



STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**

**ANNUAL FINANCIAL REPORT**  
June 30, 2014

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Certified Public Accountant  
Clovis, New Mexico



STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
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STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
Official Roster  
June 30, 2014

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**BOARD OF EDUCATION**

Lynn Ballard	President
Ricky Fuentes	Vice-President
Vickie Connally	Secretary
Reynaldo Armendarez	Member
Francisco Chacon	Member

**SCHOOL OFFICIALS**

Jesse Fuentes	Superintendent
Oralia Galindo	Business Manager

Independent Auditor's Report

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the Loving Municipal 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 Loving Municipal School District (District), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, and the budgetary comparisons for the major capital projects, debt service 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, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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, 2014, and the respective changes in financial position 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, 2014, and the respective changes in financial position and the respective budgetary comparisons for the major capital projects, debt service 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 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 of Expenditures of Federal Awards as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the other schedules required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and other schedules required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and other schedules required by 2.2.2 NMAC are 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 November 5, 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.



Clovis, New Mexico  
November 5, 2014



## **FINANCIAL SECTION**

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
 Government-Wide Statement of Net Position  
 June 30, 2014

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ASSETS	<u>Governmental Activities</u>
Current Assets	
Cash and Cash Equivalents	\$ 4,235,187
Investments	2,768
Taxes Receivable	202,523
Due from Grantor	178,207
Inventory	7,949
Total Current Assets	<u>4,626,634</u>
Noncurrent Assets	
Capital Assets	26,221,335
Less: Accumulated Depreciation	<u>(10,295,345)</u>
Total Noncurrent Assets	<u>15,925,990</u>
Total Assets	<u>20,552,624</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	31,934
Accrued Salaries and Benefits	43,787
Accrued Interest	118,050
Compensated Absences	54,206
Current Portion Due of Long-Term Debt	690,000
Total Current Liabilities	<u>937,977</u>
Noncurrent Liabilities	
Bonds and Notes, Net	<u>5,960,000</u>
Total Noncurrent Liabilities	<u>5,960,000</u>
Total Liabilities	<u>6,897,977</u>
NET POSITION	
Net Investment in Capital Assets	9,965,990
Restricted for:	
Capital Projects	2,374,260
Debt Service	249,861
Unrestricted	1,064,536
Total Net Position	<u>\$ 13,654,647</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
 Government-Wide Statement of Activities  
 For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities</b>				
Instruction	\$ 4,778,504	60,069	\$ 476,789	\$ 0 \$ (4,241,646)
Support Services				
Students	470,588	9,604	65,595	0 (395,389)
Instruction	308,250	0	42,000	0 (266,250)
General Administration	332,826	0	1,490	0 (331,336)
School Administration	453,920	0	0	0 (453,920)
Central Services	116,898	0	0	0 (116,898)
Operation of Plant	1,064,898	0	26,565	0 (1,038,333)
Student Transportation	123,024	0	129,578	0 6,554
Other	3,099	0	0	0 (3,099)
Food Services Operations	520,866	7,583	421,974	0 (91,309)
Interest on Long-Term Obligations	235,475	0	0	0 (235,475)
<b>Total Governmental Activities</b>	<b>\$ 8,408,348</b>	<b>\$ 77,256</b>	<b>\$ 1,163,991</b>	<b>\$ 0 (7,167,101)</b>
<b>General Revenues</b>				
Taxes				
Property Taxes, Levied for General Purposes				164,513
Property Taxes, Levied for Capital Projects				662,182
Property Taxes, Levied for Debt Service				979,685
Federal and State aid not restricted to specific purpose				
General				4,939,227
Capital				156,922
Interest and investment earnings				
Miscellaneous				5,089
Subtotal, General Revenues				<u>6,970,855</u>
Change in Net Position				
				<u>(196,246)</u>
Net Position - Beginning				
Restatement				14,093,100
Restated Beginning Balance				<u>(242,207)</u>
				<u>13,850,893</u>
Net Position - Ending				
				<u>\$ 13,654,647</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2014

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,218,664	\$ 27,393	\$ 80,178
Investments	0	0	0
Receivables			
Taxes	15,719	0	0
Due from Grantor	0	0	0
Interfund Balance	147,070	0	0
Inventory	0	0	0
Total Assets	<u>\$ 1,381,453</u>	<u>\$ 27,393</u>	<u>\$ 80,178</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 14,858	\$ 2,768	\$ 0
Accrued Salaries and Benefits	43,141	0	0
Interfund Balance	0	0	0
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Total Liabilities	<u>57,999</u>	<u>2,768</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	9,049	0	0
Total Inflow of Resources	<u>9,049</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unassigned	1,314,405	24,625	80,178
Total Fund Balances	<u>1,314,405</u>	<u>24,625</u>	<u>80,178</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,381,453</u>	<u>\$ 27,393</u>	<u>\$ 80,178</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2014

	Capital Projects		
	Bond Building 31100	Senate Bill Nine 31700	Debt Service 41000
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,023,889	\$ 839,595	\$ 333,659
Investments	2,768	0	0
Receivables			
Taxes	0	63,436	87,726
Due from Grantor	0	0	0
Interfund Balance	0	0	0
Inventory	0	0	0
<b>Total Assets</b>	<b>\$ 1,026,657</b>	<b>\$ 903,031</b>	<b>\$ 421,385</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 710	\$ 0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	0	0	0
Current Portion Due			
Principal	0	0	50,000
Interest	0	0	93,125
<b>Total Liabilities</b>	<b>0</b>	<b>710</b>	<b>143,125</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	36,627	56,969
<b>Total Inflow of Resources</b>	<b>0</b>	<b>36,627</b>	<b>56,969</b>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Improvements	1,026,657	865,694	0
Debt Service	0	0	221,291
Unassigned	0	0	0
<b>Total Fund Balances</b>	<b>1,026,657</b>	<b>865,694</b>	<b>221,291</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,026,657</b>	<b>\$ 903,031</b>	<b>\$ 421,385</b>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2014

	Ed Tech Debt Service 43000	Other Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 136,871	\$ 574,938	\$ 4,235,187
Investments	0	0	2,768
Receivables			
Taxes	35,642	0	202,523
Due from Grantor	0	178,207	178,207
Interfund Balance	0	0	147,070
Inventory	0	7,949	7,949
Total Assets	<u>\$ 172,513</u>	<u>\$ 761,094</u>	<u>\$ 4,773,704</u>
 <b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 13,598	\$ 31,934
Accrued Salaries and Benefits	0	646	43,787
Interfund Balance	0	147,070	147,070
Current Portion Due			
Principal	110,000	0	160,000
Interest	24,925	0	118,050
Total Liabilities	<u>134,925</u>	<u>161,314</u>	<u>500,841</u>
 <b>Deferred Inflows of Resources</b>			
Unavailable Revenue	<u>9,018</u>	<u>0</u>	<u>111,663</u>
Total Inflow of Resources	<u>9,018</u>	<u>0</u>	<u>111,663</u>
 <b>Fund Balances</b>			
Nonspendable-Inventory	0	7,949	7,949
Restricted for:			
Special Revenue Funds	0	109,922	109,922
Capital Improvements	0	481,909	2,374,260
Debt Service	28,570	0	249,861
Unassigned	<u>0</u>	<u>0</u>	<u>1,419,208</u>
Total Fund Balances	<u>28,570</u>	<u>599,780</u>	<u>4,161,200</u>
 <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
	<u>\$ 172,513</u>	<u>\$ 761,094</u>	<u>\$ 4,773,704</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
 Reconciliation of the Governmental Funds  
 Balance Sheet to the Statement of Net Position  
 June 30, 2014

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Total Fund Balance - Governmental Funds \$ 4,161,200

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

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. 111,663

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

	\$	26,221,335	
Capital Assets			
Accumulated Depreciation		(10,295,345)	15,925,990

Long-term and certain other liabilities, including bonds  
 payable, are not due and payable in the current period and  
 therefore are not reported as liabilities in the funds. Long-  
 term and other liabilities at year end consist of :

	(6,490,000)		
Bond Payable			
Compensated Absences		(54,206)	(6,544,206)

Total Net Position - Governmental Activities \$ 13,654,647

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and Changes  
in Fund Balance  
For the Year Ended June 30, 2014

	General Fund		
	Operational	Transportation	Instructional
	11000	13000	Materials 14000
Revenues			
Property Taxes	\$ 155,464	\$ 0	\$ 0
Investment Income	4,864	0	0
Fees	10,018	0	0
State & Local Grants	4,937,169	129,578	40,009
Federal Grants	2,058	0	0
Miscellaneous	63,120	0	117
Total Revenues	<u>5,172,693</u>	<u>129,578</u>	<u>40,126</u>
Expenditures			
Current			
Instruction	3,103,229	0	20,918
Support Services			
Students	384,177	0	0
Instruction	257,509	0	0
General Administration	266,892	0	0
School Administration	453,394	0	0
Central Services	113,861	0	0
Operation of Plant	743,359	0	0
Student Transportation	0	106,394	0
Other	3,099	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	<u>5,325,520</u>	<u>106,394</u>	<u>20,918</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(152,827)</u>	<u>23,184</u>	<u>19,208</u>
Other Financing Sources (Uses)			
Bond Issue	0	0	0
Transfers	12,680	0	0
Total Other Financing Sources (Uses)	<u>12,680</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>(140,147)</u>	<u>23,184</u>	<u>19,208</u>
Fund Balances at Beginning of Year	1,483,751	1,441	60,970
Restatement	<u>(29,199)</u>	<u>0</u>	<u>0</u>
Restated Beginning Fund Balance	<u>1,454,552</u>	<u>1,441</u>	<u>60,970</u>
Fund Balance End of Year	<u>\$ 1,314,405</u>	<u>\$ 24,625</u>	<u>\$ 80,178</u>

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



STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and Changes  
in Fund Balance  
For the Year Ended June 30, 2014

	Capital Projects		
	Bond Building 31100	Senate Bill Nine 31700	Debt Service 41000
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 625,555	\$ 727,327
Investment Income	225	0	0
Fees	0	0	0
State & Local Grants	0	16,095	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
<b>Total Revenues</b>	<b>225</b>	<b>641,650</b>	<b>727,327</b>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	67,705	0
<b>Support Services</b>			
Students	0	0	0
Instruction	0	0	0
General Administration	0	3,103	3,561
School Administration	0	0	0
Central Services	0	0	0
Operation of Plant	0	282,904	0
Student Transportation	0	0	0
Other	0	0	0
Food Service Operations	0	0	0
Capital Outlay	92,593	0	0
<b>Debt Service</b>			
Principal	0	0	550,000
Interest	0	0	195,125
Bond Issue Costs	54,772	0	0
<b>Total Expenditures</b>	<b>147,365</b>	<b>353,712</b>	<b>748,686</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(147,140)</b>	<b>287,938</b>	<b>(21,359)</b>
<b>Other Financing Sources (Uses)</b>			
Bond Issue	1,000,000	0	0
Transfers	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>1,000,000</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>852,860</b>	<b>287,938</b>	<b>(21,359)</b>
<b>Fund Balances at Beginning of Year</b>	<b>153,797</b>	<b>586,637</b>	<b>759,150</b>
Restatement	20,000	(8,881)	(516,500)
<b>Restated Beginning Fund Balance</b>	<b>173,797</b>	<b>577,756</b>	<b>242,650</b>
<b>Fund Balance End of Year</b>	<b>\$ 1,026,657</b>	<b>\$ 865,694</b>	<b>\$ 221,291</b>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and Changes  
in Fund Balance  
For the Year Ended June 30, 2014

	Ed Tech Debt Service 43000	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property Taxes	\$ 186,371	\$ 0	\$ 1,694,717
Investment Income		0	5,089
Fees	0	67,238	77,256
State & Local Grants	0	226,752	5,349,603
Federal Grants	0	908,479	910,537
Miscellaneous	0	0	63,237
Total Revenues	<u>186,371</u>	<u>1,202,469</u>	<u>8,100,439</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	1,019,756	4,211,608
<b>Support Services</b>			
Students	0	85,911	470,088
Instruction	0	46,738	304,247
General Administration	863	1,490	275,909
School Administration	0	0	453,394
Central Services	0	0	113,861
Operation of Plant	0	17,775	1,044,038
Student Transportation	0	0	106,394
Other	0	0	3,099
Food Service Operations	0	519,410	519,410
Capital Outlay		0	92,593
<b>Debt Service</b>			
Principal	140,000	0	690,000
Interest	40,350	0	235,475
Bond Issue Costs	0	0	54,772
Total Expenditures	<u>181,213</u>	<u>1,691,080</u>	<u>8,574,888</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,158</u>	<u>(488,611)</u>	<u>(474,449)</u>
<b>Other Financing Sources (Uses)</b>			
Bond Issue	0	0	1,000,000
Transfers	0	(12,680)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(12,680)</u>	<u>1,000,000</u>
Net Change in Fund Balance	<u>5,158</u>	<u>(501,291)</u>	<u>525,551</u>
Fund Balances at Beginning of Year	114,475	1,061,814	4,222,035
Restatement	<u>(91,063)</u>	<u>39,257</u>	<u>(586,386)</u>
Restated Beginning Fund Balance	<u>23,412</u>	<u>1,101,071</u>	<u>3,635,649</u>
Fund Balance End of Year	<u>\$ 28,570</u>	<u>\$ 599,780</u>	<u>\$ 4,161,200</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
 Reconciliation of the Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 To the Statement of Activities  
 June 30, 2014

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Net Change in Fund Balance \$ 525,551

