

STATE OF NEW MEXICO
**MORIARTY-EDGEWOOD
SCHOOL DISTRICT NO. 8**

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2013
WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



ACCOUNTING & FINANCIAL
SOLUTIONS
CERTIFIED PUBLIC ACCOUNTANTS

THIS PAGE INTENTIONALLY LEFT BLANK

INTRODUCTORY SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TABLE OF CONTENTS
Year Ended June 30, 2013

	Page
INTRODUCTORY SECTION	
Title Page	
Table of Contents	iii
Official Roster	1
FINANCIAL SECTION	
Independent Auditors' Report	5
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Reconciliation of the Balance Sheet – All Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	22
Reconciliation of the Statement of Revenue, Expenditures, and Changes In Fund Balance – All Governmental Funds to the Statement of Activities	25
Major Funds:	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):	
General Fund	26
Title I Special Revenue Fund	27
Statement of Fiduciary Assets and Liabilities – Agency Funds	28
Notes to the Financial Statements	29
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:	
General Fund:	
Combining Balance Sheet	48
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	49
Budgetary Presentation:	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):	
Operating Fund	50
Transportation Fund	51
Instructional Materials Fund	52
Nonmajor Governmental Funds:	
Combining Balance Sheet	54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	62

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TABLE OF CONTENTS
 Year Ended June 30, 2013

	Page
Budgetary Presentation:	
Schedule of Revenues, Expenditures, and Changes in	
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):	
Nonmajor Special Revenue Funds:	
Food Services Special Revenue Fund	73
Athletics Special Revenue Fund	74
Entitlement IDEA-B Special Revenue Fund	75
Discretionary IDEA-B Special Revenue Fund	76
Preschool IDEA-B Special Revenue Fund	77
IDEA-B CEIS Special Revenue Fund	78
Education of Homeless Special Revenue Fund	79
Fresh Fruits and Vegetables Special Revenue Fund	80
IDEA-B “Risk Pool” Special Revenue Fund	81
IDEA_B Student Success Special Revenue Fund	82
Comprehensive School Reform Special Revenue Fund	83
Title V Special Revenue Fund	84
Title III English Language Special Revenue Fund	85
Title II Teacher Quality Special Revenue Fund	86
Title IV Drug Free Schools Special Revenue Fund	87
Title I School Improvement Special Revenue Fund	88
Title III Immigrant Funding Special Revenue Fund	89
Title XIX Medicaid Special Revenue Fund	90
ARRA - State Revitalization Special Revenue Fund	91
LANL Foundation Special Revenue Fund	92
Wallace Foundation Special Revenue Fund	93
Dual Credit Instructional Materials Special Revenue Fund	94
Library GO Bonds 2010 Special Revenue Fund	95
Formative Assessments Special Revenue Fund	96
Reads to Lead Special Revenue Fund	97
Technology for Education Special Revenue Fund	98
Incentives for School Improvement Special Revenue Fund	99
Beginning Teacher Mentoring Special Revenue Fund	100
Breakfast for Elementary Students Special revenue Fund	101
GO Bonds Instructional Materials Special Revenue Fund	102
Library Books Special Revenue Fund	103
Dairy Max Special Revenue Fund	104
Capital Projects Funds:	
Bond Building Capital Projects Fund	108
Capital Improvements SB-9 Capital Projects Fund	109
Debt Service Funds:	
Debt Service Fund	113
 OTHER SUPPLEMENTAL INFORMATION	
Fiduciary Funds:	
Schedule of Changes in Assets and Liabilities – All Agency Funds	116
Schedule of Pledged Collateral	117
Cash Reconciliation	118

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TABLE OF CONTENTS
Year Ended June 30, 2013

	Page
SINGLE AUDIT SECTION	
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	123
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	127
Summary Schedule of Prior Year Audit Findings	129
Schedule of Findings and Questioned Costs	130
Schedule of Expenditures of Federal Awards	133
Notes to the Schedule of Expenditures of Federal Awards	135
REQUIRED DISCLOSURE	139



STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

OFFICIAL ROSTER
June 30, 2013

BOARD OF EDUCATION

Todd McCarty	President
Audrey Jaramillo	Vice President
Matthew Page	Secretary
Elizabeth Howells	Member
Albert Chavez	Member

