for a program funded by a federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

Title XIX - Medicaid 3/21 yrs. (25153). To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. The fund was created by the authority of federal grant provisions. (Title XIX Social Security Act).

Pre K (27149). To account for revenues and expenditures from a state grant provided for the running of the Pre K program.. The fund was created by state grant provisions.

MAJOR CAPITAL PROJECTS FUND

Senate Bill Nine (31700). The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

Measurement Focus and Basis of Accounting
Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirement of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include: 1) charges for services to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function 2) program-specific operating grants and contributions, Transportation, Food Service, Special Revenue Funds such as special education as well as others., and 3) program specific capital grants and contributions.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

Revenues

Taxes. Ad valorem taxes are susceptible to full accrual on the government wide financial statements. Property Tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied.

Grants. Government mandated nonexchange transaction and voluntary nonexchange transactions. Recipients should recognize revenues in the period when all applicable eligibility requirements have been met and the resources are available.

Revenue Recognition for Grants.

Eligibility requirements for government-mandated and voluntary nonexchange transaction comprise one or more of the following:

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts).
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).
3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.
4. Contingencies. The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

Other receipts. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and therefore are not accrued. Salaries for the twelve month employees payroll are accrued.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Basis of Budgeting

Formal budgetary integration is employed as a management control device during the year.

Budgets for the General, Special Revenue, Capital Projects and Debt Service Funds are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). These budgets are prepared using the cash basis of accounting. Budgetary comparisons for the various funds in this report are on the non-GAAP budgetary basis.

The District follows the following procedures in establishing data reflected in the financial statements:

1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1st. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.

2. Prior to June 20th, of each year, the proposed "operating" budget will be reviewed and approved by the SBFAU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBFAU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBFAU.
5. No school board or officer or employee of the District shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBFAU.
7. Legal budget control for expenditures is by function.
8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The District is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

All money not immediately necessary for the public uses of the District may be invested in :

- (a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or

(b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Property Taxes

The County collects the District's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the District on a monthly basis. The District accounts for its share of property taxes in the General, Debt Service and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Food Services Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

Capital Assets

Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

If there are any construction projects funded by the NM Public School Facilities Authority they are included in the appropriate capital projects fund and in the capital assets.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings & Improvements	20-50 Years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3-15 Years

Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet.

Short -Term Debt

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

Long-Term Liabilities

For district-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34. The District has no long term liabilities.

Restricted Net Position

For the Government-Wide Statement of Net Position, net positions are reported as restricted when constraints placed on net positions use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available it will first be applied to restricted resources.

Fund Balances of Fund Financial Statements

Nonspendable fund balance indicates that portion of fund equity is not spendable such as inventory.

The restricted fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resources providers, or through enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance is the residual amount that is not restricted or committed.

Interfund Transfers

In governmental funds, transfers should be reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Deferred Revenue

The District reports deferred revenues on its Statement of Net Position and Fund Balance Sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized. Deferred revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 30 days of the fiscal year end.

Payroll

The District has a Social Security 218 Agreement effective May 15, 1957. The District does not cover services of employees who are in positions which require a valid state teacher's or administrator's certificate as a prerequisite for employment. All other employees are covered by Social Security.

Compensated Absences

Administrative Personnel will receive two weeks of vacation time per year. After five years of experience, the vacation time will increase to three weeks, and after ten years, four weeks a year will be given. Employees who have been working in other positions in the school system will be given credit for this experience. Vacation time not used will be credited to the next year up to a maximum of 50 days. Employees retiring from the district may be compensated for up to 240 hours of unused vacation time. This limit is set by the Education Retirement Board.

The District's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both the following conditions are met:

- (a) The employees' right to receive compensation is attributable to services already rendered.
- (b) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The entire compensated absence liability is reported on the government-wide financial statements.

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For governmental fund financial statements the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

Estimates

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

NOTE B: DEPOSITS AND INVESTMENTS

The District is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

Wells Fargo

<u>Name of Account</u>	<u>Balance Per Bank 6/30/13</u>	<u>Reconciled Balance</u>	<u>Type</u>	
Operational	\$ 613,299	\$ 507,503	Checking	Interest
Payroll Clearing Account	226,409	75,787	Checking	Interest
TOTAL Deposited	<u>839,708</u>	<u>\$ 583,290</u>		
Less: FDIC Coverage	<u>(250,000)</u>			
Uninsured Amount	589,708			
50% collateral requirement	294,854			
Pledged securities	<u>318,479</u>			
Over (Under) requirement	<u>\$ 23,625</u>			

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

The following securities are pledged at **Wells Fargo**:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FNMA FNMS	31368HNW9	\$ 86,503	10/01/2040	Mellon Bank, NY
FNMA FNMS	3138AAAYX3	10,408	03/01/2041	Mellon Bank, NY
FNMA FNMS	3138MSC56	91,701	02/01/2043	Mellon Bank, NY
FNMA FNMS	3138NY4T9	38,654	02/01/2043	Mellon Bank, NY
FNMA FNMS	3138W7GH1	4,860	03/01/2043	Mellon Bank, NY
FNMA FNMS	31417EM57	86,353	01/01/2043	Mellon Bank, NY
		<u>\$ 318,479</u>		

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 250,000
Collateralized:	
Collateral held by the pledging bank in District's name	318,479
Uninsured and uncollateralized	271,229
Total Deposits	<u>\$ 839,708</u>

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Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2013 \$272,229 of the District's bank balance of \$839,708, was exposed to custodial credit risk.

New Mexico State Treasurer	Balance		Type
Name of Account	Per Bank 6/30/13	Reconciled Balance	
Jal LGIP Fund	\$ 1,409,949	\$ 1,409,949	Savings
Jal Reserve Contingencies Fund	692	692	Savings
TOTAL Deposited	\$ 1,410,641	\$ 1,410,641	

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, relates to how deposits and investments are reported in the annual financial statements of governmental entities. GASB Statement No. 40 disclosures inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. GASB Statement No. 40 requires governments to disclose deposit and investment risks related to credit risk (including custodial credit risk), concentration of credit risk, interest rate risk, and foreign currency risk. The State Treasurer's Office provides the following information regarding the LGIP:

1. With respect to credit risk, the LGIP, a government investment pool, is rated AAAM by Standard & Poor's. Therefore, the LGIP reports AAAM for credit risk. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.
2. GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as the LGIP, are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure. However, our portfolio is posted on the State Treasurer's website www.stonm.org and available for review by participants at any time.
3. GASB Statement No. 40 defines interest rate risk as the risk that interest rate variations may adversely affect the fair value of an investment. According to GASB Statement No. 40, an acceptable method for reporting interest rate risk is weighted average maturity ("WAM"). The State Treasurer's Office uses this method for reporting purposes for the LGIP. The WAM of the LGIP is identified on the monthly LGIP investment report found on the State Treasurer's Office website at www.nmsto.gov. As of June 30, 2013, the LGIP WAM(R) is 59 days and WAM(F) is 90 days.
4. Finally, with respect to foreign currency risk, all investments in the LGIP are in U.S. dollar denominated assets. Therefore, the LGIP has no foreign currency risk.

NOTE C: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances is as follows:

Receivable Fund	Payable Funds			
	Title I 24101	IDEA B Entitlement 24106	Title XIX Medicaid 3/21 yrs. 25153	State Pre-K 27149
General Fund	\$ 40,230	\$ 63,325	\$ 36,010	\$ 22,609
Totals	<u>\$ 40,230</u>	<u>\$ 63,325</u>	<u>\$ 36,010</u>	<u>\$ 22,609</u>

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	Other Governmental Funds	Total
General Fund	\$ 54,750	\$ 216,924
Totals	<u>\$ 54,750</u>	<u>\$ 216,924</u>

The above interfund balances resulted from reimbursement grants. The shortfalls were covered by the General Fund. All transactions will be repaid within one year.