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

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, 2013	0	
Property Taxes Receivable, June 30, 2014	<u>111,663</u>	111,663

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	\$ (607,312)	
Capital Outlays	<u>92,593</u>	(514,719)

The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net position. (1,000,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal Paid for Bonds	1,015,000	
Current Amount Due in the Prior Year	(485,000)	
Current Amount Due this Year	<u>160,000</u>	690,000

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, 2013	45,465	
Compensated Absences, June 30, 2014	<u>(54,206)</u>	<u>(8,741)</u>

Changes in Net Position of Governmental Activities \$ (196,246)

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL 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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 86,916	\$ 86,916	\$ 155,685	\$ 68,769
Interest Income	3,800	3,800	4,864	1,064
Fees	5,500	5,500	10,018	4,518
State Grant	4,987,988	4,987,988	4,937,169	(50,819)
Federal Grant	2,058	2,058	2,058	0
Miscellaneous	200	200	63,121	62,921
Total Revenues	<u>5,086,462</u>	<u>5,086,462</u>	<u>5,172,915</u>	<u>86,453</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	2,251,885	2,251,885	2,040,197	211,688
Employee Benefits	938,182	949,682	892,036	57,646
Professional & Tech Services	37,500	54,500	41,907	12,593
Purchased Services	38,500	38,500	15,304	23,196
Supplies	154,942	157,942	107,215	50,727
Supply Assets	130,912	145,912	0	145,912
Total Instruction	<u>3,551,921</u>	<u>3,598,421</u>	<u>3,096,659</u>	<u>501,762</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	195,811	195,811	174,995	20,816
Employee Benefits	84,545	84,645	76,297	8,348
Professional & Tech Services	250,000	250,000	123,033	126,967
Purchased Services	1,500	250	2,293	(2,043)
Supplies	8,000	8,000	7,559	441
Supply Assets	26,182	36,182	0	36,182
Total Students	<u>566,038</u>	<u>574,888</u>	<u>384,177</u>	<u>190,711</u>
<b>Instruction</b>				
Personnel Services	183,569	183,569	181,011	2,558
Employee Benefits	57,456	57,456	53,691	3,765
Professional & Tech Services	2,500	2,500	250	2,250
Supplies	25,500	27,000	17,406	9,594
Supply Assets	13,091	13,091	0	13,091
Total Instruction	<u>282,116</u>	<u>283,616</u>	<u>252,358</u>	<u>31,258</u>
<b>General Administration</b>				
Personnel Services	138,000	138,000	131,863	6,137
Employee Benefits	53,895	54,295	48,496	5,799
Professional & Tech Services	95,963	98,963	57,677	41,286
Purchased Services	28,500	28,500	15,835	12,665
Supplies	10,500	15,500	8,515	6,985
Supply Assets	13,091	23,091	0	23,091
Total General Administration	<u>\$ 339,949</u>	<u>\$ 358,349</u>	<u>\$ 262,386</u>	<u>\$ 95,963</u>

STATE OF NEW MEXICO  
**LOVING MUNICIPAL 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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
School Administration				
Personnel Services	\$ 308,000	\$ 308,000	\$ 305,131	\$ 2,869
Employee Benefits	142,215	142,215	116,500	25,715
Professional & Tech Services	13,800	13,800	5,872	7,928
Supplies	15,000	15,000	11,659	3,341
Supply Assets	18,328	28,328	0	28,328
Total School Administration	<u>497,343</u>	<u>507,343</u>	<u>439,162</u>	<u>68,181</u>
Central Services				
Personnel Services	86,750	91,750	80,887	10,863
Employee Benefits	26,560	26,560	24,117	2,443
Professional & Tech Services	7,600	7,600	2,765	4,835
Purchased Services	5,000	5,000	0	5,000
Supplies	4,000	4,000	1,824	2,176
Supply Assets	7,855	17,855	0	17,855
Total Central Services	<u>137,765</u>	<u>152,765</u>	<u>109,593</u>	<u>43,172</u>
Operation of Plant				
Personnel Services	252,796	252,796	233,009	19,787
Employee Benefits	189,375	206,375	189,376	16,999
Professional & Tech Services	1,000	1,000	420	580
Purchased Property Services	176,000	176,000	164,593	11,407
Purchased Services	125,000	150,000	145,164	4,836
Supplies	25,000	25,000	16,725	8,275
Supply Assets	52,365	58,646	0	58,646
Total Operation of Plant	<u>821,536</u>	<u>869,817</u>	<u>749,287</u>	<u>120,530</u>
Other Support Service				
Professional & Tech Services	10,586	10,586	3,099	7,487
Total Other Support Service	<u>10,586</u>	<u>10,586</u>	<u>3,099</u>	<u>7,487</u>
Total Support Services	<u>2,655,333</u>	<u>2,757,364</u>	<u>2,200,062</u>	<u>557,302</u>
Total Expenditures	<u>6,207,254</u>	<u>6,355,785</u>	<u>5,296,721</u>	<u>1,059,064</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>(1,120,792)</u>	\$ <u>(1,269,323)</u>	\$ <u>(123,806)</u>	\$ <u>1,145,517</u>

STATE OF NEW MEXICO  
**LOVING MUNICIPAL 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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Other Financing Sources (Uses)				
Transfer	\$ 0	\$ 0	\$ 12,680	\$ 12,680
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>12,680</u>	<u>12,680</u>
Net Change in Cash Balance	(1,120,792)	(1,269,323)	(111,126)	1,158,197
Cash Balance Beginning of Year	<u>1,476,860</u>	<u>1,476,860</u>	<u>1,476,860</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 356,068</u>	<u>\$ 207,537</u>	<u>\$ 1,365,734</u>	<u>\$ 1,158,197</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance-Cash Basis			\$ (111,126)	
Net Change in Taxes Receivable			8,828	
Net Change in Accounts Payable			14,341	
Net Change in Accrued Salaries & Benefits			(43,141)	
Net Change in Unavailable Revenue			<u>(9,049)</u>	
Net Change in Fund Balance-GAAP Basis			<u>\$ (140,147)</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL 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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 129,578	\$ 129,578	\$ 129,578	\$ 0
Total Revenues	<u>129,578</u>	<u>129,578</u>	<u>129,578</u>	<u>0</u>
<b>Expenditures</b>				
<b>Support Services</b>				
<b>Student Transportation</b>				
Personnel Services	71,501	71,501	63,106	8,395
Employee Benefits	13,164	16,812	15,668	1,144
Professional & Tech Services	1,800	1,800	0	1,800
Purchased Property Services	15,000	15,000	10,827	4,173
Purchased Services	500	500	714	(214)
Supplies	21,581	23,686	12,590	11,096
Other	0	0	721	(721)
Total Student Transportation	<u>123,546</u>	<u>129,299</u>	<u>103,626</u>	<u>25,673</u>
Total Support Services	<u>123,546</u>	<u>129,299</u>	<u>103,626</u>	<u>25,673</u>
Total Expenditures	<u>123,546</u>	<u>129,299</u>	<u>103,626</u>	<u>25,673</u>
Excess (Deficiency) of Revenues Over Expenditures	6,032	279	25,952	25,673
Cash Balance Beginning of Year	<u>1,441</u>	<u>1,441</u>	<u>1,441</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 7,473</u>	<u>\$ 1,720</u>	<u>\$ 27,393</u>	<u>\$ 25,673</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 25,952	
Net Change in Accounts Payable			<u>(2,768)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 23,184</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 40,100	\$ 40,100	\$ 40,009	\$ (91)
Other	400	400	117	(283)
Total Revenues	<u>40,500</u>	<u>40,500</u>	<u>40,126</u>	<u>(374)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	100,542	100,542	20,919	79,623
Total Instruction	<u>100,542</u>	<u>100,542</u>	<u>20,919</u>	<u>79,623</u>
Total Expenditures	<u>100,542</u>	<u>100,542</u>	<u>20,919</u>	<u>79,623</u>
Excess (Deficiency) of Revenues Over Expenditures	(60,042)	(60,042)	19,207	79,249
Cash Balance Beginning of Year	<u>60,971</u>	<u>60,971</u>	<u>60,971</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 929</u>	<u>\$ 929</u>	<u>\$ 80,178</u>	<u>\$ 79,249</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 19,207</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 19,207</u>	

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



STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
Statement of Fiduciary Assets and Liabilities-Agency Funds  
June 30, 2014

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	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ <u>115,329</u>
Total Assets	\$ <u><u>115,329</u></u>
Liabilities	
Deposits Held for Others	\$ <u>115,329</u>
Total Liabilities	\$ <u><u>115,329</u></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 Loving Municipal School District (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 Loving Municipal School 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 all 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.

**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.

**CAPITAL PROJECT FUNDS**

**Bond Building (31100).** The revenues are derived from a School Building Bond Issue. The expenditures are restricted to major capital improvements.

**Senate Bill Nine (31700).** The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements, repairs and maintenance, supplies and supply assets used in the upkeep of the facilities.

**DEBT SERVICE FUNDS**

**Debt Service Fund (41000).** To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values.

**Ed Tech Debt Service (43000).** To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest for the retirement of technology bonds. The resources of this fund are generated by a tax levy based upon property values.

**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 providers 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, Debt Service and Capital Projects 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 20, 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 Cafeteria 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). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. 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.

Restricted Net Position

For the government-wide statement of net position, net positions are reported as restricted when constraints placed 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.

Compensated Absences

All 12-month or full time employees earn vacation and sick leave in amounts varying with tenure and classification. Employees who have been employed for less than 10 years accrue 12 days of vacation. Employees who have been employed for more than 10 years accrue 15 days per year. Upon retirement, unused vacation leave up to 20 days is paid to employees. No reimbursement or accrual is made for unused sick leave.

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

- (a) The employees' right to receive compensation is attributable to services already rendered.



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(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.

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.

**Western Commerce Bank**

<u>Name of Account</u>	Balance Per Bank 6/30/14	Reconciled Balance	Type
General Fund Account	\$ 4,928,361	\$ 4,350,316	Interest
TOTAL Deposited	4,928,361	<u>4,350,316</u>	Checking
Less: FDIC Coverage	(250,000)		
Uninsured Amount	4,678,361		
50% collateral requirement	2,339,181		
Pledged securities	2,538,346		
Over (Under) requirement	\$ <u>199,166</u>		

There is \$200 cash on hand.

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 **Western Commerce Bank**:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FNMA Pool # 796277	31405QUA4	\$ 529,073	12/01/2034	FHLB, Dallas
GNMA Pool #8321	36202KG66	76,054	02/20/2018	Texas
GNMA Pool #8308	36202KGR0	47,069	01/20/2018	
FNMA Pool #AH5857	3138A7QK7	1,021,139	02/01/2041	
SBAP Series 2003-20L	83162CNK5	278,931	12/01/2023	
FNMA Pool #604975	31388HCL1	219,028	09/01/2031	
GNMA Pool #8350	36202KH32	98,521	01/20/2024	
SBAP Series 2004-20J	83162CPB3	268,531	10/01/2024	
		<u>\$ 2,538,346</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	2,538,346
Over insured or over collateralized	<u>2,140,015</u>
Total Deposits	<u>\$ 4,928,361</u>

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, 2014 \$2,140,015 of the District's balance of \$4,928,361 was exposed to custodial risk.

**New Mexico State Treasurer**

<u>Name of Account</u>	<u>Balance Per Bank 6/30/14</u>	<u>Reconciled Balance</u>	<u>Type</u>
Loving Municipal Schools	\$ 2,768	\$ 2,768	Investment
TOTAL Deposited	<u>\$ 2,768</u>	<u>\$ 2,768</u>	

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 investment portfolio is posted on the State Treasurer's Office website, [www.nmsto.gov](http://www.nmsto.gov), 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](http://www.nmsto.gov). As of June 30, 2014, the LGIP WAM(R) is 59 days and WAM(F) is 96 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.

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**NOTE C: INTERFUND BALANCES, RECEIVABLES, AND TRANSFERS**

Interfund balances during the year ending June 30, 2014 were as follows:

Due to General Fund from:		
Other Governmental Funds	\$	<u>147,070</u>
Totals	\$	<u><u>147,070</u></u>

Short term loans from the General Fund to the above fund were to cover costs during the year until the grant revenue is received, the loans will be repaid within one year.