SCHOOL OFFICIALS

Dr. Karen Couch	Outgoing Superintendent
Tom Sullivan	Incoming Superintendent
Marla Lovato	Coordinator of Business Services

AUDIT COMMITTEE

Saul Araque	Chairperson
DeeAnn Orio	Secretary
Audrey J. Jaramillo	Member
Matthew Page	Member
Dr. Karen Couch	Member
Marla Lovato	Member

FINANCE COMMITTEE

Audrey Jaramillo	Board Vice-President
Elizabeth Howells	Board Member
Dr. Karen Couch	Superintendent
Marla Lovato	Coordinator of Business Services

THIS PAGE INTENTIONALLY LEFT BLANK

FINANCIAL SECTION

FISCAL YEAR 2013

JULY 1, 2012 THROUGH JUNE 30, 2013

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Moriarty-Edgewood School District No. 8

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Moriarty-Edgewood School District No. 8, as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise Moriarty-Edgewood School District No. 8's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Moriarty-Edgewood School District No. 8's nonmajor governmental and the budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, 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 from 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 Moriarty-Edgewood School District No. 8'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 Moriarty-Edgewood School District No. 8, as of June 30, 2013, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Moriarty-Edgewood School District No. 8 as of June 30, 2013, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project funds, debt service fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Moriarty-Edgewood School District No. 8

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9-14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on Moriarty-Edgewood School District No. 8'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 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 October 22, 2013 on our consideration of the Moriarty-Edgewood School District No. 8'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 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 Moriarty-Edgewood School District No. 8's internal control over financial reporting and compliance.

Accounting & Financial Solutions, LLC
Farmington, NM
October 22, 2013

MANAGEMENT'S
DISCUSSION AND ANALYSIS

THIS PAGE INTENTIONALLY LEFT BLANK

STATE OF NEW MEXICO
MORIARTY EDGEWOOD SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Introduction

This Management Discussion and Analysis of the financial operations of the Moriarty Edgewood Schools for the period ending June 30, 2013 represents the school district's eighth year implementation of the Governmental Accounting Standards Board Statement No. 34 (GASB 34). GASB 34 requires this written analysis as a part of the school district's financial reports and is intended to be an objective and easily readable discussion of the financial performance of the district. For school districts, GASB 34 has had a significant impact in the manner in which the financial statements are prepared, as well as the kinds of statements that are included in the report. There are two statements: a Statement of Net Assets which includes all of the assets and liabilities of the district and a Statement of Activities, which is a report that uses a net cost format with expenses reported by functions/programs. The Management Discussion and Analysis as well as the two statements, provide a review of the School District's *overall* financial activities using the accrual basis of accounting. Fund financial statements are reported on a modified accrual basis of accounting. The reports include a comparison with last fiscal year.

The annual audit report also consists of a series of detailed, audited financial statements and the notes to those statements. Also included in the report is the Independent Auditor's Report, the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, the Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133, and a Schedule of Findings and Questioned Costs.

Financial Highlights:

- ❖ The 2013 General Obligation Bond Election was passed with a 2 to 1 margin. The funds will be used for projects throughout the school district at each school site per the Facility Maser Plan.
- ❖ The school district continues to maintain a strong **A1** rating from Moody's Investor Services on the issuance of General Obligation Bonds which helps lower interest rate costs to taxpayers in the district.
- ❖ Despite the continuing declining enrollment and reduced funding from the Public Education Department through the State Equalization Guarantee formula, the school district managed to maintain a strong cash balance of **\$1,016,010** in FY 12-13 in the Operational Fund, plus amount due from other funds **\$452,245** in the General Fund, making an overall increase to cash balance in the amount of **\$101,203.00**. Maintaining a healthy cash balance is an important factor in keeping a strong Bond rating.
- ❖ The district is in year one of a three-year contract with Accounting and Financial Solutions, LLC. Based on the FY 2011-2012 audit, which is sample based, the district had two findings. July 1, 2010, a new Legislation was enacted requiring school districts to establish an Audit Committee. The MESD has had an Audit Committee since 2010 and they have worked with the audit firm during the FY 12-13 audit.
- ❖ During FY 12-13, the district Business Office continued the annual training for all head secretaries and new principals. The training included the manual for Student Activity Accounts that is utilized in the schools and departments for administration of processing for all receipts and expenditures of activity funds.
- ❖ The Business Office continues to ensure all State Procurement Procedures are followed and improve the record keeping of all Capital Assets, as well as making the Purchasing Flowchart available in the Budget Handbooks and on web site.