NOTE D: TAXES RECEIVABLE

Following is a schedule of property taxes receivable as of June 30, 2013:

	General 11000	SB9 31700	Total
Property Taxes Receivable:			
Available	\$ 225	\$ 999	\$ 1,224
Unavailable	622	2,764	3,386
TOTAL Property Taxes Receivable	<u>\$ 847</u>	<u>\$ 3,763</u>	<u>\$ 4,610</u>

NOTE E: DUE FROM GRANTOR

Amounts due from other agencies and units of government were as follows as of June 30, 2013:

Federal Agencies	\$ 210,269
State Agencies	6,655
Total	<u>\$ 216,924</u>

NOTE F: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2013, is as follows:

	Balance 6/30/12	Increases	Decreases	Balance 6/30/13
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 529,477	\$ 0	\$ 0	\$ 529,477
Total Capital Assets, not being Depreciated	<u>529,477</u>	<u>0</u>	<u>0</u>	<u>529,477</u>
Capital Assets, being Depreciated				
Buildings & Improvements	21,522,462	0	0	21,522,462
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>1,732,004</u>	<u>0</u>	<u>0</u>	<u>1,732,004</u>
Total Capital Assets, being Depreciated	<u>23,254,466</u>	<u>0</u>	<u>0</u>	<u>23,254,466</u>
Total Capital Assets	<u>23,783,943</u>	<u>0</u>	<u>0</u>	<u>23,783,943</u>

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Less Accumulated Depreciation

Buildings & Improvements	17,010,780	240,344	0	17,251,124
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	1,267,654	82,677	0	1,350,331
Total Accumulated Depreciation	<u>18,278,434</u>	<u>323,021</u>	<u>0</u>	<u>18,601,455</u>
Capital Assets, net	\$ <u>5,505,509</u>	\$ <u>(323,021)</u>	\$ <u>0</u>	\$ <u>5,182,488</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 80,755
Operation of Plant	242,266
Total depreciation expenses	<u>\$ 323,021</u>

NOTE G: LONG TERM DEBT

The District has no Long Term Debt.

NOTE H: COMMITMENTS

There are no construction projects in the near future.

NOTE I: PENSION PLAN

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

Funding Policy-As of July 1, 2012 plan members are required by statute to continue 7.9% of their gross salary if they earned \$20,000 or less annually. Plan members earning more than \$20,000 annually are required to contribute 9.4% of their gross salary. The District is required to contribute 12.4% of gross covered salaries for employees earning \$20,000 or less, and 10.9% of the gross covered salaries of employees earning more than \$20,000 annually. The contribution requirements of plan members and the District are established in State Statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2013, 2012, and 2011, were \$294,880, \$248,573 and \$306,138 respectively, which equal the amount of the required contributions for each fiscal year.

NOTE J: RETIREE HEALTH CARE ACT CONTRIBUTIONS

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

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the 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, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act. The District is not a member of the enhanced retirement plan.

The District's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$53,365, \$47,849 and \$45,760 respectively, which equal the required contributions for each year.

NOTE K: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

NOTE L: INSURANCE COVERAGE

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

- Workers Compensation
- Property and Automobile Liability and Physical Damage
- Liability and Civil Rights and Personal Injury
- Contract School Bus Coverage; and
- Crime

NOTE M: SURETY BOND

The officials and certain employees of the District are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

NOTE N: JOINT POWERS AGREEMENT

Jal Public School is part of a joint powers agreement with the Lea Regional Education Cooperation # 7 (REC). The REC administers the following programs listed below for the District. The financial statements for these funds have been prepared separately and are available at the REC.

The agreement is to remain in effect until the end of any fiscal year during which the District gives notice of intent to terminate.

The funds and expenditures were:

Title XIX - Medicaid 3/21 yrs. (25153)	\$	29,182
Pre K (27149)		36,325
State Directed Activities (27200) (included in activity funds)		39,246

The REC is responsible for their audit. The information is available at the Lea Regional Education Cooperation, 315 East Clinton, Hobbs, New Mexico 88240.

Jal Public School is a member of the Lea County Distance Education Consortium. Other members include all school districts in Lea County, Eastern New Mexico University and New Mexico Junior College. The purpose of the Consortium is to purchase and maintain a two-way interactive television network to provide educational services between each of the members. The District contributed \$15,875 this fiscal year.

This agreement shall continue as mutually agreeable by all parties.

The New Mexico Junior College is responsible for their audit. The information is available at the New Mexico Junior College, 5317 N Lovington Hwy, Hobbs, New Mexico 88240.

NOTE O: BUDGET VIOLATIONS

The District has maintained expenditures at the function level in which actual expenditures exceeded budgetary authority in the following funds:

General Fund (11000)-Other Support Services	\$	(84,574)
SB9 (31700)-General Administration		(1,277)
Improving Teacher Quality (24154)-Instruction		(4,518)
2010 GO Library Books (27106)-Instruction		(3,330)

NOTE P: RESTATEMENT

Net Assets were restated for the balance of the compensated absences of \$12,674 as of June 30, 2012. The beginning cash balance of the activity funds was restated by \$(22,069) to include the State Directed Activities-27200. State Directed Activities is a reimbursed grant administered by the REC. PED has given a directive to include the federal revenue and expenditures in the REC audit and to exclude the fund from the District. Because the fund was overdrawn, the cash balances, revenues and expenditures were correctly reflected in the activity funds.

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
 CAPITAL PROJECTS FUND-SENATE BILL NINE-31700
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 574,044	\$ 574,044	\$ 797,536	\$ 223,492
Investment Income	1,500	1,500	1,127	(373)
Total Revenues	<u>575,544</u>	<u>575,544</u>	<u>798,663</u>	<u>223,119</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	2,000	2,000	3,277	(1,277)
Total Support Services-General Administration	<u>2,000</u>	<u>2,000</u>	<u>3,277</u>	<u>(1,277)</u>
Capital Outlay				
Maintenance & Repairs	326,723	337,597	187,664	149,933
Supplies	227,645	230,824	138,770	92,054
Fixed Assets	1,261,029	1,261,029	0	1,261,029
Supply Assets	0	0	143,088	(143,088)
Total Capital Outlay	<u>1,815,397</u>	<u>1,829,450</u>	<u>469,522</u>	<u>1,359,928</u>
Total Expenditures	<u>1,817,397</u>	<u>1,831,450</u>	<u>472,799</u>	<u>1,358,651</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,241,853)	(1,255,906)	325,864	1,581,770
Cash Balance Beginning of Year	<u>1,213,346</u>	<u>1,213,346</u>	<u>1,213,346</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (28,507)</u>	<u>\$ (42,560)</u>	<u>\$ 1,539,210</u>	<u>\$ 1,581,770</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 325,864	
Net Change in Taxes Receivable			(49,814)	
Net Change in Taxes Delinquent			2,764	
Net Change in Accounts Payable			(11,817)	
Net Change in Deferred Revenue			(2,764)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 264,233</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

Food Services (21000). To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

Athletics (22000). To account for revenue and expenditures associated with the District's budgeted athletic activities. (NMAC 6.20.2).

IDEA Preschool (24109). To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, 101-476, and 102-119. The fund was created by the authority of federal grant provisions.

IDEA B Early Intervention (24112). To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100, 639 and 101-476, 20 U.S.C. 1411-1420.

IDEA Risk Pool (24120). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

Partnership in Character Education (24129). To account for a program funded by Federal grant to improve character development in schools and community. This grant is to serve the purpose of advancing character education through community-sponsored athletic events, service learning ethics elective courses, and other character resources to reflect our responsibility to promote character education as a means to achieve student success as responsible, productive, and caring citizens and creating safe and respectful learning environments.

Enhancing Education through Technology (24133). To account for a Federal grant designed to strengthen teacher learning in the field of technology. The fund was created by the authority of federal grant provisions. (PL 103-382).

Class Size Reduction (24137). To account for funding to reduce class size, particularly in the early grades using highly qualified teachers to improve educational achievement for regular and special needs children. Authority for creation of this fund is Department of Education Appropriations Act of 1999, Public Law 105-277.

Title V (24150). To account for monies received to improve elementary and secondary education for children attending both public and private schools. The fund was created by grant provisions. (PL 103-382).

Title III-English Language Acquisition (24153). To account for revenues and expenditures received from a federal grant provided to develop school-wide programs for limited English proficient students that reform, restructure, and upgrade all relevant programs. The fund was created by the Elementary and Secondary Education Act of 1965, as amended, Title VII, Part A.