**NOTE D: TAXES RECEIVABLE**

Following is a schedule of property taxes receivable as of June 30, 2014:

	General Fund	Senate Bill Nine 31700	Debt Service 41000	Ed Tech Debt Service 43000
Property Tax				
Available	\$ 6,670	\$ 26,809	\$ 30,757	\$ 26,624
Unavailable	9,049	36,627	56,969	9,018
Total Property Taxes Receivable	<u>\$ 15,719</u>	<u>\$ 63,436</u>	<u>\$ 87,726</u>	<u>\$ 35,642</u>

**NOTE E: DUE FROM OTHER GOVERNMENT UNITS**

Amounts due from other agencies and units of government were as follows as of June 30, 2014:

	Other Governmental
Federal Agencies	\$ <u>134,318</u>
State Agencies	<u>43,889</u>
Total	<u><u>\$ 178,207</u></u>

**NOTE F: CAPITAL ASSETS**

Capital Assets Balances and Activity for the Year Ended June 30, 2014, is as follows:

	Balance 6/30/13	Increases	Decreases	Balance 6/30/14
<b>Governmental Activities</b>				
Capital Assets not being Depreciated				
Land	\$ 10,000	\$ 0	\$ 0	\$ 10,000
Total Capital Assets not being Depreciated	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,000</u>
Capital Assets, being Depreciated				
Buildings & Improvements	\$ 24,292,652	\$ 92,593	\$ 0	\$ 24,385,245
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>1,826,090</u>	<u>0</u>	<u>0</u>	<u>1,826,090</u>
Total Capital Assets, being Depreciated	<u>26,118,742</u>	<u>92,593</u>	<u>0</u>	<u>26,211,335</u>
Total Capital Assets	<u>\$ 26,128,742</u>	<u>\$ 92,593</u>	<u>\$ 0</u>	<u>\$ 26,221,335</u>

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**Less Accumulated Depreciation**

Buildings & Improvements	\$ 8,365,090	\$ 524,883	\$ 0	\$ 8,889,973
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>1,322,943</u>	<u>82,429</u>	<u>0</u>	<u>1,405,372</u>
Total Accumulated Depreciation	<u>9,688,033</u>	<u>607,312</u>	<u>0</u>	<u>10,295,345</u>
Capital Assets, net	\$ <u>16,440,709</u>	\$ <u>(514,719)</u>	\$ <u>0</u>	\$ <u>15,925,990</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 566,897
Support Services-Students	500
Support Services-General Administration	2,306
Central Services	1,934
Operation & Maintenance of Plant	19,962
Student Transportation	14,670
Food Services Operations	1,043
Total Depreciation Expenses	\$ <u>607,312</u>

**NOTE G: LONG TERM DEBT**

A summary of activity in the Long-Term Debt is as follows:

	Balance 6/30/13	Additions	Reductions	Balance 6/30/14	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ <u>6,665,000</u>	\$ <u>1,000,000</u>	\$ <u>1,015,000</u>	\$ <u>6,650,000</u>	\$ <u>690,000</u>
Total Bonds	\$ <u>6,665,000</u>	\$ <u>1,000,000</u>	\$ <u>1,015,000</u>	\$ <u>6,650,000</u>	\$ <u>690,000</u>
Other Liabilities					
Compensated					
Absences	\$ <u>45,465</u>	\$ <u>48,972</u>	\$ <u>40,231</u>	\$ <u>54,206</u>	\$ <u>54,206</u>
Total Other	\$ <u>45,465</u>	\$ <u>48,972</u>	\$ <u>40,231</u>	\$ <u>54,206</u>	\$ <u>54,206</u>

Payments on the general obligation bonds are made by the Debt Service Funds. The compensated absences liability will ultimately be liquidated by several of the District's governmental funds, with most being paid by the General Fund.

General Obligation Bonds.

The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

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Issue	Original Amount	Interest Rate	Balance
01/15/08	3,000,000	4%	\$ 2,300,000
08/01/08	2,500,000	4%	2,500,000
06/15/13	500,000	2%	470,000
07/15/11	465,000	2%	380,000
07/15/13	1,000,000	2%	1,000,000
			<u>\$ 6,650,000</u>

The annual requirements to amortize the bonds as of June 30, 2014, including interest payments are as follows:

	Principal	Interest	Total
2015	\$ 690,000	\$ 233,375	\$ 923,375
2016	725,000	200,125	925,125
2017	935,000	174,525	1,109,525
2018	1,000,000	144,750	1,144,750
2019	600,000	114,500	714,500
2020-2024	2,700,000	230,875	2,930,875
Total	<u>\$ 6,650,000</u>	<u>\$ 1,098,150</u>	<u>\$ 7,748,150</u>

Reconciliation of Long-Term Debt disclosed in Notes to the Long-Term Debt reported in the Statement of Net Position.

Balance in the Notes	\$ 6,650,000
Statement of Net Position	<u>\$ 6,650,000</u>
Government Wide Statements	
Amount Reported as Current Amount Due	\$ 690,000
Amount Reported as Long-Term Due	5,960,000
Statement of Net Position	<u>\$ 6,650,000</u>

**NOTE H: COMMITMENTS**

The District is involved in small renovations and repairs campus wide.

**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 some state agency employees) 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](http://www.nmerb.org).

### **Funding Policy**

Member Contributions-Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required make the following contributions to the Plan: 10.10% of their gross salary in the fiscal year 2014; and 10.17% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions-The District contributed 13.15% of the gross covered salary in the fiscal year 2014. In fiscal year 2015 the District will contribute 13.9% of gross covered salary.

The contribution requirements of the 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, 2014, 2013, and 2012, were \$453,665, \$370,832, and \$316,711, 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](http://www.nmrhca.state.nm.us).

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2014, 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, 2014, 2013 and 2012 were \$68,999, \$68,299 and \$63,059 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).

The reconciliation of budgetary basis to GAAP basis statements are located at the bottom of each budget actual.

**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:

- 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**

The Loving Municipal School District is part of a joint powers agreement with the Regional Education Cooperative #8 (REC). A regional cooperative center that operates as an agency for four school districts and provides cooperative services as its primary service. The school districts include, Loving, Dexter Hagerman and Lake Arthur.

The purpose of the agreement is to provide supplementary special education services to local education agencies utilizing federal PL 94-142 funds.

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

The financial statements for the REC were prepared by an IPA. The audit report is available at the Regional Education Cooperative #8 Pecos Valley, 2218 West Grande Ave., Artesia, NM 88211-0155.

**NOTE P: BUDGET VIOLATIONS**

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

The following funds had budget violations as of June 30, 2014.

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
English Language (24153)				
Instruction	\$ 0	\$ 0	\$ 955	\$ (955)
Bond Building (31100)				
Bond Issue Costs	0	0	54,772	(54,772)
Senate Bill Nine (31700)				
Support Services	\$ 829	\$ 2,530	\$ 3,103	\$ (573)
Debt Service (41000)				
Support Services	1,052	2,852	3,561	(709)
Ed Tech Debt Service (43000)				
Support Services	193	693	863	(170)



STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2014

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**NOTE Q: RESTATEMENTS**

The fund balances were restated for accounts payable as follows:

Operational (11000)	\$	(29,199)
Senate Bill Nine (31700)		(8,881)
Food Service (21000)		(5,248)

The fund balances were restated for principal and interest due within 30 days after year end as follows:

	Principal	Interest	Total
Debt Service (41000)	\$ (400,000)	\$ (116,500)	\$ (516,500)
Ed Tech Debt Service (43000)	(85,000)	(6,063)	(91,063)

The fund balance for Bond Building (31100) was restated by \$20,000. Last years audit had a deferred revenue of \$20,000 but it is unclear what the deferral was for.

The following fund balances were misclassified as deferred revenue:

Medicaid (25153)	\$	5,858
Microsoft (26170)		1,911
Technology for Education (27117)		4,386
Incentives for School Improvement (27138)		4,248
Beginning Teacher Mentoring (27154)		1,198
Library Book (27549)		322
CYFD Community Services (28141)		2
Private Direct Grants (29102)		10,687
Microsoft Pilot (29132)		15,893

The total net change to the fund balances was \$(586,386).

The changes to net position of (242,207) are as follows:

Above adjustment to fund balances	\$	(586,386)
Deferred Revenue as reported on the prior audit		(71,073)
Accrued Interest as reported on the prior year audit		62,356
Net Issue Costs GASBS 65		(132,104)
Current Portion of Principal Due not included on the prior year audit		485,000
	\$	<u>(242,207)</u>

**SUPPLEMENTAL INFORMATION RELATED TO  
MAJOR FUNDS**

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-BOND BUILDING-31100  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Interest Income	\$ 0	\$ 0	\$ 225	\$ 225
Bond Proceeds	0	0	1,000,000	1,000,000
Total Revenues	<u>0</u>	<u>0</u>	<u>1,000,225</u>	<u>1,000,225</u>
<b>Expenditures</b>				
Bond Issue Costs	0	0	54,772	(54,772)
Capital Outlay				
Building Improvements	153,797	173,797	54,474	119,323
Fixed Assets	0	0	38,119	(38,119)
Supply Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>153,797</u>	<u>173,797</u>	<u>147,365</u>	<u>26,432</u>
Excess (Deficiency) of Revenues Over Expenditures	(153,797)	(173,797)	852,860	1,026,657
Cash Balance Beginning of Year	<u>173,797</u>	<u>173,797</u>	<u>173,797</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 20,000</u>	<u>\$ 0</u>	<u>\$ 1,026,657</u>	<u>\$ 1,026,657</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 852,860</u>	
Net Change in Fund Balance			<u>\$ 852,860</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
 CAPITAL PROJECT 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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 349,379	\$ 349,379	\$ 626,344	\$ 276,965
State Grant	16,095	16,095	16,095	0
Total Revenues	<u>365,474</u>	<u>365,474</u>	<u>642,439</u>	<u>276,965</u>
<b>Expenditures</b>				
<b>Support Services</b>				
General Administration				
Professional & Tech Services	829	2,530	3,103	(573)
Total General Administration	<u>829</u>	<u>2,530</u>	<u>3,103</u>	<u>(573)</u>
Total Support Services	<u>829</u>	<u>2,530</u>	<u>3,103</u>	<u>(573)</u>
<b>Capital Outlay</b>				
Maintenance	390,000	366,133	160,020	206,113
Supplies	150,000	150,000	136,969	13,031
Fixed Assets	405,851	405,851	60,497	345,354
Supply Assets	0	0	1,295	(1,295)
Total Capital Outlay	<u>945,851</u>	<u>921,984</u>	<u>358,781</u>	<u>563,203</u>
Total Expenditures	<u>946,680</u>	<u>924,514</u>	<u>361,884</u>	<u>562,630</u>
Excess (Deficiency) of Revenues Over Expenditures	(581,206)	(559,040)	280,555	839,595
Cash Balance Beginning of Year	<u>559,040</u>	<u>559,040</u>	<u>559,040</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (22,166)</u>	<u>\$ 0</u>	<u>\$ 839,595</u>	<u>\$ 839,595</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 280,555	
Net Change in Taxes Receivable			35,838	
Net Change in Accounts Payable			8,172	
Net Change in Unavailable Revenue			(36,627)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 287,938</u>	

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

## STATE OF NEW MEXICO

**LOVING MUNICIPAL SCHOOLS**

## DEBT SERVICE-41000

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

## Budget and Actual (Budgetary Basis)

## For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 763,700	\$ 763,700	\$ 747,984	\$ (15,716)
Total Revenues	<u>763,700</u>	<u>763,700</u>	<u>747,984</u>	<u>(15,716)</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	1,052	2,852	3,561	(709)
Total General Administration	<u>1,052</u>	<u>2,852</u>	<u>3,561</u>	<u>(709)</u>
Total Support Service	<u>1,052</u>	<u>2,852</u>	<u>3,561</u>	<u>(709)</u>
Debt Service				
Principal	900,000	900,000	900,000	0
Interest	218,500	218,500	218,500	0
Total Debt Service	<u>1,118,500</u>	<u>1,118,500</u>	<u>1,118,500</u>	<u>0</u>
Total Expenditures	<u>1,119,552</u>	<u>1,121,352</u>	<u>1,122,061</u>	<u>(709)</u>
Excess (Deficiency) of Revenues Over Expenditures	(355,852)	(357,652)	(374,077)	(16,425)
Cash Balance Beginning of Year	<u>707,736</u>	<u>707,736</u>	<u>707,736</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 351,884</u>	<u>\$ 350,084</u>	<u>\$ 333,659</u>	<u>\$ (16,425)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (374,077)	
Net Change in Taxes Receivable			36,312	
Net Change in Principal			350,000	
Net Change in Interest			23,375	
Net Change in Unavailable Revenue			(56,969)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (21,359)</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
DEBT SERVICE-ED TECH-43000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 96,487	\$ 96,487	\$ 166,261	\$ 69,774
Total Revenues	<u>96,487</u>	<u>96,487</u>	<u>166,261</u>	<u>69,774</u>
Expenditures				
Support Services				
General Administration	193	693	863	(170)
Total General Administration	<u>193</u>	<u>693</u>	<u>863</u>	<u>(170)</u>
Total Support Service	<u>193</u>	<u>693</u>	<u>863</u>	<u>(170)</u>
Debt Service				
Principal	115,000	115,000	115,000	0
Interest	21,488	21,488	21,488	0
Total Debt Service	<u>136,488</u>	<u>136,488</u>	<u>136,488</u>	<u>0</u>
Total Expenditures	<u>136,681</u>	<u>137,181</u>	<u>137,351</u>	<u>(170)</u>
Excess (Deficiency) of Revenues Over Expenditures	(40,194)	(40,694)	28,910	69,604
Cash Balance Beginning of Year	<u>107,961</u>	<u>107,961</u>	<u>107,961</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 67,767</u>	<u>\$ 67,267</u>	<u>\$ 136,871</u>	<u>\$ 69,604</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 28,910	
Net Change in Taxes Receivable			29,129	
Net Change in Principal			(25,000)	
Net Change in Interest			(18,862)	
Net Change in Unavailable Revenue			(9,019)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 5,158</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 Service (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).

**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.

**Migrant Children Education (24103).** The purpose of this program is to assist the District in providing a summer school program for migrant students. Federal revenues accounted for in this fund are administered by the New Mexico Public Education Department. Authority for creation of this fund is Chapter I of Title I of the Elementary and Secondary Education Act (ESEA) of 1965 as amended, Public Law 103-382.

**IDEA Part B (24106)(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.

**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.

**Title I Section 1003(g) (24124).** To provide funding that addresses the needs of schools in improvement, corrective action, and restructuring in order to improve student achievement targeting activities towards measurable outcomes.

**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).

**Reading First (24167).** To account for the revenues and expenditures for a federal grant to provide additional services for students grades 1-3 in reading. The grant was created by the authority of federal grant provisions.