STATE OF NEW MEXICO
MORIARTY EDGEWOOD SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS

GOVERNMENT WIDE FINANCIAL STATEMENTS

Statement of Net Position

As noted above in the Introduction, GASB 34/63 requires that the Statement of Net Position now be included in the financial statements of the Moriarty Edgewood Schools audit report. This statement is prepared using the accrual method of accounting. This statement shows that as of June 30, 2013, the school district has Total Net Position of \$46,885,373. At June 30, 2012, Total Net Position was \$48,542,675 for a decrease of \$1,657,302. There is a total of \$9,826,242 of cash and cash equivalents on hand as of June 30, 2013 compared to \$5,679,140 on June 30, 2012 for an increase of \$4,147,102. However, the District received \$5,100,000 in the GO Bond issue in May 2013. Accounts Payable/Accrued Expenses are \$243,229 in FY 12-13 compared to \$507,064 for June 30, 2012 for a decrease of \$263,835 due primarily to the District's construction commitments. Net Position totaling \$1,193,860 are "unrestricted" and available to the district for budgeting in FY 13-14. There was a decrease in revenues of \$231,573, as corresponding expenses; the District was able to control other expenditures resulting in a decrease of \$1,070,842 from the prior year. Net Position reflects an increase of \$1,431,221. In addition, the repayment of long-term debt, and the fact that several new bonds are interest only payments until future years have contributed to the change in net assets.

Assets	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Cash Assets	\$ 9,826,242	\$ 5,679,140
Other Current Assets	1,648,495	3,515,638
Capital Assets	<u>60,669,501</u>	<u>63,164,960</u>
Total Assets	<u>72,144,238</u>	<u>72,359,738</u>
Liabilities		
Accounts Payable and Accrued Expenses	655,263	809,745
Deferred Revenue	-	1,051
Noncurrent Liabilities	<u>24,603,602</u>	<u>23,006,267</u>
Total Liabilities	<u>25,258,865</u>	<u>23,817,063</u>
Net Assets		
Invested in Capital Assets	36,756,895	42,346,545
Restricted	8,934,618	5,114,328
Unrestricted	<u>1,193,860</u>	<u>1,081,802</u>
Total Net Assets	<u>\$ 46,885,373</u>	<u>\$ 48,542,675</u>

Statement of Activities

The Statement of (Governmental) Activities is another new statement required by GASB 34 and is prepared using the accrual method of accounting. This report complements the Statement of Net Position by showing the overall change in the school district's net assets for the fiscal year ending June 30, 2013. As of June 30, 2013, the total net position is \$46,885,373 which corresponds with the amount in the Statement of Net Position.

One of the most important questions that should be asked about the school district's finances is "Is the school district as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the school district as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

STATE OF NEW MEXICO
MORIARTY EDGEWOOD SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

These two statements report the school district's net assets and changes in them. You can think of the school district's net assets-the difference between assets and liabilities-as a way to measure the school district's financial health or financial position. Over time, increases or decreases in the school district's net assets are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors such as the assessed valuation and number of students in the district need to be considered to assess the overall financial health of the school district.

For June 30, 2013, Net Position-Ending totaled \$46,885,373 and at June 30, 2012, the total amount for Net Position-Ending was \$48,542,675 for a decrease of \$1,657,302. The financial condition of the district continues to improve in spite of the continued enrollment decline. There continues to be a significant investment to fund improvements to our buildings and land from district funds and from state funds.