Improving Teacher Quality (24154). To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

NONMAJOR SPECIAL REVENUE FUNDS

Title I-Stimulus (24201). To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

IDEA-B Entitlement Stimulus (24206). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

Title XIX - Medicaid 3/21 Yrs (25153). To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. The fund was created by the authority of federal grant provisions. (Title XIX Social Security Act).

Rural Education Achievement Program (25233). To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

Dual Credit (27103). To provide financial assistance to purchased instructional materials for the college classes offered to students who are taking them for dual credits. The fund was created by the authority of state grant provisions.

Library GO Bonds (27105). To account for revenues and expenditures from a state grant to provide for public school libraries. Funding provided by a bond issue at the state level. The fund was created by the authority of state grant provisions.

2010 GO Library Books (27106). To account for revenues and expenditures from a state grant to provide for public school libraries. Funding provided by a bond issue at the state level. The fund was created by the authority of state grant provisions.

Formative Assessments-(27111) To account for the revenues and expenditures to purchase testing materials for the achievement tests required by NMPED. The fund was created by the authority of state grant provision.

Technology for Education (27117). To account for funds received from the Technology for Education Grant created by the 1994 State Legislation to establish funding of any costs associated with educational technology. Funding provided by the State of New Mexico. (NMSA 22-15A-1-10).

Library Bonds 2004 (27145). To account for revenues and expenditures to purchase library books, equipment and library resources for public school and juvenile detention libraries. Funding provided by the State of New Mexico.

Library SB301 Bonds (27170). To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

2010 GOB Instructional Materials (27171). To account for revenues and expenditures from a state grant to provide for public school instructional materials. The fund was created by the authority of state grant provision.

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2013

	Special Revenue		
	Food Service 21000	Athletics 22000	IDEA Preschool 24109
ASSETS			
Cash and Cash Equivalents	\$ 40,491	\$ 14,969	\$ 0
Receivables			
Due From Grantor	0	0	7,570
Inventory	11,057	0	0
Total Assets	<u>\$ 51,548</u>	<u>\$ 14,969</u>	<u>\$ 7,570</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 7,570
Accounts Payable	61	0	0
Total Liabilities	<u>61</u>	<u>0</u>	<u>7,570</u>
Fund Balance			
Nonspendable-Inventory	11,057	0	0
Restricted for, reported in			
Special Revenue Funds	40,430	14,969	0
Total Fund Balance	<u>51,487</u>	<u>14,969</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 51,548</u>	<u>\$ 14,969</u>	<u>\$ 7,570</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2013

	Special Revenue		
	IDEA B Early Intervention 24112	IDEA B Risk Pool 24120	Partnership in Character Education 24129
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	13,588	507	0
Inventory	0	0	0
Total Assets	<u>\$ 13,588</u>	<u>\$ 507</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 13,588	\$ 507	\$ 0
Accounts Payable	0	0	0
Total Liabilities	<u>13,588</u>	<u>507</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 13,588</u>	<u>\$ 507</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2013

	Special Revenue		
	Enhancing Ed Through Technology 24133	Class Size Reduction 24137	Title V 24150
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2013

	Special Revenue		
	Title III English Language Acquisition 24153	Improving Teacher Quality 24154	Title I Stimulus 24201
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	0	14,624	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 14,624</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 14,624	\$ 0
Accounts Payable	0	0	0
Total Liabilities	<u>0</u>	<u>14,624</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 14,624</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2013

	Special Revenue		
	IDEA-B Entitlement Stimulus 24206	Rural Ed Achievement Program 25233	Duel Credits 27103
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	0	11,806	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 11,806</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 11,806	\$ 0
Accounts Payable	0	0	0
Total Liabilities	<u>0</u>	<u>11,806</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 11,806</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2013

	Special Revenue		
	2008 GO Bond Library 27105	2010 GO Bonds Student Library 27106	Formative Assessment 2012 27111
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	0	3,331	2,721
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 3,331</u>	<u>\$ 2,721</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 3,331	\$ 2,721
Accounts Payable	0	0	0
Total Liabilities	<u>0</u>	<u>3,331</u>	<u>2,721</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 3,331</u>	<u>\$ 2,721</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2013

	Special Revenue		
	Technology for Education 27117	Library Bonds 2004 27145	Library SB301 Bonds 27170
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2013

	Special Revenue	
	2010 GOB Instructional Materials 27171	Total
	<u>27171</u>	<u>Total</u>
ASSETS		
Cash and Cash Equivalents	\$ 0	\$ 55,460
Receivables		
Due From Grantor	603	54,750
Inventory	0	11,057
Total Assets	<u>\$ 603</u>	<u>\$ 121,267</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Interfund Balance	\$ 603	\$ 54,750
Accounts Payable	0	61
Total Liabilities	<u>603</u>	<u>54,811</u>
Fund Balance		
Nonspendable-Inventory	0	11,057
Restricted for, reported in		
Special Revenue Funds	0	55,399
Total Fund Balance	<u>0</u>	<u>66,456</u>
Total Liabilities and Fund Balance	<u>\$ 603</u>	<u>\$ 121,267</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2013

	Special Revenue		
	Food Service 21000	Athletics 22000	IDEA Preschool 24109
Revenues			
Investment Income	\$ 8	\$ 21	\$ 0
Fees	23,312	15,225	0
State and Local Grants	0	0	0
Federal Grants	135,152	0	13,728
Total Revenues	158,472	15,246	13,728
Expenditures			
Current			
Instruction	0	10,475	0
Support Services-Students	0	0	4,790
Support Services-General Administration	0	0	8,938
Food Service	140,231	0	0
Total Expenditures	140,231	10,475	13,728
Excess (Deficiency) of Revenues Over Expenditures	18,241	4,771	0
Other Financing Sources (Uses)			
Transfers	0	0	0
Total Other Sources (Uses)	0	0	0
Net Change in Fund Balance	18,241	4,771	0
Fund Balances at Beginning of Year	33,246	10,198	0
Fund Balance End of Year	\$ 51,487	\$ 14,969	\$ 0

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2013

	Special Revenue		
	IDEA B Early Intervention 24112	IDEA B Risk Pool 24120	Partnership in Character Education 24129
Revenues			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	16,948	507	0
Total Revenues	16,948	507	0
Expenditures			
Current			
Instruction	16,948	507	0
Support Services-Students	0	0	0
Support Services-General Administration	0	0	0
Food Service	0	0	0
Total Expenditures	16,948	507	0
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Other Financing Sources (Uses)			
Transfers	0	0	0
Total Other Sources (Uses)	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balances at Beginning of Year	0	0	0
Fund Balance End of Year	\$ 0	\$ 0	\$ 0

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2013

	Special Revenue		
	Enhancing Ed Through Technology 24133	Class Size Reduction 24137	Title V 24150
Revenues			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-General Administration	0	0	0
Food Service	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2013

	Special Revenue		
	Title III English Language Acquisition 24153	Improving Teacher Quality 24154	Title I Stimulus 24201
Revenues			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	0	32,414	0
Total Revenues	<u>0</u>	<u>32,414</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	32,414	0
Support Services-Students	0	0	0
Support Services-General Administration	0	0	0
Food Service	0	0	0
Total Expenditures	<u>0</u>	<u>32,414</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2013

	Special Revenue		
	IDEA-B Entitlement Stimulus 24206	Rural Ed Achievement Program 25233	Duel Credits 27103
Revenues			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	4,342
Federal Grants	0	11,806	0
Total Revenues	<u>0</u>	<u>11,806</u>	<u>4,342</u>
Expenditures			
Current			
Instruction	0	11,806	627
Support Services-Students	0	0	0
Support Services-General Administration	0	0	0
Food Service	0	0	0
Total Expenditures	<u>0</u>	<u>11,806</u>	<u>627</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>3,715</u>
Other Financing Sources (Uses)			
Transfers	0	0	(3,715)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(3,715)</u>
Net Change in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2013

	Special Revenue		
	2008 GO Bond Library 27105	2010 GO Bonds Student Library 27106	Formative Assessment 2012 27111
Revenues			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	3,331	0
Federal Grants	0	0	0
Total Revenues	0	3,331	0
Expenditures			
Current			
Instruction	0	3,331	0
Support Services-Students	0	0	0
Support Services-General Administration	0	0	0
Food Service	0	0	0
Total Expenditures	0	3,331	0
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Other Financing Sources (Uses)			
Transfers	0	0	0
Total Other Sources (Uses)	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balances at Beginning of Year	0	0	0
Fund Balance End of Year	\$ 0	\$ 0	\$ 0