**NONMAJOR SPECIAL REVENUE FUNDS**

**Carl Perkins (24172) (24180) (24182).** To account for federal funds to provide vocational and technical education for secondary education. (P.L. 105-332). The fund was created by the authority of federal grant provisions.

**Head Start (25127).** To promote school readiness by enhancing the social and cognitive development of low-income children, including children on federally recognized reservations and children of migratory farm-workers, through the provision of comprehensive health, educational, nutritional, social and other services; and to involve parents in their children's learning and to help parents make progress toward their educational, literacy and employment goals. Head Start also emphasizes the significant involvement of parents in the administration of their local Head Start programs. The project is funded through the federal government, under the Community Opportunities, Accountability, and Training and Educational Services Act of 1998, Title I, Section 101-119.

**Medicaid (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).** Part B of Title VI of the reauthorized ESEA contains Rural Education Achievement Program (REAP) initiatives that are designed to help rural districts that may lack the personnel and resources to compete effectively for Federal competitive grants and that often receive grant allocations in amounts that are too small to be effective in meeting their intended purposes.

**Microsoft (26170).** To account for revenues and expenditures received from a class action law suit with Microsoft to be used for technology. The fund was created by grant provisions.

**Dual Credit Instructional Materials (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.

**2010 GO Library Books (27106).** 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.

**NM Reads to Lead (27114).** To account for revenue and expenditures received from a state grant for the purpose of improving skills of young students in the area of reading. The fund was created by the authority of state grant provisions.

**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).

**Incentives for School Improvements (27138).** To account for revenues and expenditures from a state grant as part of the Incentives for School Improvement Act: awarded based on the improvement in CTBS 5/Terra Nova or New Mexico High School Competency Examination scores. The fund was created by state grant provisions. (NMSA 22-13 A-1).

#### **NONMAJOR SPECIAL REVENUE FUNDS**

**Beginning Teacher Mentoring Program (27154).** To account for revenues and expenditures from a state grant provided for tutoring and student enhancement activities in reading, math, and study skills for grades sixth through eight. The fund was created by state grant provisions.

**Breakfast for Elementary Students (27155).** To account for funds received to provide breakfast for all elementary students. The fund was created by grant provisions.

**Kindergarten 3 Plus (27166).** To account for funds received to provide the opportunity for the district to address early literacy. The full-day kindergarten program is the first step in the implementation of a sequential early literacy approach to teaching reading.

**Science Instructional Materials (27176).** To account for funds from the state to be used for curriculum for science. The fund was created by state grant provisions.

**Next Generation Assessments (27185).** To account for a state grant used to purchase computer equipment for the science classroom. The fund was created by the authority of state grant provisions.

**State Directed Activities (27200).** To support the improvement of educational results and functional outcomes for all children with disabilities. The fund was created by the authority of state grant provisions.

**Library Books (27549).** To account for funds received to purchase library books. The fund was created by the authority of state grant provisions.

**CYFD Child Food Program (28141).** To account for federal money received from CYFD from the National School Lunch Program to provide food to the Head Start Student. The fund was created by grant provisions.

**Private Grants (29102).** To account for a private grant provided for a specific purpose. The fund was created by grant provisions.

**Microsoft Pilot (29132).** To account for a grant from Microsoft to be used for technology. The fund was created by grant provisions.

#### **NON-MAJOR CAPITAL PROJECT FUNDS**

**Special Capital Outlay-Local (31300).** To account for funds received from local sources to provide for a construction project.

**Special Capital Outlay-State (31400).** To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading buildings.

**Ed Tech Equipment (31900).** To account for proceeds received from the issuance of Educational Technology Notes to be used for the acquisition of education technology equipment for use in classrooms and library and media centers. Authority for the creation of this fund is NMSA 1978, 6-15A-1 through 6-15A-16.

**Public School Capital Outlay-20% (32100).** The revenues are derived from 20% of the District Tax Levy set aside for capital improvements.

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	Title I 24101
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 29,488	\$ 32,798	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	24,107	0	11,148
Interfund Balance	0	0	0
Inventory	7,949	0	0
Total Assets	<u>\$ 61,544</u>	<u>\$ 32,798</u>	<u>\$ 11,148</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	6,568	0	0
Accrued Salaries and Benefits	646	0	0
Interfund Balance	0	0	11,148
Total Liabilities	<u>7,214</u>	<u>0</u>	<u>11,148</u>
Fund Balances			
Nonspendable-Inventory	7,949	0	0
Restricted for:			
Special Revenue	46,381	32,798	0
Capital Improvements	0	0	0
Total Fund Balances	<u>54,330</u>	<u>32,798</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 61,544</u>	<u>\$ 32,798</u>	<u>\$ 11,148</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Fund		
	Migrant Children 24103	IDEA B Entitlement 24106	IDEA Preschool 24109
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	44,325	835
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 44,325</u>	<u>\$ 835</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	0	0	0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	0	44,325	835
Total Liabilities	<u>0</u>	<u>44,325</u>	<u>835</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Improvements	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 44,325</u>	<u>\$ 835</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Fund		
	IDEA B	Title I Section	English
	Reallocation 24120	1003(g) 24124	Language Acquisition 24153
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	11,634	0	0
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 11,634</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	0	0	0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	11,634	0	0
Total Liabilities	<u>11,634</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Improvements	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 11,634</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Fund		
	Improving Teacher Quality 24154	Reading First 24167	Carl Perkins Special Projects 24172
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	8,605	0	0
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 8,605</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	5,850	0	0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	2,755	0	0
Total Liabilities	<u>8,605</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Improvements	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 8,605</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Fund		
	Carl Perkins HSTW 24180	Carl Perkins Redistribution 24182	Head Start 25127
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	7,703	0	22,999
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 7,703</u>	<u>\$ 0</u>	<u>\$ 22,999</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	0	0	1,180
Accrued Salaries and Benefits	0	0	0
Interfund Balance	7,703	0	21,819
Total Liabilities	<u>7,703</u>	<u>0</u>	<u>22,999</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Improvements	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 7,703</u>	<u>\$ 0</u>	<u>\$ 22,999</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Fund		
	Rural		
	Medicaid 25153	Education Achievement 25233	Microsoft 26170
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 70	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	2,962	0
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 70</u>	<u>\$ 2,962</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	0	0	0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	0	2,962	0
Total Liabilities	<u>0</u>	<u>2,962</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	70	0	0
Capital Improvements	0	0	0
Total Fund Balances	<u>70</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 70</u>	<u>\$ 2,962</u>	<u>\$ 0</u>

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



STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Fund		
	Duel Credit Instructional Materials 27103	2010 GO Student Library 27106	NM Reads to Lead 27114
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	3,902	16,867
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 3,902</u>	<u>\$ 16,867</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	0	0	0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	0	3,902	16,867
Total Liabilities	<u>0</u>	<u>3,902</u>	<u>16,867</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Improvements	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 3,902</u>	<u>\$ 16,867</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Fund		
	Technology for Education 27117	Incentives for School Improvement 27138	Beginning Teacher Mentoring 27154
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,148	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 2,148</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	0	0	0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	2,148	0	0
Capital Improvements	0	0	0
Total Fund Balances	<u>2,148</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 2,148</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Fund		
	Breakfast after the Bell 27155	K3 Plus 27166	Science Instructional Materials 27176
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	23,120	0
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 23,120</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	0	0	0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	0	23,120	0
Total Liabilities	<u>0</u>	<u>23,120</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Improvements	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 23,120</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Fund		
	Next Generation Assessments 27185	State Directed Activities 27200	Library Book 27549
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	0	0	0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Improvements	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<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  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Fund		
	CYFD		
	Community Services 28141	Private Direct Grants 29102	Microsoft Pilot 29132
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 16,977	\$ 11,548
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 16,977</u>	<u>\$ 11,548</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	0	0	0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	16,977	11,548
Capital Improvements	0	0	0
Total Fund Balances	<u>0</u>	<u>16,977</u>	<u>11,548</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 16,977</u>	<u>\$ 11,548</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Capital Projects Fund		
	Special Capital Outlay Local 31300	Special Capital Outlay State 31400	Ed Tech Equipment 31900
	<u>31300</u>	<u>31400</u>	<u>31900</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 176,900	\$ 0	\$ 305,009
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 176,900</u>	<u>\$ 0</u>	<u>\$ 305,009</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	0	0	0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Improvements	176,900	0	305,009
Total Fund Balances	<u>176,900</u>	<u>0</u>	<u>305,009</u>
Total Liabilities and Fund Balances	<u>\$ 176,900</u>	<u>\$ 0</u>	<u>\$ 305,009</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Capital Project Fund Public School Capital Outlay 20% 32100	Total
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 0	\$ 574,938
Receivables		
Taxes	0	0
Due From Grantor	0	178,207
Interfund Balance	0	0
Inventory	0	7,949
Total Assets	<u>\$ 0</u>	<u>\$ 761,094</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts Payable	0	13,598
Accrued Salaries and Benefits	0	646
Interfund Balance	0	147,070
Total Liabilities	<u>0</u>	<u>147,070</u>
Fund Balances		
Nonspendable-Inventory	0	7,949
Restricted for:		
Special Revenue	0	109,922
Capital Improvements	0	481,909
Total Fund Balances	<u>0</u>	<u>599,780</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 761,094</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	Title I 24101
<b>Revenues</b>			
Fees	\$ 7,583	\$ 50,051	\$ 0
State & Local Grants	0	0	0
Federal Grants	412,132	0	62,500
Total Revenues	<u>419,715</u>	<u>50,051</u>	<u>62,500</u>
<b>Expenditures</b>			
Current			
Instruction	0	52,112	61,847
Support Services			
Students	0	0	0
Instruction	0	0	98
General Administration	0	0	555
Operation of Plant	0	0	0
Food Service Operations	509,568	0	0
Total Expenditures	<u>509,568</u>	<u>52,112</u>	<u>62,500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(89,853)</u>	<u>(2,061)</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfers	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>(89,853)</u>	<u>(2,061)</u>	<u>0</u>
Fund Balances at Beginning of Year	149,431	34,859	0
Restatement	(5,248)	0	0
Restated Beginning Fund Balance	<u>144,183</u>	<u>34,859</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 54,330</u>	<u>\$ 32,798</u>	<u>\$ 0</u>