Changes in Net Assets

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Revenues		
Program Revenues		
Charges for Services	\$ 590,673	\$ 526,095
Operating grants	5,402,964	4,952,592
Capital grants and contributions	70,407	2,360,500
Total Program Revenues	<u>6,064,044</u>	<u>7,839,187</u>
General Revenues		
Property Taxes	4,083,220	6,771,002
Grants and contributions not restricted	21,055,414	21,639,494
Total General Revenues	<u>25,138,634</u>	<u>28,410,496</u>
Total Revenues	<u>31,202,678</u>	<u>36,249,683</u>
Expenses		
Instruction	15,873,909	16,538,438
Support Services - Students	3,364,750	3,388,148
Support Services - Instruction	828,164	789,761
Support Services - General Administration	895,794	934,069
Support Services - School Administration	1,420,406	1,412,303
Central Services	1,741,522	384,039
Operations & Maintenance of Plant	4,313,051	5,980,266
Student Transportation	1,857,441	1,785,662
Other Support Services	36,990	58,613
Food Services	1,569,738	1,580,824
Community Services	14,814	10,348
Bond interest paid	717,258	842,208
Total governmental activities	<u>32,633,837</u>	<u>33,704,679</u>
Loss on asset disposal	<u>(62)</u>	<u>(29,082)</u>
Change in Net Assets	<u>\$ (1,431,221)</u>	<u>\$ 2,515,922</u>

STATE OF NEW MEXICO
MORIARTY EDGEWOOD SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

FUND FINANCIAL STATEMENTS

Balance Sheet Governmental Funds

Fund Financial Statements are based on a modified accrual basis of accounting. The modified accrual basis of accounting records all accounts receivables, accounts payables and accrued salaries and benefits. All of the school district's financial operations/activities are reported here except for Student Activity Funds that are reported in Statement of Fiduciary Assets & Liabilities.

The Balance Sheet Governmental Funds For FY 12-13, the total assets of \$11,926,982 significantly exceed the total liabilities of \$1,654,725 with a fund balance of \$10,272,257. This is an increase from June 30, 2012 where total assets were \$9,679,460, total liabilities were \$3,334,216 and Fund Balance was \$6,345,244.

Statement of Revenue, Expenditures and Changes in Fund Balance

The Statement of Revenue, Expenditures and Changes in Fund Balance. This report guides the reader to a meaningful overall view for the school district's revenues, expenditures and fund balance, and changes to the fund balance. Total revenues for FY 12-13 were \$32,358,118 or \$2,675,796 less than the FY11-12 total revenues of \$35,033,914. The largest source of revenue is state sources with \$23,262,541 or 72% of the total. State sources decreased by \$2,041,882 largely due to the declining in enrollment decreasing the State Equalization for MESD.

Total expenditures for the school district at June 30, 2013 were \$33,531,105. At June 30, 2012, total expenditures were \$38,524,445 for a decrease of \$4,993,340. The majority of the decrease in expenditures is a result of the loss of operational funding due to declining enrollment. The June 30, 2013 Fund Balance was \$10,272,257 for an increase of \$3,927,013 from \$6,345,244 at June 30, 2012, primarily due to the 2013 Bond Sale.

The Statement of Revenue and Expenditures and Changes in Fund Balance clearly indicates that the district has continued to scale back expenditures in the Operational Fund due to the decrease in state funding from the decline in student enrollment and decrease of the unit value. Because of the decline in enrollment and the subsequent decrease in funding, the district has carefully been monitoring staffing levels and expenditure levels in the Operational Fund where the enrollment decline has the largest impact on revenue. There has been a considerable reduction in staffing levels the past four years. The district's enrollment projections indicate that the enrollment decline will continue for at least the next two to three years. The decline in funding from the State Equalization Guarantee is expected to continue since the New Mexico funding formula is based on the number of students enrolled in the district.

THE SCHOOL DISTRICT'S BUDGET

The State of New Mexico public school budget process is defined under New Mexico State Statutes, (Section 22) and the New Mexico Administrative Code (Section 6). To improve the process of developing the annual budget, the Moriarty Edgewood Schools Board of Education strongly encourages the participation and input from all school district patrons, including students, staff, administrators, parents, business, and the community at large. The Budget Committee comprised of up to 44 members represents all of these groups and meets on a regular basis to recommend a budget to the Superintendent and to the Board.