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2013

	Special Revenue		
	Technology for Education 27117	Library Bonds 2004 27145	Library SB301 Bonds 27170
Revenues			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-General Administration	0	0	0
Food Service	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2013

	Special Revenue	
	2010 GOB	
	Instructional Materials	Total
	27171	
Revenues		
Investment Income	\$ 0	29
Fees	0	38,537
State and Local Grants	3,630	11,303
Federal Grants	0	210,555
Total Revenues	<u>3,630</u>	<u>260,424</u>
Expenditures		
Current		
Instruction	3,630	79,738
Support Services-Students	0	4,790
Support Services-General Administration	0	8,938
Food Service	0	140,231
Total Expenditures	<u>3,630</u>	<u>233,697</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>26,727</u>
Other Financing Sources (Uses)		
Transfers	0	(3,715)
Total Other Sources (Uses)	<u>0</u>	<u>(3,715)</u>
Net Change in Fund Balance	0	23,012
Fund Balances at Beginning of Year	<u>0</u>	<u>43,444</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 66,456</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-FOOD SERVICE-21000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Investment Income	\$ 0	\$ 0	\$ 8	\$ 8
Fees	20,510	20,510	23,312	2,802
Federal Grant	101,000	101,000	123,486	22,486
Total Revenues	121,510	121,510	146,806	25,296
Expenditures				
Food Service				
Personnel Services	36,346	36,346	36,346	0
Employee Benefits	9,119	8,613	3,542	5,071
Professional & Tech Services	200	491	491	0
Other Purchased Services	1,000	1,215	1,214	1
Supplies	78,324	93,831	83,708	10,123
Total Food Service	124,989	140,496	125,301	15,195
Total Expenditures	124,989	140,496	125,301	15,195
Excess (Deficiency) of Revenues Over Expenditures	(3,479)	(18,986)	21,505	40,491
Cash Balance Beginning of Year	18,986	18,986	18,986	0
Cash Balance End of Year	\$ 15,507	\$ 0	\$ 40,491	\$ 40,491
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 21,505	
Net Change in Inventory			(3,203)	
Net Change in Accounts Payable			(61)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 18,241	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-ATHLETICS-22000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Investment Income	\$ 0	\$ 0	\$ 21	\$ 21
Fees	14,357	14,357	15,225	868
Total Revenues	<u>14,357</u>	<u>14,357</u>	<u>15,246</u>	<u>889</u>
Expenditures				
Instruction				
Professional & Tech Services	3,350	3,350	2,942	408
Other Purchased Services	15,500	15,500	2,857	12,643
Supplies	2,134	2,134	4,231	(2,097)
Supply Assets	2,000	2,000	445	1,555
Total Instruction	<u>22,984</u>	<u>22,984</u>	<u>10,475</u>	<u>12,509</u>
Total Expenditures	<u>22,984</u>	<u>22,984</u>	<u>10,475</u>	<u>12,509</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,627)	(8,627)	4,771	13,398
Cash Balance Beginning of Year	<u>10,198</u>	<u>10,198</u>	<u>10,198</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,571</u>	<u>\$ 1,571</u>	<u>\$ 14,969</u>	<u>\$ 13,398</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 4,771</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 4,771</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-IDEA PRESCHOOL-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 15,467	\$ 23,098	\$ 9,090	\$ (14,008)
Local Support	0	0	2,733	2,733
Total Revenues	<u>15,467</u>	<u>23,098</u>	<u>11,823</u>	<u>(11,275)</u>
Expenditures				
Support Services-Students				
Other Purchased Services	462	8,093	4,790	3,303
Total Support Services-Students	<u>462</u>	<u>8,093</u>	<u>4,790</u>	<u>3,303</u>
Support Services-School Administration				
Personnel Services	7,748	7,698	7,394	304
Employee Benefits	1,592	1,642	1,544	98
Total Support Services-School Administration	<u>9,340</u>	<u>9,340</u>	<u>8,938</u>	<u>402</u>
Total Expenditures	<u>9,802</u>	<u>17,433</u>	<u>13,728</u>	<u>3,705</u>
Excess (Deficiency) of Revenues Over Expenditures	5,665	5,665	(1,905)	(7,570)
Cash Balance Beginning of Year	<u>(5,665)</u>	<u>(5,665)</u>	<u>(5,665)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(7,570)</u>	\$ <u>(7,570)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,905)	
Net Change in Due from Grantor			<u>1,905</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-IDEA B EARLY INTERVENTION-24112
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 34,751	\$ 34,751	\$ 20,337	\$ (14,414)
Local Support	0	0	87	87
Total Revenues	<u>34,751</u>	<u>34,751</u>	<u>20,424</u>	<u>(14,327)</u>
Expenditures				
Instruction				
Personnel Services	4,719	4,719	4,719	0
Employee Benefits	1,039	1,039	1,039	0
Other Purchased Services	11,929	11,929	11,190	739
Total Instruction	<u>17,687</u>	<u>17,687</u>	<u>16,948</u>	<u>739</u>
Total Expenditures	<u>17,687</u>	<u>17,687</u>	<u>16,948</u>	<u>739</u>
Excess (Deficiency) of Revenues Over Expenditures	17,064	17,064	3,476	(13,588)
Cash Balance Beginning of Year	<u>(17,064)</u>	<u>(17,064)</u>	<u>(17,064)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (13,588)</u>	<u>\$ (13,588)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,476	
Net Change in Due from Grantor			<u>(3,476)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-IDEA B RISK POOL-24120
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 507	\$ 0	\$ (507)
Total Revenues	<u>0</u>	<u>507</u>	<u>0</u>	<u>(507)</u>
Expenditures				
Instruction				
Other Purchased Services	0	507	507	0
Total Instruction	<u>0</u>	<u>507</u>	<u>507</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>507</u>	<u>507</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(507)	(507)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (507)</u>	<u>\$ (507)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (507)	
Net Change in Due From Grantor			<u>507</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-PARTNERSHIP IN CHARACTER EDUCATION-24129
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Local Support	0	0	5,008	5,008
Total Revenues	<u>0</u>	<u>0</u>	<u>5,008</u>	<u>5,008</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	5,008	5,008
Cash Balance Beginning of Year	<u>(5,008)</u>	<u>(5,008)</u>	<u>(5,008)</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (5,008)</u></u>	<u><u>\$ (5,008)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 5,008</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,008	
Net Change in Due From Grantor			<u>(5,008)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ 0</u></u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-ENHANCING EDUCATION THROUGH TECHNOLOGY-24133
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Support	\$ 0	\$ 0	\$ 624	\$ 624
Total Revenues	<u>0</u>	<u>0</u>	<u>624</u>	<u>624</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	624	624
Cash Balance Beginning of Year	<u>(624)</u>	<u>(624)</u>	<u>(624)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (624)</u>	<u>\$ (624)</u>	<u>\$ 0</u>	<u>\$ 624</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 624	
Net Change in Due From Grantor			<u>(624)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-CLASS SIZE REDUCTION-24137
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Support Services-Students				
Supplies	0	0	0	0
Total Support Services-Students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer to Operational	0	0	(61)	(61)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(61)</u>	<u>(61)</u>
Net Change in Cash Balance	0	0	(61)	(61)
Cash Balance Beginning of Year	<u>61</u>	<u>61</u>	<u>61</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 61</u>	<u>\$ 61</u>	<u>\$ 0</u>	<u>\$ (61)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (61)	
Net Change in Deferred Revenue			61	
Net Change in Fund Balance			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-TITLE V-24150
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Source	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer to Operational	0	0	(92)	(92)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(92)</u>	<u>(92)</u>
Net Change in Fund Balance	0	0	(92)	(92)
Cash Balance Beginning of Year	<u>92</u>	<u>92</u>	<u>92</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 92</u>	<u>\$ 92</u>	<u>\$ 0</u>	<u>\$ (92)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (92)	
Net Change in Due from Grantor			92	
Net Change in Fund Balance			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-TITLE III-ENGLISH LANGUAGE ACQUISITION-24153
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Support	\$ 0	\$ 0	\$ 9,379	\$ 9,379
Total Revenues	<u>0</u>	<u>0</u>	<u>9,379</u>	<u>9,379</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	9,379	9,379
Cash Balance Beginning of Year	<u>(9,379)</u>	<u>(9,379)</u>	<u>(9,379)</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (9,379)</u></u>	<u><u>\$ (9,379)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 9,379</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9,379	
Net Change in Due from Grantor			<u>(9,379)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ 0</u></u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-IMPROVING TEACHER QUALITY-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 55,937	\$ 120,000	\$ 41,043	\$ (78,957)
Local Support	0	0	4,788	4,788
Total Revenues	<u>55,937</u>	<u>120,000</u>	<u>45,831</u>	<u>(74,169)</u>
Expenditures				
Instruction				
Personnel Services	22,661	22,661	25,557	(2,896)
Employee Benefits	2,948	2,948	4,161	(1,213)
Other Purchased Services	2,287	2,287	2,696	(409)
Total Instruction	<u>27,896</u>	<u>27,896</u>	<u>32,414</u>	<u>(4,518)</u>
Total Expenditures	<u>27,896</u>	<u>27,896</u>	<u>32,414</u>	<u>(4,518)</u>
Excess (Deficiency) of Revenues Over Expenditures	28,041	92,104	13,417	(78,687)
Cash Balance Beginning of Year	<u>(28,041)</u>	<u>(28,041)</u>	<u>(28,041)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 64,063</u>	<u>\$ (14,624)</u>	<u>\$ (78,687)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 13,417	
Net Change in Due From Grantor			<u>(13,417)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-TITLE I STIMULUS-24201
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Support	\$ 0	\$ 0	\$ 2,255	\$ 2,255
Total Revenues	<u>0</u>	<u>0</u>	<u>2,255</u>	<u>2,255</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	2,255	2,255
Cash Balance Beginning of Year	<u>(2,255)</u>	<u>(2,255)</u>	<u>(2,255)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (2,255)</u>	<u>\$ (2,255)</u>	<u>\$ 0</u>	<u>\$ 2,255</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,255	
Net Change in Due From Grantor			<u>(2,255)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-IDEA-B ENTITLEMENT STIMULUS-24206
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Support	\$ 0	\$ 0	\$ 9,045	\$ 9,045
Total Revenues	<u>0</u>	<u>0</u>	<u>9,045</u>	<u>9,045</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	9,045	9,045
Cash Balance Beginning of Year	<u>(9,045)</u>	<u>(9,045)</u>	<u>(9,045)</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (9,045)</u></u>	<u><u>\$ (9,045)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 9,045</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9,045	
Net Change in Due From Grantor			<u>(9,045)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ 0</u></u>	