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



STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special Revenue Fund		
	Migrant Children 24103	IDEA B Entitlement 24106	IDEA Preschool 24109
Revenues			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	0	0	0
Federal Grants	0	159,971	6,357
Total Revenues	<u>0</u>	<u>159,971</u>	<u>6,357</u>
Expenditures			
Current			
Instruction	0	95,311	5,422
Support Services			
Students	0	64,660	935
Instruction	0	0	0
General Administration	0	0	0
Operation of Plant	0	0	0
Food Service Operations	0	0	0
Total Expenditures	<u>0</u>	<u>159,971</u>	<u>6,357</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 Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Fund Balance	<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  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special Revenue Fund		
	IDEA B	Title I Section	English
	Reallocation 24120	1003(g) 24124	Language Acquisition 24153
Revenues			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	0	0	0
Federal Grants	12,784	0	955
Total Revenues	<u>12,784</u>	<u>0</u>	<u>955</u>
Expenditures			
Current			
Instruction	8,778	0	955
Support Services			
Students	0	0	0
Instruction	4,006	0	0
General Administration	0	0	0
Operation of Plant	0	0	0
Food Service Operations	0	0	0
Total Expenditures	<u>12,784</u>	<u>0</u>	<u>955</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 Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Fund Balance	<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  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special Revenue Fund		
	Improving Teacher Quality 24154	Reading First 24167	Carl Perkins Special Projects 24172
Revenues			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	0	0	0
Federal Grants	28,598	0	0
Total Revenues	<u>28,598</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	27,663	0	0
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	935	0	0
Operation of Plant	0	0	0
Food Service Operations	0	0	0
Total Expenditures	<u>28,598</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 Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Fund Balance	<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  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special Revenue Fund		
	Carl Perkins HSTW 24180	Carl Perkins Redistribution 24182	Head Start 25127
Revenues			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	0	0	0
Federal Grants	17,250	0	171,183
Total Revenues	<u>17,250</u>	<u>0</u>	<u>171,183</u>
Expenditures			
Current			
Instruction	17,250	0	129,124
Support Services			
Students	0	0	0
Instruction	0	0	33,994
General Administration	0	0	0
Operation of Plant	0	0	6,065
Food Service Operations	0	0	2,000
Total Expenditures	<u>17,250</u>	<u>0</u>	<u>171,183</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 Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Fund Balance	<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  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special Revenue Fund		
	Medicaid 25153	Rural Education Achievement 25233	Microsoft 26170
<b>Revenues</b>			
Fees	\$ 9,604	\$ 0	\$ 0
State & Local Grants	0	0	0
Federal Grants	0	36,749	0
<b>Total Revenues</b>	<u>9,604</u>	<u>36,749</u>	<u>0</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	36,749	0
Support Services			
Students	15,392	0	0
Instruction	0	0	0
General Administration	0	0	0
Operation of Plant	0	0	0
Food Service Operations	0	0	0
<b>Total Expenditures</b>	<u>15,392</u>	<u>36,749</u>	<u>0</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(5,788)</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfers	0	0	(1,911)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>(1,911)</u>
<b>Net Change in Fund Balance</b>	<u>(5,788)</u>	<u>0</u>	<u>(1,911)</u>
<b>Fund Balances at Beginning of Year</b>	0	0	0
Restatement	5,858	0	1,911
<b>Restated Beginning Fund Balance</b>	<u>5,858</u>	<u>0</u>	<u>1,911</u>
<b>Fund Balance End of Year</b>	<u>\$ 70</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special Revenue Fund		
	Duel Credit Instructional Materials 27103	2010 GO Student Library 27106	NM Reads to Lead 27114
Revenues			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	1,082	3,902	24,555
Federal Grants	0	0	0
Total Revenues	<u>1,082</u>	<u>3,902</u>	<u>24,555</u>
Expenditures			
Current			
Instruction	1,082	0	24,555
Support Services			
Students	0	0	0
Instruction	0	3,902	0
General Administration	0	0	0
Operation of Plant	0	0	0
Food Service Operations	0	0	0
Total Expenditures	<u>1,082</u>	<u>3,902</u>	<u>24,555</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 Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Fund Balance	<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  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special Revenue Fund		
	Technology for Education 27117	Incentives for School Improvement 27138	Beginning Teacher Mentoring 27154
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	0	0	0
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>			
Current			
Instruction	0	0	0
Support Services			
Students	0	0	0
Instruction	2,238	0	0
General Administration	0	0	0
Operation of Plant	0	0	0
Food Service Operations	0	0	0
Total Expenditures	<u>2,238</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,238)</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfers	0	(4,248)	(1,198)
Total Other Financing Sources (Uses)	<u>0</u>	<u>(4,248)</u>	<u>(1,198)</u>
Net Change in Fund Balance	<u>(2,238)</u>	<u>(4,248)</u>	<u>(1,198)</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	4,386	4,248	1,198
Restated Beginning Fund Balance	<u>4,386</u>	<u>4,248</u>	<u>1,198</u>
Fund Balance End of Year	<u>\$ 2,148</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special Revenue Fund		
	Breakfast after the Bell 27155	K3 Plus 27166	Science Instructional Materials 27176
Revenues			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	7,842	23,120	0
Federal Grants	0	0	0
Total Revenues	<u>7,842</u>	<u>23,120</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	23,120	0
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	0
Operation of Plant	0	0	0
Food Service Operations	7,842	0	0
Total Expenditures	<u>7,842</u>	<u>23,120</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 Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Fund Balance	<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  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special Revenue Fund		
	Next	State	Library
	Generation Assessments 27185	Directed Activities 27200	
Revenues			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	4,924	0	0
Federal Grants	0	0	0
Total Revenues	<u>4,924</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services			
Students	4,924	0	0
Instruction	0	0	0
General Administration	0	0	0
Operation of Plant	0	0	0
Food Service Operations	0	0	0
Total Expenditures	<u>4,924</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	(322)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(322)</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>(322)</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	322
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>322</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  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special Revenue Fund		
	CYFD		
	Community Services 28141	Private Direct Grants 29102	Microsoft Pilot 29132
Revenues			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	0	20,500	0
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>20,500</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	4,345
Support Services			
Students	0	0	0
Instruction	0	2,500	0
General Administration	0	0	0
Operation of Plant	0	11,710	0
Food Service Operations	0	0	0
Total Expenditures	<u>0</u>	<u>14,210</u>	<u>4,345</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>6,290</u>	<u>(4,345)</u>
Other Financing Sources (Uses)			
Transfers	(2)	0	0
Total Other Financing Sources (Uses)	<u>(2)</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>(2)</u>	<u>6,290</u>	<u>(4,345)</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	2	10,687	15,893
Restated Beginning Fund Balance	<u>2</u>	<u>10,687</u>	<u>15,893</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 16,977</u>	<u>\$ 11,548</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Capital Projects Fund		
	Special Capital Outlay Local 31300	Special Capital Outlay State 31400	Ed Tech Equipment 31900
	<u>31300</u>	<u>31400</u>	<u>31900</u>
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	140,827	0	0
Federal Grants	0	0	0
Total Revenues	<u>140,827</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>			
Current			
Instruction	0	0	531,443
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	0
Operation of Plant	0	0	0
Food Service Operations	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>531,443</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>140,827</u>	<u>0</u>	<u>(531,443)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers	0	(4,250)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(4,250)</u>	<u>0</u>
Net Change in Fund Balance	<u>140,827</u>	<u>(4,250)</u>	<u>(531,443)</u>
Fund Balances at Beginning of Year	36,073	4,250	836,452
Restatement	0	0	0
Restated Beginning Fund Balance	<u>36,073</u>	<u>4,250</u>	<u>836,452</u>
Fund Balance End of Year	<u>\$ 176,900</u>	<u>\$ 0</u>	<u>\$ 305,009</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Capital Project Fund Public School Capital Outlay 20% 32100	Total
<b>Revenues</b>		
Fees	\$ 0	\$ 67,238
State & Local Grants	0	226,752
Federal Grants	0	908,479
Total Revenues	<u>0</u>	<u>1,202,469</u>
<b>Expenditures</b>		
Current		
Instruction	0	1,019,756
Support Services		
Students	0	85,911
Instruction	0	46,738
General Administration	0	1,490
Operation of Plant	0	17,775
Food Service Operations	0	519,410
Total Expenditures	<u>0</u>	<u>1,691,080</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(488,611)</u>
<b>Other Financing Sources (Uses)</b>		
Transfers	(749)	(12,680)
Total Other Financing Sources (Uses)	<u>(749)</u>	<u>(12,680)</u>
Net Change in Fund Balance	<u>(749)</u>	<u>(501,291)</u>
Fund Balances at Beginning of Year	749	1,061,814
Restatement	0	39,257
Restated Beginning Fund Balance	<u>749</u>	<u>1,101,071</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 599,780</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL 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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Fees	\$ 8,300	\$ 8,300	\$ 7,583	\$ (717)
Federal Grants	439,000	439,000	361,381	(77,619)
Total Revenues	<u>447,300</u>	<u>447,300</u>	<u>368,964</u>	<u>(78,336)</u>
<b>Expenditures</b>				
<b>Food Services Operations</b>				
Personnel Services	96,700	96,700	93,542	3,158
Employee Benefits	61,405	61,405	61,135	270
Professional & Tech Services	1,000	1,000	876	124
Purchased Services	0	0	488	(488)
Supplies	435,000	452,654	325,461	127,193
Supply Assets	8,599	8,599	0	8,599
Total Food Service Operations	<u>602,704</u>	<u>620,358</u>	<u>481,502</u>	<u>138,856</u>
Total Expenditures	<u>602,704</u>	<u>620,358</u>	<u>481,502</u>	<u>138,856</u>
Excess (Deficiency) of Revenues Over Expenditures	(155,404)	(173,058)	(112,538)	60,520
Cash Balance Beginning of Year	<u>142,026</u>	<u>142,026</u>	<u>142,026</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (13,378)</u>	<u>\$ (31,032)</u>	<u>\$ 29,488</u>	<u>\$ 60,520</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (112,538)	
Net Change in Due from Grantor			24,107	
Net Change in Inventory			544	
Net Change in Accounts Payable			(1,320)	
Net Change in Accrued Salaries & Benefits			(646)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (89,853)</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL 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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Fees	\$ 40,000	\$ 40,000	\$ 50,051	\$ 10,051
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>50,051</u>	<u>10,051</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	224	(224)
Employee Benefits	0	0	37	(37)
Purchased Services	23,799	23,799	17,285	6,514
Supplies	20,000	26,060	34,566	(8,506)
Supply Assets	25,000	25,000	0	25,000
Total Instruction	<u>68,799</u>	<u>74,859</u>	<u>52,112</u>	<u>22,747</u>
Total Expenditures	<u>68,799</u>	<u>74,859</u>	<u>52,112</u>	<u>22,747</u>
Excess (Deficiency) of Revenues Over Expenditures	(28,799)	(34,859)	(2,061)	32,798
Cash Balance Beginning of Year	<u>34,859</u>	<u>34,859</u>	<u>34,859</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,060</u>	<u>\$ 0</u>	<u>\$ 32,798</u>	<u>\$ 32,798</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,061)	
Net Change in Accounts Payable			0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (2,061)</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL 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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 116,915	\$ 113,200	\$ 100,772	\$ (12,428)
Total Revenues	<u>116,915</u>	<u>113,200</u>	<u>100,772</u>	<u>(12,428)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	35,830	35,830	36,370	(540)
Employee Benefits	20,010	20,010	17,671	2,339
Professional & Tech Services	7,627	7,281	6,130	1,151
Other Purchased Services	0	0	1,676	(1,676)
Total Instruction	<u>63,467</u>	<u>63,121</u>	<u>61,847</u>	<u>1,274</u>
<b>Support Services</b>				
<b>Instruction</b>				
Personnel Services	2,002	102	0	102
Employee Benefits	1	1	98	(97)
Total Instruction	<u>2,003</u>	<u>103</u>	<u>98</u>	<u>5</u>
<b>General Administration</b>				
Professional & Tech Services	2,025	556	555	1
Total General Administration	<u>2,025</u>	<u>556</u>	<u>555</u>	<u>1</u>
Total Support Services	<u>4,028</u>	<u>659</u>	<u>653</u>	<u>6</u>
Total Expenditures	<u>67,495</u>	<u>63,780</u>	<u>62,500</u>	<u>1,280</u>
Excess (Deficiency) of Revenues Over Expenditures	49,420	49,420	38,272	(11,148)
Cash Balance Beginning of Year	<u>(49,420)</u>	<u>(49,420)</u>	<u>(49,420)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (11,148)</u>	<u>\$ (11,148)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 38,272	
Net Change in Due from Grantor			<u>(38,272)</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  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-MIGRANT CHILDREN-24103  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	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				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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	0	0	(964)	(964)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(964)</u>	<u>(964)</u>
Net Change in Cash Balance	0	0	(964)	(964)
Cash Balance Beginning of Year	<u>964</u>	<u>964</u>	<u>964</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 964</u>	<u>\$ 964</u>	<u>\$ 0</u>	<u>\$ (964)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance-Cash Basis			\$ 0	
Net Change in Due from Grantor			<u>0</u>	
Net Change in Fund Balance-GAAP Basis			<u>\$ 0</u>	