Over the course of the year, the school district Board of Education revises the budget as the need arises by means of a Budget Adjustment Request (BAR). These Budget Adjustment Requests fall into three categories. The first category includes budget adjustments that are approved shortly after the beginning of the year and reflect the actual beginning cash balances (versus the amounts estimated in April of each year) when the board approved the budget. Included in this category are adjustments for actual carryover balances from Special Revenue accounts, such as Food Services, Athletics, state and federal flow through grants and capital outlay funds. The second category includes changes that the board approves from possible Unit Value changes as the Public Education Department funds increases or decreases to the State Equalization Guarantee formula. Other similar changes includes new awards or supplemental awards by the Public Education Department for flow through grants and contracts for which we must have expenditure authority from the PED before funds can be expended. Finally, the third category is budget adjustment requests to transfer budgets from one function to another to prevent budget overruns. The PED controls school district budgets at the function level. The summary of the budget adjustments and is displayed in the Notes to Financial Statements, Note 2, Stewardship, Compliance and Accountability, Budgetary Information.

The Statement of Revenues, Expenditures and Changes in Fund Balance—Budget (Non-GAAP Budgetary Basis) and Actual shows the Original Budget, Final Budget, Actual Amounts, and Variance for each fund of the school district.

STATE OF NEW MEXICO
MORIARTY EDGEWOOD SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

The June 30, 2013 revenue actual amount of \$20,930,678 was higher than the final budgeted revenue of \$20,860,296 by \$70,382. The increase in revenue was due to the refund of At Risk funds. The June 30, 2013 revenue actual amount was \$2,619,269 lower than the June 30, 2012 revenue actual amount of \$23,549,947.

The June 30, 2013 actual expenditures of \$23,217,169 were \$1,485,158 less than the final budgeted expenditures of \$24,702,327. The majority of the savings occurred in Direct Instruction, Instructional Support, and Operation and Maintenance of Plant.

During the past six years, the district has reduced the number of staff. For FY 12-13 the actual decrease in expenditure amounts were \$826,626 lower than in FY 11-12.

CAPITAL ASSETS

As indicated in the financial highlights above, the district worked very hard to improve the records for capital assets. At the end of the year, the school district had \$60,669,501, net of depreciation invested in a broad range of capital assets including, land, buildings, parking lots, athletic fields, school grounds, vehicles, and equipment. This represents a decrease of \$2,495,459 or .0395% from the year ended June 30, 2012 and is due to depreciation expense of \$2,850,805.

At the beginning of the year, depreciable assets were valued at \$83,092,488. There were additions of \$355,408 for the year, completion of construction projects of \$14,437,659, disposals of \$112,438, and reclassification of \$36,877 to non-depreciable, for an ending balance of \$97,736,240. The total of accumulated depreciation is \$38,955,673, leaving the net value to just \$58,780,567. This is an indication that it will be necessary to start budgeting funds for the replacement of aged equipment in the future.

GENERAL LONG TERM DEBT

Article IX, Section 11 of the New Mexico Constitution allows a school district to incur local general obligation debt. The school district can incur such debt for "the purpose of erecting, remodeling, making additions, and furnishing buildings or purchasing or improving school grounds or purchasing computer software or hardware for student use in public classrooms or any combination of these purposes". The approval of the debt is subject to a referendum of the local registered voters in the school district. The total debt shall not exceed 6% of the total assessed valuation of taxable property within the school district. The voters in the district have been very supportive of the school district and have voted and passed numerous referendums the past several years.

The Moriarty Edgewood Schools has maintained a level of indebtedness that approaches the maximum level allowed by law for the past several years. As soon as the district has bonding capacity, the board submits a referendum to the voters to approve the new amounts needed. The district has needed a lot of capital outlay funds the past several years due to the large enrollment growth experienced in early and mid 90's. The district has had to build two new elementary schools, made large additions to two other elementary schools, and built one new middle school. The district has begun to improve its older facilities that have been ignored in past years. Each time the district asks the voters to approve the General Obligation Bond the proposed bonds are structured to avoid a tax increase to property owners.

The district still has considerable needs to renovate and improve health and safety issues throughout the district, expand the facilities at the high school, including the athletic facilities. In addition to funding the projects identified above, the school district will need to have funds available for technology, building maintenance, equipment replacement and to match Public School Critical Outlay Council projects that the district will be applying for and match at approximately 39% of the cost of the projects.