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

STATE OF NEW MEXICO

JAL PUBLIC SCHOOLS

SPECIAL REVENUE FUND-RURAL EDUCATION ACHIEVEMENT PROGRAM-25233

Statement of Revenues, Expenditures, and Changes in Cash Balance -

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 24,553	\$ 36,359	\$ 15,403	\$ (20,956)
Local Support	0	0	9,150	9,150
Total Revenues	<u>24,553</u>	<u>36,359</u>	<u>24,553</u>	<u>(11,806)</u>
Expenditures				
Instruction				
Personnel Services	0	9,500	8,060	1,440
Employee Benefits	0	2,306	1,761	545
Other Purchased Services	0	0	1,985	(1,985)
Total Instruction	<u>0</u>	<u>11,806</u>	<u>11,806</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>11,806</u>	<u>11,806</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	24,553	24,553	12,747	(11,806)
Cash Balance Beginning of Year	<u>(24,553)</u>	<u>(24,553)</u>	<u>(24,553)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (11,806)</u>	<u>\$ (11,806)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 12,747	
Net Change in Due From Grantor			<u>(12,747)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-DUEL CREDIT-27103
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 627	\$ 6,101	\$ 5,474
Total Revenues	<u>0</u>	<u>627</u>	<u>6,101</u>	<u>5,474</u>
Expenditures				
Instruction				
Supplies	0	627	627	0
Total Instruction	<u>0</u>	<u>627</u>	<u>627</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>627</u>	<u>627</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>5,474</u>	<u>5,474</u>
Other Financing Sources (Uses)				
Transfer to Operational	0	0	(3,715)	(3,715)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(3,715)</u>	<u>(3,715)</u>
Net Change in Cash Balance	0	0	1,759	1,759
Cash Balance Beginning of Year	<u>(1,759)</u>	<u>(1,759)</u>	<u>(1,759)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (1,759)</u>	<u>\$ (1,759)</u>	<u>\$ 0</u>	<u>\$ 1,759</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 1,759	
Net Change in Due from Grantor			<u>(1,759)</u>	
Net Change in Fund Balance			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-LIBRARY GO BONDS-27105
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 4,683	\$ 4,683	\$ 5,328	\$ 645
Local Support	0	0	5,956	5,956
Total Revenues	<u>4,683</u>	<u>4,683</u>	<u>11,284</u>	<u>6,601</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	4,683	4,683	11,284	6,601
Cash Balance Beginning of Year	<u>(11,284)</u>	<u>(11,284)</u>	<u>(11,284)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (6,601)</u>	<u>\$ (6,601)</u>	<u>\$ 0</u>	<u>\$ 6,601</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 11,284	
Net Change in Due From Grantor			<u>(11,284)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-2010 GO LIBRARY BOOKS-27106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 0	\$ 6,661	\$ 328	\$ (6,333)
Total Revenues	<u>0</u>	<u>6,661</u>	<u>328</u>	<u>(6,333)</u>
Expenditures				
Instruction				
Supplies	0	6,661	3,331	3,330
Total Instruction	<u>0</u>	<u>6,661</u>	<u>3,331</u>	<u>3,330</u>
Total Expenditures	<u>0</u>	<u>6,661</u>	<u>3,331</u>	<u>3,330</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(3,003)	(3,003)
Cash Balance Beginning of Year	<u>(328)</u>	<u>(328)</u>	<u>(328)</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (328)</u></u>	<u><u>\$ (328)</u></u>	<u><u>\$ (3,331)</u></u>	<u><u>\$ (3,003)</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,003)	
Net Change in Due From Grantor			<u>3,003</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>0</u></u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-FORMATIVE ASSESSMENTS-27111
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 2,721	\$ 0	\$ (2,721)
Total Revenues	<u>0</u>	<u>2,721</u>	<u>0</u>	<u>(2,721)</u>
Expenditures				
Instruction				
Supplies	0	2,721	2,721	0
Total Instruction	<u>0</u>	<u>2,721</u>	<u>2,721</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>2,721</u>	<u>2,721</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(2,721)	(2,721)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,721)</u>	<u>\$ (2,721)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,721)	
Net Change in Due From Grantor			<u>2,721</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-TECHNOLOGY FOR EDUCATION-27117
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Support	\$ 0	\$ 0	\$ 168	\$ 168
Total Revenues	<u>0</u>	<u>0</u>	<u>168</u>	<u>168</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	168	168
Cash Balance Beginning of Year	<u>(168)</u>	<u>(168)</u>	<u>(168)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (168)</u>	<u>\$ (168)</u>	<u>\$ 0</u>	<u>\$ 168</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 168	
Net Change in Due From Grantor			<u>(168)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-LIBRARY BONDS-2004-27145
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Support	\$ 0	\$ 0	\$ 43	\$ 43
Total Revenues	<u>0</u>	<u>0</u>	<u>43</u>	<u>43</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	43	43
Cash Balance Beginning of Year	<u>(43)</u>	<u>(43)</u>	<u>(43)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (43)</u>	<u>\$ (43)</u>	<u>\$ 0</u>	<u>\$ 43</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 43	
Net Change in Due From Grantor			<u>(43)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-LIBRARY SB301 BONDS-27170
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Support	\$ 0	\$ 0	\$ 2,832	\$ 2,832
Total Revenues	<u>0</u>	<u>0</u>	<u>2,832</u>	<u>2,832</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	2,832	2,832
Cash Balance Beginning of Year	<u>(2,832)</u>	<u>(2,832)</u>	<u>(2,832)</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (2,832)</u></u>	<u><u>\$ (2,832)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 2,832</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,832	
Net Change in Due From Grantor			<u>(2,832)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ 0</u></u>	