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



STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-IDEA, PART B ENTITLEMENT-24106  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 52,463	\$ 218,073	\$ 169,456	\$ (48,617)
Total Revenues	<u>52,463</u>	<u>218,073</u>	<u>169,456</u>	<u>(48,617)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	54,907	54,772	135
Employee Benefits	0	30,973	30,811	162
Supplies	0	14,761	9,729	5,032
Total Instruction	<u>0</u>	<u>100,641</u>	<u>95,312</u>	<u>5,329</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	0	32,658	32,656	2
Employee Benefits	0	14,619	14,310	309
Professional & Tech Services	0	17,692	17,692	0
Total Students	<u>0</u>	<u>64,969</u>	<u>64,658</u>	<u>311</u>
Total Support Services	<u>0</u>	<u>64,969</u>	<u>64,658</u>	<u>311</u>
Total Expenditures	<u>0</u>	<u>165,610</u>	<u>159,970</u>	<u>5,640</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>52,463</u>	<u>52,463</u>	<u>9,486</u>	<u>(42,977)</u>
<b>Other Financing Sources (Uses)</b>				
Transfer	0	0	(1,348)	(1,348)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(1,348)</u>	<u>(1,348)</u>
Net Change in Cash Balance	52,463	52,463	8,138	(44,325)
Cash Balance Beginning of Year	<u>(52,463)</u>	<u>(52,463)</u>	<u>(52,463)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (44,325)</u>	<u>\$ (44,325)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance-Cash Basis			\$ 8,138	
Net Change in Due from Grantor			<u>(8,138)</u>	
Net Change in Fund Balance-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL 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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 2,013	\$ 8,541	\$ 6,147	\$ (2,394)
Total Revenues	<u>2,013</u>	<u>8,541</u>	<u>6,147</u>	<u>(2,394)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	0	2,900	2,889	11
Purchased Services	0	2,399	1,850	549
Supplies	<u>0</u>	<u>294</u>	<u>683</u>	<u>(389)</u>
Total Instruction	<u>0</u>	<u>5,593</u>	<u>5,422</u>	<u>171</u>
<b>Support Services</b>				
<b>Students</b>				
Professional & Tech Services	0	935	935	0
Total Students	<u>0</u>	<u>935</u>	<u>935</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>935</u>	<u>935</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>6,528</u>	<u>6,357</u>	<u>171</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,013</u>	<u>2,013</u>	<u>(210)</u>	<u>(2,223)</u>
<b>Other Financing Sources (Uses)</b>				
Transfer	0	0	1,388	1,388
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>1,388</u>	<u>1,388</u>
Net Change in Cash Balance	2,013	2,013	1,178	(835)
Cash Balance Beginning of Year	<u>(2,013)</u>	<u>(2,013)</u>	<u>(2,013)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (835)</u>	<u>\$ (835)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance-Cash Basis			\$ (210)	
Net Change in Due from Grantor			<u>210</u>	
Net Change in Fund Balance-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-IDEA B REALLOCATION-24120  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 1,150	\$ 12,784	\$ 1,150	\$ (11,634)
Total Revenues	<u>1,150</u>	<u>12,784</u>	<u>1,150</u>	<u>(11,634)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	1,150	8,778	8,778	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>1,150</u>	<u>8,778</u>	<u>8,778</u>	<u>0</u>
<b>Support Services</b>				
<b>Students</b>				
Professional & Tech Services	<u>0</u>	<u>4,006</u>	<u>4,006</u>	<u>0</u>
Total Students	<u>0</u>	<u>4,006</u>	<u>4,006</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>4,006</u>	<u>4,006</u>	<u>0</u>
Total Expenditures	<u>1,150</u>	<u>12,784</u>	<u>12,784</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(11,634)	(11,634)
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>\$ (11,634)</u>	<u>\$ (11,634)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (11,634)	
Net Change in Due from Grantor			<u>11,634</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  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-TITLE I SECTION 1003(G)-24124  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	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				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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	2,999	2,999	2,999	2,999
Total Other Financing Sources (Uses)	<u>2,999</u>	<u>2,999</u>	<u>2,999</u>	<u>2,999</u>
Net Change in Cash Balance	2,999	2,999	2,999	2,999
Cash Balance Beginning of Year	<u>(2,999)</u>	<u>(2,999)</u>	<u>(2,999)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,999</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance-Cash Basis			\$ 2,999	
Net Change in Due from Grantor			<u>(2,999)</u>	
Net Change in Fund Balance-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-ENGLISH LANGUAGE ACQUISITION-24153  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 319	\$ 319	\$ 1,274	\$ 955
Total Revenues	<u>319</u>	<u>319</u>	<u>1,274</u>	<u>955</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	<u>0</u>	<u>0</u>	<u>955</u>	<u>(955)</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>955</u>	<u>(955)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>955</u>	<u>(955)</u>
Excess (Deficiency) of Revenues Over Expenditures	319	319	319	0
Cash Balance Beginning of Year	<u>(319)</u>	<u>(319)</u>	<u>(319)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 319	
Net Change in Due from Grantor			<u>(319)</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  
**LOVING MUNICIPAL 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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 27,142	\$ 30,356	\$ 31,410	\$ 1,054
Total Revenues	<u>27,142</u>	<u>30,356</u>	<u>31,410</u>	<u>1,054</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	2,813	(2,813)
Employee Benefits	0	0	279	(279)
Professional & Tech Services	<u>20,453</u>	<u>22,667</u>	<u>18,721</u>	<u>3,946</u>
Total Instruction	<u>20,453</u>	<u>22,667</u>	<u>21,813</u>	<u>854</u>
<b>Support Services</b>				
<b>General Administration</b>				
Professional & Tech Services	<u>0</u>	<u>1,000</u>	<u>935</u>	<u>65</u>
Total General Administration	<u>0</u>	<u>1,000</u>	<u>935</u>	<u>65</u>
Total Support Services	<u>0</u>	<u>1,000</u>	<u>935</u>	<u>65</u>
Total Expenditures	<u>20,453</u>	<u>23,667</u>	<u>22,748</u>	<u>919</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,689</u>	<u>6,689</u>	<u>8,662</u>	<u>1,973</u>
<b>Other Financing Sources (Uses)</b>				
Transfer	<u>0</u>	<u>0</u>	<u>(4,728)</u>	<u>(4,728)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(4,728)</u>	<u>(4,728)</u>
Net Change in Cash Balance	6,689	6,689	3,934	(2,755)
Cash Balance Beginning of Year	<u>(6,689)</u>	<u>(6,689)</u>	<u>(6,689)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,755)</u>	<u>\$ (2,755)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance-Cash Basis			\$ 3,934	
Net Change in Due from Grantor			1,916	
Net Change in Accounts Payable			<u>(5,850)</u>	
Net Change in Fund Balance-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-READING FIRST-24167  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	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				
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	271	271	271	271
Total Other Financing Sources (Uses)	<u>271</u>	<u>271</u>	<u>271</u>	<u>271</u>
Net Change in Cash Balance	271	271	271	271
Cash Balance Beginning of Year	<u>(271)</u>	<u>(271)</u>	<u>(271)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 271</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance-Cash Basis			\$ 271	
Net Change in Due from Grantor			<u>(271)</u>	
Net Change in Fund Balance-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-CARL PERKINS SPECIAL PROJECTS-24172  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	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				
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	0	0	(6,270)	(6,270)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(6,270)</u>	<u>(6,270)</u>
Net Change in Cash Balance	0	0	(6,270)	(6,270)
Cash Balance Beginning of Year	<u>6,270</u>	<u>6,270</u>	<u>6,270</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,270</u>	<u>\$ 6,270</u>	<u>\$ 0</u>	<u>\$ (6,270)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance-Cash Basis			\$ 0	
Net Change in Due from Grantor			0	
Net Change in Fund Balance-GAAP Basis			<u>\$ 0</u>	

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



STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-CARL PERKINS HSTW-24180  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 30,311	\$ 30,311	\$ 21,451	\$ (8,860)
Total Revenues	<u>30,311</u>	<u>30,311</u>	<u>21,451</u>	<u>(8,860)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	438	(438)
Employee Benefits	0	0	33	(33)
Professional & Tech Services	7,765	7,765	734	7,031
Other Purchased Services	13,950	13,950	14,373	(423)
Supplies	0	0	1,672	(1,672)
Total Instruction	<u>21,715</u>	<u>21,715</u>	<u>17,250</u>	<u>4,465</u>
Total Expenditures	<u>21,715</u>	<u>21,715</u>	<u>17,250</u>	<u>4,465</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>8,596</u>	<u>8,596</u>	<u>4,201</u>	<u>(4,395)</u>
<b>Other Financing Sources (Uses)</b>				
Transfer	0	0	(3,308)	(3,308)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(3,308)</u>	<u>(3,308)</u>
Net Change in Cash Balance	8,596	8,596	893	(7,703)
Cash Balance Beginning of Year	<u>(8,596)</u>	<u>(8,596)</u>	<u>(8,596)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (7,703)</u>	<u>\$ (7,703)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance-Cash Basis			\$ 893	
Net Change in Due from Grantor			<u>(893)</u>	
Net Change in Fund Balance-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-CARL PERKINS REDISTRIBUTION-24182  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 6,881	\$ 6,881	\$ 6,881	\$ 0
Total Revenues	<u>6,881</u>	<u>6,881</u>	<u>6,881</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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	6,881	6,881	6,881	0
Cash Balance Beginning of Year	<u>(6,881)</u>	<u>(6,881)</u>	<u>(6,881)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 6,881	
Net Change in Due from Grantor			<u>(6,881)</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  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-HEAD START-25127  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 28,972	\$ 198,975	\$ 177,156	\$ (21,819)
Total Revenues	<u>28,972</u>	<u>198,975</u>	<u>177,156</u>	<u>(21,819)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	70,024	70,338	(314)
Employee Benefits	0	42,957	44,270	(1,313)
Professional & Tech Services	0	500	394	106
Other Purchased Services	0	750	0	750
Supplies	0	14,893	14,122	771
Total Instruction	<u>0</u>	<u>129,124</u>	<u>129,124</u>	<u>0</u>
<b>Support Services</b>				
<b>Instruction</b>				
Personnel Services	0	23,000	23,737	(737)
Employee Benefits	0	8,814	9,062	(248)
Professional & Tech Services	0	750	15	735
Supplies	0	250	0	250
Total Instruction	<u>0</u>	<u>32,814</u>	<u>32,814</u>	<u>0</u>
<b>Operation of Plant</b>				
Personnel Services	0	5,563	5,563	0
Employee Benefits	0	502	502	0
Total Operation of Plant	<u>0</u>	<u>6,065</u>	<u>6,065</u>	<u>0</u>
<b>Food Services Operations</b>				
Supplies	0	2,000	2,000	0
Total Food Service Operations	<u>0</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>170,003</u>	<u>170,003</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	28,972	28,972	7,153	(21,819)
Cash Balance Beginning of Year	<u>(28,972)</u>	<u>(28,972)</u>	<u>(28,972)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (21,819)</u>	<u>\$ (21,819)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 7,153	
Net Change in Due from Grantor			(5,973)	
Net Change in Accrued Salaries & Benefits			(1,180)	
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  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-TITLE XIX MEDICAID-25153  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 54,358	\$ 16,850	\$ 9,604	\$ (7,246)
Total Revenues	<u>54,358</u>	<u>16,850</u>	<u>9,604</u>	<u>(7,246)</u>
Expenditures				
Support Services				
Students				
Personnel Services	10,346	13,645	10,596	3,049
Employee Benefits	2,298	3,922	4,433	(511)
Supplies	3,098	5,141	363	4,778
Total Students	<u>15,742</u>	<u>22,708</u>	<u>15,392</u>	<u>7,316</u>
Total Support Services	<u>15,742</u>	<u>22,708</u>	<u>15,392</u>	<u>7,316</u>
Total Expenditures	<u>15,742</u>	<u>22,708</u>	<u>15,392</u>	<u>7,316</u>
Excess (Deficiency) of Revenues Over Expenditures	38,616	(5,858)	(5,788)	70
Cash Balance Beginning of Year	<u>5,858</u>	<u>5,858</u>	<u>5,858</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 44,474</u>	<u>\$ 0</u>	<u>\$ 70</u>	<u>\$ 70</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,788)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (5,788)</u>	