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
SPECIAL REVENUE FUND-2010 GOB INSTRUCTIONAL MATERIALS-27171
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 3,630	\$ 3,027	\$ (603)
Total Revenues	<u>0</u>	<u>3,630</u>	<u>3,027</u>	<u>(603)</u>
Expenditures				
Instruction				
Supplies	0	3,630	3,630	0
Total Instruction	<u>0</u>	<u>3,630</u>	<u>3,630</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>3,630</u>	<u>3,630</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(603)	(603)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (603)</u>	<u>\$ (603)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (603)	
Net Change in Due From Grantor			<u>603</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND

Activity Trust Fund

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
 AGENCY FUNDS
 Statement of Fiduciary Assets and Liabilities-Agency Funds
 June 30, 2013

	Beginning Balance 6/30/12	Restatement	Restated Beginning Balance	Additions	Deductions	Ending Balance 6/30/13
ASSETS						
Activity Trust Fund	\$ 192,149	\$ (22,069)	\$ 170,080	\$ 182,331	\$ 191,076	\$ 183,404
TOTAL Assets	<u>\$ 192,149</u>	<u>\$ (22,069)</u>	<u>\$ 170,080</u>	<u>\$ 182,331</u>	<u>\$ 191,076</u>	<u>\$ 183,404</u>
LIABILITIES						
Due to Student Groups	\$ 192,149	\$ (22,069)	\$ 170,080	\$ 182,331	\$ 191,076	\$ 183,404
TOTAL Liabilities	<u>\$ 192,149</u>	<u>\$ (22,069)</u>	<u>\$ 170,080</u>	<u>\$ 182,331</u>	<u>\$ 191,076</u>	<u>\$ 183,404</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
 AGENCY FUNDS - ACTIVITY
 Schedule of Fiduciary Assets and Liabilities-Agency Funds
 June 30, 2013

	Balance 6/30/12	Additions	Deductions	Transfers In/(Out)	Balance 6/30/13
ASSETS					
Elementary					
Educational Enhancement	\$ 22,898	\$ 25,410	\$ 35,135	\$ 0	\$ 13,173
Annuals	105	360	0	287	752
PTO	125	0	0	(125)	0
Sun Safety	192	0	0	(162)	30
Total Elementary	<u>23,320</u>	<u>25,770</u>	<u>35,135</u>	<u>0</u>	<u>13,955</u>
Junior and Senior High School					
Annual	1,531	640	973	0	1,198
Character Counts	233	0	0	(233)	0
Cheerleaders	5,332	10,453	11,712	0	4,073
Educational Enhancement	1,847	4,863	4,394	8,481	10,797
Football Clearing Account	0	1,000	1,000	0	0
Gas Capital Relays	1,073	1,125	743	0	1,455
Junior Class	3,013	7,613	7,296	(622)	2,708
National Honor Society	3,351	0	1,954	0	1,397
Pool	3,015	9,320	3,990	0	8,345
Drivers Ed	184	0	0	(184)	0
Senior Bash	8,483	33,055	33,740	0	7,798
Senior Class	611	940	1,795	2,401	2,157
Shop	1,247	0	0	0	1,247
Sophomore Class	2,391	3,138	908	(2,390)	2,231
Sports Booster	4,925	12,233	14,684	0	2,474
Sports Misc.	0	13,602	15,864	2,262	0
Student Council	842	1,155	670	0	1,327
Technology Fund	0	1,489	493	0	996
Kayser	9,715	0	0	(9,715)	0
Total Jr. & Sr. High	<u>47,793</u>	<u>100,626</u>	<u>100,216</u>	<u>0</u>	<u>48,203</u>
Administrative					
Administrative Activity	(7,421)	12,933	14,480	0	(8,968)
Total Administrative	<u>(7,421)</u>	<u>12,933</u>	<u>14,480</u>	<u>0</u>	<u>(8,968)</u>
Scholarships					
Woolworth Scholarship	13,696	34	0	0	13,730
Short Scholarship	31,234	76	2,000	0	29,310
Owen Scholarship	2,208	5	0	0	2,213
New Mexico Junior College	81,319	199	0	0	81,518
Total Scholarships	<u>128,457</u>	<u>314</u>	<u>2,000</u>	<u>0</u>	<u>126,771</u>
Total Assets Prior Year	192,149				
Restatement:					
State Directed Funds	(22,069)	42,688	39,245	0	(18,626)
Total Assets	<u>\$ 170,080</u>	<u>\$ 182,331</u>	<u>\$ 191,076</u>	<u>\$ 0</u>	<u>\$ 161,335</u>
LIABILITIES					
Deposits Held for Others	\$ 170,080	\$ 182,331	\$ 191,076	\$ 0	\$ 161,335
Total Liabilities	<u>\$ 170,080</u>	<u>\$ 182,331</u>	<u>\$ 191,076</u>	<u>\$ 0</u>	<u>\$ 161,335</u>

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

STATE OF NEW MEXICO
JAL PUBLIC SCHOOLS
Cash Reconciliations - All Funds
June 30, 2013

		Beginning Cash Balance 6/30/12	Revenue	Expenditures	Transfers	Ending Cash Balance 6/30/13
Operational	11000	\$ 571,903	\$ 3,584,926	\$ 3,717,114	\$ 3,776	\$ 443,491
Transportation	13000	746	165,619	163,605	0	2,760
Instructional Materials	14000	9,869	24,419	25,689	0	8,599
Food Services	21000	18,986	146,806	125,301	0	40,491
Athletics	22000	10,198	15,246	10,475	0	14,969
Federal Flowthrough	24000	(204,548)	336,423	271,658	(61)	(139,844)
Federal Direct	25000	(31,381)	24,553	40,988	0	(47,816)
State Flowthrough	27000	(20,053)	41,138	46,634	(3,715)	(29,264)
SB9	31700	1,213,346	798,662	472,798	0	1,539,210
Agency Funds		170,080	182,331	191,076	0	161,335
Total		<u>\$ 1,739,146</u>	<u>\$ 5,320,123</u>	<u>\$ 5,065,338</u>	<u>\$ 0</u>	<u>\$ 1,993,931</u>

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

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101

(855) 253-4313

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

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Jal Public Schools

Mr. Balderas and Members of the Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of Jal Public Schools (District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated January 17, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses, that we consider to be significant deficiencies. **13-1, 13-2, 13-3, 13-4, 13-5, 13-6, 13-7, 13-8, 13-9, 13-10, 13-11, 13-12, 13-13, 13-14, 13-15, and 13-16.**


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses; **13-1, 13-2, 13-3, 13-4, 13-5, 13-6, 13-7, 13-8, 13-9, 13-10, 13-11, 13-12, 13-13, 13-14, 13-15, 13-16, 13-17 and 13-18.**

The District's Responses to Findings

The District's responses to the findings identified in our audit as described in the accompanying Schedule of Findings and Responses. The District's response was not subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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

 CPA PC

Clovis, New Mexico

January 17, 2014

Prior Year Audit Findings

None

Current Year Audit Findings

13-1 Bank Reconciliations - Compliance and Internal Control-Significant Deficiency

Condition

The bank accounts do not reconcile to the general ledger. The variances are different amounts each month. The difference in the cash balance in the general ledger and the reconciled balance produced by the auditor was \$128,161.20. The payroll clearing account did not reconcile to zero.

Criteria

NMAC 2.2.5.8 (4) Bank reconciliations are to be performed timely and agreed to the general ledger.

Cause

The business manager responsible for the bank reconciliations is no longer employed by the District. It is unknown why the bank reconciliations were not completed correctly. Management was unaware the bank reconciliations were not correct.

Effect

When bank statements are not reconciled to the general ledger there is an opportunity for misappropriation of cash assets and incorrect financial reporting. Management decisions may be skewed by the incorrect financials.

Recommendation

The District must reconcile the bank statements to the general ledger. Personnel should apply adequate time to this very important process. Adjusting the general ledger to audited cash balances should resolve the past errors and provide personnel an opportunity to reconcile the statements correctly each month.

Response

The District will begin reconciling bank statements to the general ledger on a monthly basis.

13-2 PED Cash Reports -Compliance and Internal Control-Significant Deficiency

Condition

The audited cash balances did not agree to the cash balances on the final cash report submitted to PED.

Criteria

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

Cause

The fact that the general ledger was not reconciled to the bank statements caused the cash report to be misstated.

Effect

The District is not in compliance with NMAC 6.20.2.11 (b) (6) and Regulation SBE-6. Noncompliance may result in impaired decision making by the District's governing board.

Recommendation

The PED cash reports must agree with a reconciled general ledger.

Response

Administration plans to begin building monthly cash reports in addition to the quarterly requirements so that the District can build better controls on cash reconciliations. The District will also begin preparing monthly journal entries to correct discrepancies to avoid entering adjustments on cash reports.

13-3 Stale Dated Transactions-Compliance and Internal Control-Condition

The District is in violation of state statutes regarding stale-dated checks. The District maintained 4 checks totaling \$786.12 in the Operational account and 1 check totaling 58.00 in the Payroll Clearing account that was dated over one year old at June 30, 2013.

Criteria

Section 7-8A, NMSA 1978, and related regulations require that the District provide information about the payees and the related funds to Unclaimed Property Division of the New Mexico Taxation and Revenue Department for outstanding checks that were distributed but not cashed within one year.

Cause

The District did not implement an internal control policy to account for stale dated outstanding checks and did not void these checks on a timely basis.

Effect

Carrying numerous bank reconciling items could result in a misstatement in the accounting records or related misappropriation of funds.

Recommendation

We recommend that the District implement a procedure to review the outstanding check listings for all bank accounts and track stale-dated checks. If checks on the outstanding check listings are greater than one year old, we recommend these checks be voided and that the District take appropriate steps to ensure that the funds are reported to the Unclaimed Property Division as may be necessary.

Response

Administration will implement new procedures to void checks that have gone undeposited after 60 days instead of 1 year. During the monthly reconciliation process, the District will begin generating an outstanding check listing so that vendors can be contacted when checks are close to becoming stale dated.

13-4 Request for Grant Expenditures-Compliance and Internal Control-Significant Deficiency Condition

The District did not receive a total of \$91,959.88 for the following funds:

IDEA B-Entitlement	24106	\$	8,143
IDEA-Preschool	24109		2,733
IDEA-B Early Intervention	24112		87
Partnership in Character Education	24129		5,008
Enhancing Education through Technology	24133		624
Title V	24150		92
Title III	24153		9,379
Improving Teacher Quality	24154		4,788
Title I-Stimulus	24201		2,255
IDEA B-Entitlement Stimulus	24206		9,045
Rural Education Achievement Program	25233		9,150
2008 GO Bond Library	27105		5,956
Technology for Education	27117		168
Library Bonds 2004	27145		43
Pre K	27149		3,245
Library SB301 Bonds	27170		2,832
State Directed Activities	27200		28,413
		\$	<u>91,960</u>

The grant expenditures and failure to request reimbursements occurred in fiscal years ending June 30, 2000 to June 30, 2011.

Criteria

6.20.2.9 NMAC Procedural Requirements. All school districts shall account for financial transactions.

Cause

Most of the grants are very old. In prior years the requests for reimbursement could have been incorrect, the revenue received posted to the wrong fund or the reimbursements may have not been requested timely. The time has expired for the requests and the money cannot be recovered.

Effect

The District's operating funds will have to absorb the loss of the unreimbursed federal and state grants. The operating funds could have been spent for other needs in the District.

Recommendation

Reimbursable grants should be reconciled and settled before the time allowed has expired.

Response

The District will request reimbursements on grants; state and federal fund expenditures and track deposits on a monthly basis to ensure reimbursement.

13-5 Section 218 Agreement-Compliance and Internal Control-Significant Deficiency

Condition

The District has a Social Security 218 Agreement effective May 15, 1957. The District does not cover services of employees who are in positions which require a valid state teacher's or administrator's certificate as a prerequisite for employment. All other employees are covered by Social Security.

Criteria

218 Agreement with Jal Public School.

Cause

New management does not have an understanding of the Section 218 Agreement and does not know if it is functioning correctly.

Effect

Employees cannot collect social security benefits. The financial impact of implementing the social security tax in the District would have a significant financial impact.

Recommendation

We as auditors are not qualified to determine if the Section 218 Agreement is in effect and is functioning correctly. We recommend a the District contact legal council and preferably one that specializes in 218 Agreements.

Response

Administration has contacted the District's lawyer in regards to the Section 218 agreement; research is still ongoing.

13-6 Payroll-Compliance and Internal Control-Significant Deficiency

Condition

(A)-All four quarterly 941 reports were not completed correctly. The 941 deposits made for the payroll taxes were not reflected on the 941's forms causing a balance due on each one.

(B)-There is a difference of \$53,760. between total wages reported for state unemployment (SUTA) and total salaries included in the general ledger. Reported SUTA wages were higher.

(C)-One employment contract could not be located. Total wages paid to that individual totaled \$32,909. One contract was completed incorrectly making it appear as though the employee was under paid by \$12,941. Three employees' calculated pay exceeded their contract amounts by a total of \$1,967.

(D)-One employee's Medicare wages were reduce by a 457 retirement plan.

Criteria

NMAC 6.20.2.18 states the local board shall establish written policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School district shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, direct deposit authorizations, pay or position change notices and ERA plan application.

Cause

Employees are not adequately trained to completed the payroll process.

Effect

Employees may be pay an incorrect amount and the District could be assessed penalties and interest for failing to file and pay the correct amounts of payroll taxes.

Recommendation

Payroll is a difficult area and training is the first line of defense. We recommend both the payroll clerk and business manager attend training for payroll and payroll related issues.

Response

The District will begin reconciling the state unemployment reports to the 941 reports. The District will also begin keeping contract records in two places to avoid misplaced records: personnel files and a separate file for employment contracts. Administration will budget for additional training for all business office staff in payroll-related areas of the District.

13-7 NMPSIA-Compliance and Internal Control-Significant Deficiency

Condition

A total of eleven people employed by the Public Library are participating in NMPSIA through the District. The library issues the District a check for 100% of the cost.

Criteria

According to New Mexico Public School Insurance Authority Rules and Regulations found at nmpsia.com, you must be an employee of a school district to participate in the insurance authority.

Cause

It is unknown who or when the employees began participating in NMPSIA. Management assumed that because the District does not have a library, the employees of the public library could participate in the school insurance.

Effect

The library employees may not have medical coverage because they are no qualified employees of NMPSIA.

Recommendation

The non-school employees should purchase medical insurance elsewhere.

Response

The District will remove all public library staff from NMPSIA coverage and provide ACA information.

13-8 Cash Appropriations in Excess of Available Cash Balances-Compliance and Internal Control-Condition

The District maintained a deficit budget in excess of available cash balance in the following funds:

Operational	11000	\$	(51,025)
SB9	31700		(42,560)
Partnership in Character Education	24129		(5,008)
Enhancing Education through Technology	24133		(624)
Title III	24153		(9,379)
Title I-Stimulus	24201		(2,255)
IDEA B-Entitlement Stimulus	24206	\$	(9,045)

Duel Credit	27103	\$	(1,759)
2008 GO Bond Library	27105		(6,601)
2010 GO Library Books	27106		(328)
Technology for Education	27117		(168)
Library Bonds 2004	27145		(43)
Library SB301 Bonds	27170		(2,832)
		\$	<u>(131,627)</u>

Criteria

Section 2.2.2.10. (P) (1), NMAC, requires all school district funds, with the exception of agency funds, to be budgeted by the local governing body and submitted to the PED for approval. Cash balances rebudgeted to make up the deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

Cause

The District does not have a procedure in place to ensure sufficient beginning cash balances exist to absorb budget deficits.

Effect

The District will have to supplement the budget deficit with other funds, which may lead to financial difficulties and deplete the budget in other funds.

Recommendation

BARS should be issued shortly after audited cash balances are confirmed if estimated cash balances are more and cash was used to balance the budget.

Response

The District will correct cash balances as directed to ensure accuracy and build reports to compare budget to cash balance for administration and the board of directors to increase control on expenditures to prevent deficits.