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

## STATE OF NEW MEXICO

**LOVING MUNICIPAL 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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 37,273	\$ 33,276	\$ (3,997)
Total Revenues	<u>0</u>	<u>37,273</u>	<u>33,276</u>	<u>(3,997)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	14,105	22,642	(8,537)
Employee Benefits	0	17,615	14,090	3,525
Professional & Tech Services	0	3,241	17	3,224
Supplies	0	2,823	0	2,823
Total Instruction	<u>0</u>	<u>37,784</u>	<u>36,749</u>	<u>1,035</u>
Total Expenditures	<u>0</u>	<u>37,784</u>	<u>36,749</u>	<u>1,035</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (511)	\$ (3,473)	\$ (2,962)
Cash Balance Beginning of Year	\$ 511	\$ 511	\$ 511	\$ 0
Cash Balance End of Year	<u>\$ 511</u>	<u>\$ 0</u>	<u>\$ (2,962)</u>	<u>\$ (2,962)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,473)	
Net Change in Due from Grantor			2,962	
Net Change in Unearned Revenue			511	
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  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-MICROSOFT-26170  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 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
Supply Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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	<u>0</u>	<u>0</u>	<u>(1,911)</u>	<u>(1,911)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(1,911)</u>	<u>(1,911)</u>
Net Change in Cash Balance	0	0	(1,911)	(1,911)
Cash Balance Beginning of Year	<u>1,911</u>	<u>1,911</u>	<u>1,911</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,911</u>	<u>\$ 1,911</u>	<u>\$ 0</u>	<u>\$ (1,911)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance-Cash Basis			\$ (1,911)	
Net Change in Fund Balance-GAAP Basis			<u>\$ (1,911)</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-DUAL CREDIT INSTRUCTIONAL MATERIALS-27103  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 0	\$ 1,082	\$ 1,082	\$ 0
Total Revenues	<u>0</u>	<u>1,082</u>	<u>1,082</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	1,082	1,082	0
Total Instruction	<u>0</u>	<u>1,082</u>	<u>1,082</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,082</u>	<u>1,082</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
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>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net change in Due from Grantor			<u>0</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  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-2010 GO BOND STUDENT LIBRARY-27106  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 4,479	\$ 4,479	\$ 9	\$ (4,470)
Total Revenues	<u>4,479</u>	<u>4,479</u>	<u>9</u>	<u>(4,470)</u>
<b>Expenditures</b>				
<b>Support Services</b>				
<b>Instruction</b>				
Supplies	4,470	4,470	3,902	568
Total Instruction	<u>4,470</u>	<u>4,470</u>	<u>3,902</u>	<u>568</u>
Total Support Services	<u>4,470</u>	<u>4,470</u>	<u>3,902</u>	<u>568</u>
Total Expenditures	<u>4,470</u>	<u>4,470</u>	<u>3,902</u>	<u>568</u>
Excess (Deficiency) of Revenues Over Expenditures	9	9	(3,893)	(3,902)
Cash Balance Beginning of Year	<u>(9)</u>	<u>(9)</u>	<u>(9)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,902)</u>	<u>\$ (3,902)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,893)	
Net Change in Due from Grantor			<u>3,893</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  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-NM READS TO LEAD-27114  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 0	\$ 44,674	\$ 7,688	\$ (36,986)
Total Revenues	<u>0</u>	<u>44,674</u>	<u>7,688</u>	<u>(36,986)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	33,114	7,763	25,351
Employee Benefits	0	7,560	814	6,746
Supplies	0	4,000	15,978	(11,978)
Total Instruction	<u>0</u>	<u>44,674</u>	<u>24,555</u>	<u>20,119</u>
Total Expenditures	<u>0</u>	<u>44,674</u>	<u>24,555</u>	<u>20,119</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(16,867)	(16,867)
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>\$ (16,867)</u>	<u>\$ (16,867)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (16,867)	
Net Change in Due from Grantor			16,867	
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  
**LOVING MUNICIPAL 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, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
<b>Support Services</b>				
<b>Instruction</b>				
Personnel Services	0	3,450	1,827	1,623
Employee Benefits	0	936	411	525
Total Instruction	<u>0</u>	<u>4,386</u>	<u>2,238</u>	<u>2,148</u>
Total Support Services	<u>0</u>	<u>4,386</u>	<u>2,238</u>	<u>2,148</u>
Total Expenditures	<u>0</u>	<u>4,386</u>	<u>2,238</u>	<u>2,148</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(4,386)	(2,238)	2,148
Cash Balance Beginning of Year	<u>4,386</u>	<u>4,386</u>	<u>4,386</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,386</u>	<u>\$ 0</u>	<u>\$ 2,148</u>	<u>\$ 2,148</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,238)	
Net Change in Due from Grantor			0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (2,238)</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-INCENTIVES FOR SCHOOL IMPROVEMENTS-27138  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	0	0	0	0
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	0	0	(4,248)	(4,248)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(4,248)</u>	<u>(4,248)</u>
Net Change in Cash Balance	0	0	(4,248)	(4,248)
Cash Balance Beginning of Year	<u>4,248</u>	<u>4,248</u>	<u>4,248</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,248</u>	<u>\$ 4,248</u>	<u>\$ 0</u>	<u>\$ (4,248)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance-Cash Basis			\$ 0	
Net Change in Due from Grantor			0	
Net Change in Fund Balance-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-BEGINNING TEACHER MENTORING-27154  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	0	0
Employee Benefits	0	0	0	0
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>
<b>Other Financing Sources (Uses)</b>				
Transfer	0	0	1,198	1,198
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>1,198</u>	<u>1,198</u>
Net Change in Cash Balance	0	0	1,198	1,198
Cash Balance Beginning of Year	<u>(1,198)</u>	<u>(1,198)</u>	<u>(1,198)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (1,198)</u>	<u>\$ (1,198)</u>	<u>\$ 0</u>	<u>\$ 1,198</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance-Cash Basis			\$ 0	
Net Change in Due from Grantor			0	
Net Change in Fund Balance-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-BREAKFAST AFTER THE BELL-27155  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 0	\$ 7,842	\$ 7,842	\$ 0
Total Revenues	<u>0</u>	<u>7,842</u>	<u>7,842</u>	<u>0</u>
<b>Expenditures</b>				
<b>Food Services Operations</b>				
Supplies	0	7,842	7,842	0
Total Food Services Operations	<u>0</u>	<u>7,842</u>	<u>7,842</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>7,842</u>	<u>7,842</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year		0	0	0
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net Change in Due from Grantor			<u>0</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  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-K3 PLUS-27166  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 30,578	\$ 30,578	\$ 0	\$ (30,578)
Total Revenues	<u>30,578</u>	<u>30,578</u>	<u>0</u>	<u>(30,578)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	22,000	22,000	17,564	4,436
Employee Benefits	5,000	5,000	3,871	1,129
Other Purchased Services	400	400	0	400
Supplies	2,208	2,208	1,685	523
Total Instruction	<u>29,608</u>	<u>29,608</u>	<u>23,120</u>	<u>6,488</u>
Total Expenditures	<u>29,608</u>	<u>29,608</u>	<u>23,120</u>	<u>6,488</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>970</u>	<u>970</u>	<u>(23,120)</u>	<u>(24,090)</u>
<b>Other Financing Sources (Uses)</b>				
Transfer	<u>0</u>	<u>0</u>	<u>970</u>	<u>970</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>970</u>	<u>970</u>
Net Change in Cash Balance	970	970	(22,150)	(23,120)
Cash Balance Beginning of Year	<u>(970)</u>	<u>(970)</u>	<u>(970)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (23,120)</u>	<u>\$ (23,120)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance-Cash Basis			\$ (23,120)	
Net Change in Due from Grantor			<u>23,120</u>	
Net Change in Fund Balance-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-SCIENCE INSTRUCTIONAL MATERIALS-27176  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 5,975	\$ 5,975	\$ 5,975	\$ 0
Total Revenues	<u>5,975</u>	<u>5,975</u>	<u>5,975</u>	<u>0</u>
<b>Expenditures</b>				
<b>Support Services</b>				
<b>Instruction</b>				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services	<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	5,975	5,975	5,975	0
Cash Balance Beginning of Year	<u>(5,975)</u>	<u>(5,975)</u>	<u>(5,975)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,975	
Net Change in Due from Grantor			<u>(5,975)</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  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-NEXT GENERATION ASSESSMENTS-27185  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 5,191	\$ 5,191	\$ 4,924	\$ (267)
Total Revenues	<u>5,191</u>	<u>5,191</u>	<u>4,924</u>	<u>(267)</u>
Expenditures				
Support Services				
Instruction				
Supply Assets	5,191	5,191	4,924	267
Total Instruction	<u>5,191</u>	<u>5,191</u>	<u>4,924</u>	<u>267</u>
Total Support Services	<u>5,191</u>	<u>5,191</u>	<u>4,924</u>	<u>267</u>
Total Expenditures	<u>5,191</u>	<u>5,191</u>	<u>4,924</u>	<u>267</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
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>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net Change in Due from Grantor			<u>0</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  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-STATE DIRECTED ACTIVITIES-27200  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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	<u>0</u>	<u>0</u>	<u>(23)</u>	<u>(23)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(23)</u>	<u>(23)</u>
Net Change in Cash Balance	0	0	(23)	(23)
Cash Balance Beginning of Year	<u>23</u>	<u>23</u>	<u>23</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 23</u>	<u>\$ 23</u>	<u>\$ 0</u>	<u>\$ (23)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance-Cash Basis			\$ 0	
Net Change in Due from Grantor			<u>0</u>	
Net Change in Fund Balance-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-LIBRARY BOOK FUND-27549  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 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 Students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services	<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	0	0	(322)	(322)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(322)</u>	<u>(322)</u>
Net Change in Cash Balance	0	0	(322)	(322)
Cash Balance Beginning of Year	<u>322</u>	<u>322</u>	<u>322</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 322</u>	<u>\$ 322</u>	<u>\$ 0</u>	<u>\$ (322)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance-Cash Basis			\$ 0	
Net Change in Due from Grantor			0	
Net Change in Fund Balance-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-CYFD COMMUNITY SERVICES-28141  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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	<u>0</u>	<u>0</u>	<u>(2)</u>	<u>(2)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(2)</u>	<u>(2)</u>
Net Change in Cash Balance	0	0	(2)	(2)
Cash Balance Beginning of Year	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 0</u>	<u>\$ (2)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance-Cash Basis			\$ 0	
Net Change in Due from Grantor			<u>0</u>	
Net Change in Fund Balance-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-PRIVATE DIRECT GRANTS-29102  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 20,510	\$ 20,500	\$ (10)
Total Revenues	<u>0</u>	<u>20,510</u>	<u>20,500</u>	<u>(10)</u>
Expenditures				
Support Services				
Instruction				
Supply Assets	0	2,500	2,500	0
Total Instruction	<u>0</u>	<u>2,500</u>	<u>2,500</u>	<u>0</u>
Operation of Plant				
Purchased Property Services	0	18,000	11,710	6,290
Supplies	0	5,699	0	5,699
Supply Assets	4,988	4,998	0	4,998
Total Operation of Plant	<u>4,988</u>	<u>28,697</u>	<u>11,710</u>	<u>16,987</u>
Total Support Services	<u>4,988</u>	<u>31,197</u>	<u>14,210</u>	<u>16,987</u>
Total Expenditures	<u>4,988</u>	<u>31,197</u>	<u>14,210</u>	<u>16,987</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,988)	(10,687)	6,290	16,977
Cash Balance Beginning of Year	<u>10,687</u>	<u>10,687</u>	<u>10,687</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 5,699</u>	<u>\$ 0</u>	<u>\$ 16,977</u>	<u>\$ 16,977</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 6,290	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 6,290</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-MICROSOFT PILOT-29132  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	15,893	12,893	4,345	8,548
Total Instruction	<u>15,893</u>	<u>12,893</u>	<u>4,345</u>	<u>8,548</u>
Total Expenditures	<u>15,893</u>	<u>12,893</u>	<u>4,345</u>	<u>8,548</u>
Excess (Deficiency) of Revenues Over Expenditures	(15,893)	(12,893)	(4,345)	8,548
Cash Balance Beginning of Year	<u>15,893</u>	<u>15,893</u>	<u>15,893</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 3,000</u>	<u>\$ 11,548</u>	<u>\$ 8,548</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (4,345)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (4,345)</u>	

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
 CAPITAL PROJECTS FUND-CAPITAL OUTLAY-LOCAL-31300  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 0	\$ 140,827	\$ (140,827)
Total Revenues	<u>0</u>	<u>0</u>	<u>140,827</u>	<u>(140,827)</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Fixed Assets	36,073	36,073	0	36,073
Total Capital Outlay	<u>36,073</u>	<u>36,073</u>	<u>0</u>	<u>36,073</u>
Total Expenditures	<u>36,073</u>	<u>36,073</u>	<u>0</u>	<u>36,073</u>
Excess (Deficiency) of Revenues Over Expenditures	(36,073)	(36,073)	140,827	176,900
Cash Balance Beginning of Year	<u>36,073</u>	<u>36,073</u>	<u>36,073</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 176,900</u>	<u>\$ 176,900</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 140,827	
Net Change in Accounts Payable			<u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 140,827</u>	

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

## STATE OF NEW MEXICO

**LOVING MUNICIPAL SCHOOLS**

## CAPITAL PROJECTS FUND-SPECIAL SCHOOL CAPITAL OUTLAY-STATE-31400

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

## Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Capital Outlay				
Fixed Assets	0	0	0	0
Total Capital Outlay	<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	0	0	(4,250)	(4,250)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(4,250)</u>	<u>(4,250)</u>
Net Change in Cash Balance	0	0	(4,250)	(4,250)
Cash Balance Beginning of Year	<u>4,250</u>	<u>4,250</u>	<u>4,250</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,250</u>	<u>\$ 4,250</u>	<u>\$ 0</u>	<u>\$ (4,250)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 0	
Net Change in Due from Grantor			0	
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  
**LOVING MUNICIPAL SCHOOLS**  
 CAPITAL PROJECTS FUND-ED TECH EQUIPMENT-31900  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Local Sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Purchased Property Services	250,000	250,000	12,579	237,421
Supplies	171,000	163,861	93,891	69,970
Supply Assets	<u>422,591</u>	<u>422,591</u>	<u>424,973</u>	<u>(2,382)</u>
Total Capital Outlay	<u>843,591</u>	<u>836,452</u>	<u>531,443</u>	<u>305,009</u>
Total Expenditures	<u>843,591</u>	<u>836,452</u>	<u>531,443</u>	<u>305,009</u>
Excess (Deficiency) of Revenues Over Expenditures	(843,591)	(836,452)	(531,443)	305,009
Cash Balance Beginning of Year	<u>836,452</u>	<u>836,452</u>	<u>836,452</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (7,139)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 305,009</u></u>	<u><u>\$ 305,009</u></u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (531,443)	
Net Change in Accounts Payable			<u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ (531,443)</u></u>	

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



STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
CAPITAL PROJECTS FUND-PUBLIC SCHOOL CAPITAL OUTLAY-20%-32100  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Capital Outlay				
Fixed Assets	0	0	0	0
Total Capital Outlay	<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	0	0	(749)	(749)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(749)</u>	<u>(749)</u>
Net Change in Cash Balance	0	0	(749)	(749)
Cash Balance Beginning of Year	<u>749</u>	<u>749</u>	<u>749</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 749</u>	<u>\$ 749</u>	<u>\$ 0</u>	<u>\$ (749)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net Change in Accounts Payable			0	
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  
**LOVING MUNICIPAL SCHOOLS**  
 AGENCY FUNDS - ACTIVITY  
 Schedule of Fiduciary Assets and Liabilities-Agency Funds  
 For the Year Ended June 30, 2014

	Balance 6/30/13	Receipts	Disbursements	Balance 6/30/14
<b>ASSETS</b>				
80001 HS Football	1,437	4,695	4,633	1,499
80002 HS Boys Basketball	1,856	890	1,541	1,206
80003 HS Girls Basketball	915	2,509	2,205	1,218
80004 HS Volleyball	3,953	4,242	6,333	1,862
80005 HS Track	7,799	4,216	7,587	4,428
80007 HS Softball	1,352	6,012	6,363	1,002
80009 HS Baseball	409	426	292	543
80013 HS Science	298	410	0	708
80014 HS Cheerleaders	1,268	2,359	2,334	1,293
80015 HS Student Council	2,240	697	954	1,983
80018 MS Science	269	36	103	201
80019 Loving Cares	266	0	0	266
80020 HS Arts and Crafts	465	0	0	465
80021 HS Yearbook	6,613	7,265	7,146	6,732
80022 HS National Honor Society	1,100	0	216	884
80023 Custodial	38	0	0	38
80024 HS General Activity	1,180	1,189	1,300	1,069
80025 HS Shop	367	0	0	367
80026 HS Band	6,681	6,746	7,377	6,050
80027 HS FFA	559	0	0	559
80028 Skills USA	7,776	17,442	19,438	5,779
80029 HS AD Athletics	502	2,956	1,951	1,507
80030 HS Scholarship	579	0	0	579
80031 HS Library	1,164	79	0	1,243
80032 Central Office	470	3	43	429
80033 HS Drama Club	14	0	0	14
80034 ID Account	1,071	1,376	1,676	771
80037 MS General Activity	972	15,897	10,245	6,625
80038 MS Cheerleaders	346	1,432	376	1,401
80039 MS Student Council	2,009	699	333	2,375
80040 MS Library	302	40	0	342
80041 MS PE	31	0	0	31
80042 MS Parent Club	262	401	245	418
80043 MS Media	463	1,793	1,621	635
80044 MS Home Ec	123	80	184	20
80045 ES General Activity	4,526	4,957	2,686	6,798
80046 ES Student Council	1,449	380	1,436	393
80047 ES Library	281	8,494	8,507	268
80053 ES Parent Council	20,610	19,492	28,718	11,384
80055 ES Head Start	69	130	0	199
80060 HS Falcon Store	3,989	0	0	3,989
80061 ES Staff	310	2,028	549	1,789
80063 HS Falcon Creations	498	0	0	498
80064 HS Track Coaches	4,887	1,606	793	5,699
80065 HS Football Coaches	\$ 1,049	\$ 1,153	\$ 1,225	\$ 976

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
 AGENCY FUNDS - ACTIVITY  
 Schedule of Fiduciary Assets and Liabilities-Agency Funds  
 For the Year Ended June 30, 2014

	Balance 6/30/13	Receipts	Disbursements	Balance 6/30/14
80066 ES Music	\$ 1,029	\$ 0	\$ 360	\$ 669
80067 HS Boys Basketball Coaches	2	0	0	2
80069 ES Clothing Bank	2,003	800	0	2,803
80071 HS FFA Sponsor	14	0	0	14
80072 HS Robotics	1,038	0	0	1,038
80073 HS Girls Basketball Coaches	45	0	0	45
80075 HS Athletics	920	1,610	464	2,066
80076 HS Softball Coaches	600	0	563	37
80077 MS Shop	422	247	249	420
80078 HS Health	199	10	179	31
80079 Class of 2017	498	10,529	5,909	5,119
80080 Community Library	559	0	0	559
80081 HS Staff	413	1,930	1,950	393
80082 MS National Junior Honor Society	883	422	698	608
80083 Positive Behavior Support	44	0	0	44
80085 Class of 2014	530	1,095	1,265	360
80087 Volleyball Coaches	4,402	7,813	6,950	5,265
80088 Class of 2015	2,641	7,974	6,926	3,689
80089 Character Counts	184	0	0	184
80090 Class of 2016	4,133	4,607	3,774	4,966
80091 Tech Lab Fees	469	690	842	317
80092 Entrepreneurship Program	165	0	0	165
Total Assets	<u>\$ 114,009</u>	<u>\$ 159,857</u>	<u>\$ 158,537</u>	<u>\$ 115,329</u>
<b>LIABILITIES</b>				
Deposits Held for Others	\$ 114,009	\$ 159,857	\$ 158,537	\$ 115,329
Total Liabilities	<u>\$ 114,009</u>	<u>\$ 159,857</u>	<u>\$ 158,537</u>	<u>\$ 115,329</u>

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

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
 CASH RECONCILIATION-ALL FUNDS  
 For the Year Ended June 30, 2014

		Beginning Cash 6/30/13	Revenue	Expenditures	Transfers/ Loans	Ending Cash 6/30/14
Operational	11000 \$	1,476,861 \$	5,185,595 \$	5,296,720 \$	0 \$	1,365,736
Transportation	13000	1,441	129,578	103,626	0	27,393
Instructional Materials	14000	60,970	40,126	20,919	0	80,177
Food Service	21000	142,026	368,964	481,502	0	29,488
Athletics	22000	34,859	50,051	52,112	0	32,798
Federal Flowthrough	24000	(122,416)	338,541	282,565	(11,960)	(78,400)
Federal Direct	25000	(22,605)	220,036	222,143	1	(24,711)
Local Grants	26000	1,911	0	0	(1,911)	0
State Flowthrough	27000	826	27,521	67,664	(2,425)	(41,742)
State Direct	28000	2	0	0	(2)	0
Local/State	29000	26,580	20,500	18,556	0	28,524
Bond Building	31100	173,797	1,000,225	147,365	0	1,026,657
Special CO Local	31300	36,073	140,827	0	0	176,900
Special CO State	31400	4,250	0	4,250	0	0
SB 9	31700	559,039	642,439	361,883	0	839,595
Ed Tech Equipment	31900	836,452	0	531,443	0	305,009
20% Capital Outlay	32100	749	0	749	0	0
Debt Service	41000	707,735	747,985	1,122,061	0	333,659
Debt Service Ed Tech	43000	107,962	166,261	137,351	0	136,872
Activities		114,009	159,857	158,537	0	115,329
Total		<u>\$ 4,140,521</u>	<u>\$ 9,238,506</u>	<u>\$ 9,009,446</u>	<u>\$ (16,297)</u>	<u>\$ 4,353,284</u>

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

**FEDERAL COMPLIANCE**

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2014

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-through State Public Education Department:			
School Breakfast Program	10.553	21000	\$ 270,109
National School Lunch Program	10.555	21000	112,294
			<u>382,403</u>
Pass-through State Department of Human Services:			
Supplemental Nutrition Assistance Program	10.551	21000	(1) 29,729
Direct Program			
Rural Development, Forestry, and Communities	10.672	11000	2,058
			<u>2,058</u>
Total U. S. Department of Agriculture			<u>414,190</u>
<u>U. S. Department of Education</u>			
Pass-through State Public Education Department:			
Special Education Cluster			
IDEA B, Entitlement	84.027	24106	159,971
IDEA B, Reallocation	84.027	24120	12,784
IDEA Preschool	84.173	24109	6,357
			<u>179,112</u>
Pass-through State Public Education Department:			
Title I	84.010	24101	62,500
Carl Perkins	84.403	24180	17,250
English Language Acquisition	84.365	24153	955
Improving Teacher Quality	84.367	24154	28,598
Direct Program			
Rural Education Achievement Program	84.358	25233	36,749
Total U. S. Department of Education			<u>325,164</u>
<u>U. S. Department of Health and Human Services</u>			
Direct Program			
Head Start	93.600	25127	171,183
Total Federal Assistance			\$ <u>910,537</u>

(1) Non-cash assistance

See accompanying notes to the Schedule of Expenditures of Federal Awards



STATE OF NEW MEXICO

**LOVING MUNICIPAL SCHOOLS**

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2014

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**Note 1: Significant Accounting Policies used in preparing the Schedule of Expenditure of Federal Awards**

The modified accrual basis was used to prepare the Schedule of Expenditures of Federal Awards

**Note 2: Insurance Requirements**

There are no insurance requirements on the federal awards disclosed on the Schedule of Expenditures of Federal Awards

**Note 3: Loans or Loan Guarantees**

There were no loans or loan guarantees outstanding at year end.

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 Loving Municipal 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 the Loving Municipal Schools District (District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated November 5, 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies. 2014-002, 2014-003, 2014-004, 2014-005, 2014-006.

#### 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-002, 2014-003, 2014-004, 2014-005, 2014-006.

#### 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 Questioned Cost. responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

#### Purpose of this Report

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

*De'Ann Willoughby CPA PC*

Clovis, New Mexico  
November 5, 2014

Report on Compliance With Requirements  
Applicable To Each Major Program and Internal Control  
Over Compliance in Accordance With OMB Circular A-133

Independent Auditor's Report

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the Loving Municipal Schools

Mr. Balderas and Members of the Board

Compliance

We have audited Loving Municipal Schools (District) compliance with the types of compliance requirements described in the *OMB A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

### Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001, that we consider to be a significant deficiency.

The District's response to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*De'Ann Willoughby, CPA PC*

Clovis, New Mexico  
November 5, 2014

STATE OF NEW MEXICO  
**LOVING MUNICIPAL SCHOOLS**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2014

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**A. SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting

\* Material weaknesses identified? No

\* Significant deficiencies identified? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

\* Material weaknesses identified? No

\* Significant deficiencies identified? Yes

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 No

Identification of major programs:

<u>CFDA Numbers)</u>	<u>Name of Federal Program of Cluster</u>
	Nutrition Cluster
10.553	School Breakfast Program
10.555	National School Lunch Program
	Special Education Cluster
84.027	IDEA B, Entitlement
84.027	IDEA B, Reallocation
84.173	IDEA Preschool

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Audited qualified as low risk Auditee No

**Federal Compliance Findings**

**Prior Year Audit Findings** None

**Current Year Audit Findings**

**2014-001 Data Collection Form-Compliance & Internal Control-Significant Deficiency**

**Condition**

Six years of Data Collection forms beginning June 30, 2008 through June 30, 2013 were not submitted to the Federal Audit Clearinghouse.

**Criteria**

OMB Circular A-133 §\_\_\_.320 (a). The audit package and the data collection form shall be submitted 30 days after receipt of the auditor's report(s), or 9 months after the end of the fiscal year end date—whichever comes first, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.

**Cause**

Management was under the impression that the prior auditor was submitting the Data Collection Forms. He responded that it was the District's responsibility.

**Effect**

If the District is not in compliance with the due date or revised due date (if applicable) or did not submit the required OMB Circular A-133 audit to the FAC for either of the prior two audit periods, then the District does not qualify as a low-risk auditee. Federal funding could be in jeopardy.

**Recommendation**

The Data Collection Form should be submitted and accepted by the due date.

**Response**

The older years have been accepted and we will submit the Data Collection Forms timely in the future.

**Financial Statements Findings**

<b>Prior Year Audit Findings</b>	<u>Status</u>
<b>2013-001 (2013-01) Capital Assets Listing</b>	Resolved
<b>2013-002 (2013-02) Audit Report Submitted Late</b>	Resolved

**Current Year Audit Findings**

**2014-002 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:

	Budget		Actual	Over Budget
	Original	Final		
English Language (24153)				
Instruction	\$ 0	\$ 0	\$ 955	\$ (955)
Bond Building (31100)				
Bond Issue Costs	0	0	54,772	(54,772)
Senate Bill Nine (31700)				
Support Services	829	2,530	3,103	(573)
Debt Service (41000)				
Support Services	1,052	2,852	3,561	(709)
Ed Tech Debt Service (43000)				
Support Services	193	693	863	(170)

**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 function prior to the year end.

**Effect**

As a result, the District is not in 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 should 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.

**2014-003 Cash Appropriations in Excess of Available Cash Balances-Compliance & Internal Control-Significant Deficiency**

**Condition**

The District maintained a deficit budget in excess of available cash balance in Food Service (21000) of \$(31,032).

**Criteria**

Section 2.2.210. (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 re-budgeted 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 lacks a proper procedure to ensure that sufficient beginning cash balances exist to absorb budget deficits later in the fiscal year.

**Effect**

The District will be required to supplement this budget deficit in this fund with cash reserves from the operational fund. This supplement may lead to financial difficulties and deplete the resources in the operational fund.

**Recommendation**

The District should review the budget for future years to insure that all funds have adequate budget authority for budgeted expenditures. Greater attention should be given to the budget monitoring process and the end of the year cash balance estimates.

**Response**

The District has implemented a policy whereby they will review and compare the June 30th reconciled cash balances in each fund to ensure that budgeted cash balances are sufficient for the fund's purposes. If this review reveals a that there is not sufficient cash to balance the budget, budget amendments will be made.

**2014-004 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.

	Audited Cash Balances	Reported to PED	Difference
Operational	\$ 1,365,734	\$ 1,344,438	\$ 21,296
Athletics	32,798	32,598	200
24000-Federal Flow Through	78,401	66,441	11,960
25000-Federal Direct	24,711	24,712	(1)
26000-Local	0	1,911	(1,911)
27000-State Flow Through	41,742	39,317	2,425
28000-Other Grants	0	2	(2)
31400-Special School Capital			
Outlay State	0	4,250	(4,250)
32100-Public School Capital			
Outlay 20%	0	749	(749)

**Criteria**

6.20.2.11 (B) (6) NMAC and Regulation SBE-6 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**

Several old grants were closed into Operational causing the audited cash balances to disagree with the amounts reported to PED by fund.

**Effect**

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

**Recommendation**

This issue will not occur again and only occurred because of the closing of very old grants. With the OBMS system, the grants will more than likely stay current.

**Response**

Thank you for cleaning up our old grants.

**2014-005 Payroll-Compliance and Internal Control-Significant Deficiency****Condition**

A sample of 25 personnel files revealed the following:

- (A)-3 W-4's could not be located.
- (B)-3 I-9's were incomplete.
- (C)-2 I-9's could not be located.
- (D)-11 background checks could no be located.

**Criteria**

(A), (B), (C)-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.

(D)-NM Statute 22-10-3.3 on background checks. Applicants that are over 12 months of receiving their initial certificate are required to submit another background check by providing two fingerprint cards or the equivalent electronic fingerprints to the local school board to obtain his federal bureau of investigation record.

**Cause**

There has been a change in personnel and a lack of training and supervision caused the problems to intensify.

**Effect**

(A)- We could not determine if the taxes withheld from employees were accurate.

(B), (C)-Penalties can include \$250 to \$3,000 for improper completion of the I-9 form. Improper completion, retention or making it available for inspection fines range from \$100 to \$1,100 for each I-9. Knowingly hiring or continuing to employ unauthorized workers fines range from \$250 up to \$11,000 per violation.

(D)-As a safety measure, people with serious criminal records may not be fit to have responsibility for the safety and well being of children.

**Recommendation**

Training and supervision is necessary to avoid all of the above issues.

**Response**

We will provide training and supervision as each personnel file is reviewed.

**2014-006 Expenditures-Compliance & Internal Control-Significant Deficiency****Condition**

During our sample of 171 expenditures, we noted the following:

- (A) 49 bill packages had no PO's, totaling \$823,632.34.
- (B) 20 PO's were dated after the invoice date, totaling \$81,622.50.
- (C) 1 bill package included 3 gift cards from Wal-Mart for \$15.00 each.
- (D) 1 bill package could not be located, totaling \$7,391.54.
- (E) 2 bill packages did not contain adequate documentation, totaling \$645.66.

**Criteria**

In accordance with 6.20.2.17 Purchasing each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq, NMSA 1978.

**Cause**

Open PO's were not issued for monthly purchases. Employees did not follow the procurement process. Management was not aware gift cards could not be purchased with public money and felt assured the documentation was attached to other bill packages.

**Effect**

Without proper documentation and following the procurement act, there are not adequate controls over expenditures. Results could be over spending.

**Recommendation**

Training, supervision and review would control the issues noted above.

**Response**

We will provide training and supervision to avoid the expenditure issues.

**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 November 5, 2014. Those present were Ann Lynn McIlroy - Superintendent, Vicki Connally-Board Member, Diane Walters-Secretary, Oralia Galindo-Business Manager and De'Aun Willoughby, CPA.