13-9 Budget Violations-Compliance and Internal Control-Significant Deficiency

Condition

The District has maintained expenditures at the function level in which actual expenditures exceeded budgetary authority in the following funds:

	Function	Amount
Operational-Other Support Services	2900	\$ (84,574)
SB9-General Administration	2300	(1,277)
Improving Teacher Quality-Instruction	1000	(4,518)

Criteria

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

Cause

The District did not make the appropriate budgetary adjustments requests and transfers to the funds mentioned in the condition, which would alleviate over-expenditure within the functions prior to the year end.

Effect

As a result, the District is in non compliance with New Mexico law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to absorb over-expenditures.

Recommendation

The District must establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

Response

We will monitor the budget more closely and amend it as necessary.

13-10 Credit Card-Compliance and Internal Control-Significant Deficiency Condition

The District has a credit card issued by Wells Fargo, Sam's Club and a Lowes Home Improvement.

Criteria

In accordance with Laws of 2007, Regular session, Chapter 28, Section 3, Subsection L states, "Except for gasoline credit cards used solely for operation of official vehicles, telephone credit cards used solely for official business and procurement cards used as authorized by section 6-5-9(l) NMSA 1978, none of the appropriations contained in the General Appropriation Act of 2007 may be expended for payment of agency-issued credit card invoices."

Cause

Management was unaware that a credit card could not be used.

Effect

The District potentially could lose spending control with this card as the purchases do not have to follow the District's purchase order system. In addition the District has a potential risk of loss and theft through inappropriate purchases by an employee or the loss of control of the credit card number resulting in fraudulent use.

Recommendation

The District should immediately cancel the credit card and only utilize procurement cards authorized by Section 6-5-9(l) NMSA 1978.

Response

The District will obtain P-cards issued by the State and cancel all other lines of interest-bearing credit.

13-11 Anti-Donation-Compliance and Internal Control-Significant Deficiency Condition

There was a check issued to First United Methodist Church in the amount of \$25.00 for plastic flamingo removal.

Criteria

Article 9, Section 14 of the constitution of New Mexico. This provision prohibits the District from making direct grants of aid to entities or persons, despite the need or value of the project, unless the strict requirements of the provision are satisfied.

Cause

Youth from the church who also attend school placed plastic flamingos on the school grounds and volunteered to remove them for a fee. The fee is considered a donation. Management was not aware the District could not make a contribution to a church.

Effect

Funds used inappropriately could have been used for the education of students in the District.

Recommendation

We recommend that donations not be made to anyone or any organization.

Response

The District will provide training to staff responsible for purchasing in regards to the anti-donation clause in the procurement code.

13-12 Disposal of Capital Assets-Compliance and Internal Control-Significant Deficiency Condition

The District had an auction and sold two vehicles without following Sections 13-6-1, 13-6-2 NMSA 1978 and 2.2.2.10 V NMAC. No items were deleted from the depreciation schedule.

Criteria

Sections 13-6-1 and 13-6-2 NMSA 1978 govern the disposition of obsolete, worn-out or unusable tangible personal property owned by state agencies, local public bodies, school districts, and state educational institutions. At least thirty days prior to any disposition of property, written notification of the official finding and proposed disposition duly sworn and subscribed under oath by each member of the authority approving the action must be sent to the State Auditor.

Cause

Management was unaware they were violating Sections 13-6-1, 13-6-2 NMSA 1978 and 2.2.2.10 V NMAC.

Effect

Property could be disposed of without management's knowledge perpetrating fraud. Financial statements could be overstated.

Recommendation

Property disposals must follow Sections 13-6-1, 13-6-2 NMSA 1978 and 2.2.2.10 V NMAC and disposed capital assets should be removed from the depreciation schedule if they have been depreciated.

Response

The District will remove capital assets from the depreciation schedule and provide training to staff responsible for disposal of capital assets in regards to the statutory requirements of asset disposal.

13-13 Bank Deposits-Compliance and Internal Control-Significant Deficiency

Condition

A review of the first ten days of October's receipts and deposits revealed five violations of twenty two transactions of the timely deposit requirement for total of \$4,664.95. It was stated that the cash receipts were not always secured before deposited.

Criteria

Section 6-10-3 NMSA 1978. Money received shall be deposited with an authorized banking institution by the end of the next business day after receipt.

Cause

Management was unaware that money had to be deposited by the end of the next business day.

Effect

Cash could be misappropriated by the responsible person or stolen by an unrelated individual because it was not secured.

Recommendation

All cash receipts must be deposited by the end of the next business day and always kept in a secure location.

Response

The District will provide training for staff responsible for deposits in regards to the statutory requirements of deposits.

13-14 Receipts-Compliance and Internal Control-Significant Deficiency

Condition

A review of the first ten days of October's receipts and deposits revealed that receipts are being issued to an activity name rather than to the person.

Criteria

6-5-2 NMSA Internal Accounting Controls. Internal controls and procedures should be in writing and followed allowing documentation for the responsible party.

Cause

Management, secretaries and sponsors did not understand the importance of the control system or how the system made the parties involved responsible.

Effect

Cash receipts could be misappropriated without knowing who was responsible for them.

Recommendation

Written procedures that include internal controls should be provided to all personnel. Training is necessary to explain the internal control process that is in place and assure the process is adhered to.

Response

We will document and train personnel involved in cash receipts process.

13-15 Negative Activity Accounts-Compliance and Internal Control-Significant Deficiency

Condition

The Administrative Activity account had a negative ending balance of \$(8,968) and the State Directed Activities ended the fiscal year with a negative balance of \$(18,626).

Criteria

Internal control should exist to provide reasonable assurance that no disbursement is made that would result in a deficit balance. PSAB Supplement 18 and 6-10-2 NMSA 1978.

Cause

Management was unaware that a negative balance in an activity was an issue.

Effect

Negative balances in the activity funds could result in a loss that would have to be funded by the Operational Fund thereby reducing funds that could be used to educate the students.

Recommendation

Activity accounts should be moved to a positive cash balance by fund raising and in the case of the State Directed Activities, request drawdowns from the REC before year end.

Response

The District will begin scheduling monthly requests for reimbursement for the State Directed Activities and will not allow an activity account to maintain a negative balance.

13-16 Internal Controls at Athletic Events-Compliance and Internal Control-Significant Deficiency

Condition

The District has an adequate internal control system for athletic events but does not use the system for all athletic events. Football is the only activity that uses the system.

Criteria

6-5-2 NMSA Internal Accounting Controls.

Cause

Management did not feel it was necessary to use the internal control system for the other athletic events because the activities were so small.

Effect

Without internal controls, cash could be misappropriated.

Recommendation

Implement the internal control system for all athletic events.

Response

Administration will write into policy that procedures for athletic event internal controls apply to all sports.

13-17 Late Audit Contract-Compliance and Other Matter

Condition

The audit contract was not received by the Office of the State Auditor by the required due date of May 1, 2013. OSA received the IPA recommendation until October 24, 2013.

Criteria

Paragraph (6) or Subsection G of 2.2.2.8 NMAC requires the contract be received by the Office of the State Auditor by May 1, 2013.

Cause

Management was unaware of the deadline.

Effect

Paragraph (6) or Subsection G of 2.2.2.8 NMAC was violated.

Recommendation

The District should contract with an approved auditor timely.

Response

The District will comply with OSA deadlines for audit requirements.

13-18 Late Audit Report -Compliance and Other Matter**Condition**

The audit report was not timely submitted to the State Auditor by the due date.

Criteria

All audit reports should be submitted to the State Auditor by the required due date according the State Auditors Rule 2.2.2 9 A (1) (c).

Cause

The recommended auditor could not perform the audit. The District was unaware of this fact until near the due date of the audit. Another auditor could not be contracted nor perform the audit before the due date of November 15, 2013.

Effect

The users of the financial statements such as legislators, creditors, bondholders, state and federal grantors, etc., do not have timely audit reports and financial statements for their review. Late audit

Recommendation

Management should engage a qualified auditor in a time fashion.

Response

The District will comply with OSA deadlines for audit requirements.

Financial Statement Preparation

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

Exit Conference

An exit conference was held on January 17, 2014. Those present were Israel Carrera-Superintendent, Larry Crites-Board President, Kim Harrison-Accounts Payable Clerk, Kim Reighley-Business Manager and De'Aun Willoughby CPA.