The amount of long-term debt at June 30, 2012 was \$24,435,000; it decreased by \$3,335,000 from year ended June 30, 2012 of \$27,770,000. The amount due within one year is \$3,670,000 in principal and \$712,361 in interest. The district has always been able to make the principal and interest payments on a timely basis. At the end of the year, the Debt Service Fund Balance was \$2,685,489. The district does not anticipate any difficulty in making future payments on a timely basis for the principal and interest.

STATE OF NEW MEXICO
MORIARTY EDGEWOOD SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

AGENCY FUNDS

The school district, as a custodian, maintains and monitors special funds on behalf of schools and school activity groups. These Agency Funds are maintained by the school district and are intended to benefit a specific activity or interest and are generally raised by students for student use.

While each school site is responsible for the administration of the agency funds, the custody and use of these funds are in accordance with the Public Education Department regulations, and school district policy.

The Agency Funds Statement of Fiduciary Assets and Liabilities for the year ending June 30, 2013 shows the accumulated assets of all agency funds as \$308,364 or a decrease of \$27,599 from June 30, 2012.

The district developed and implemented a manual for use by schools and departments for the administration and processing of all receipts and expenditures for activity funds during FY06-07. Every year the Business Office holds an annual refresher training of the manual of procedures for the secretaries, added increase security to employee timesheets starting 07/01/2010.

FUTURE TRENDS

A double-digit inflation for the cost of gas and utilities is expected. As the economy continues to lag, increased costs are expected to affect the District in our everyday purchases. This of course, will impact the district in terms of our annual budget.

In subsequent years, the cost of health and medical insurance benefits provided through the New Mexico Public Schools Insurance Authority is expected to continue documenting double-digit inflation increases. These increases will greatly impact the district budget.

The New Mexico Public Schools Insurance Authority also provides general liability, property damage, and worker's compensation coverage for all school districts in New Mexico. In the next several years, it is anticipated school districts will experience double-digit inflationary increases for this coverage. The funding formula should cover the premium increases for general liability, property damage and worker's compensation premium; however, due to high claims history of some districts, many districts will realize a budgetary shortfall.

Student enrollment is projected to decline from 80 to 100 students per year for the next two to three years unless there are new major economic developments in our area. A newly established state charter school, located within district boundaries, is in the first year of operation and is expected to impact enrollment numbers in future years. Since the Public Education Department school funding formula is primarily driven by the number of students in the district, it is projected that revenue for the Operational Fund will decrease accordingly. Currently, it appears that the loss of students is due primarily to a decrease in the birth rate, to families moving out of the district to secure employment, and to charter schools. There is no evidence to substantiate that the enrollment of home school students and students attending private schools would account for the loss of students. In fact, the district has realized a decrease in enrollment for students in these categories. It is interesting to note that although the school district is experiencing a loss of students, the local economy continues to indicate a growth in population, and gross receipt tax collections. Assessed Valuations have been increasing at almost a 5% average the past few years.

The above factors will present challenges and opportunities for the district to carefully evaluate programs, operations, and staffing patterns in order to identify ways to balance the budget in future years. The board of education will continue to seek staff and community input in order to develop long range plans for coping with upcoming budgetary challenges.

Contacting the Moriarty Edgewood Schools

This financial report is designed to provide our community, parents, taxpayers, investors and creditors with an overview of the Moriarty Edgewood School District's financial condition and to provide accountability for the funds the school district receives. If you have questions about this report or about the operations of the Moriarty Edgewood School District, please contact:

Marla E. Lovato
Coordinator of Business and Finance
Moriarty Edgewood School District
P.O. Box 2000
Moriarty, New Mexico 87035
e-mail: marla.lovato@mesd.us

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

STATEMENT OF NET POSITION
 June 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 9,826,242
Receivables:	
Delinquent property taxes receivable	1,037,868
Grant	456,264
Due from other governments	95,112
Fuel inventory	5,386
Food inventory	53,865
 Non-current:	
Non-depreciable assets	1,888,934
Depreciable capital assets, net	<u>58,780,567</u>
Total assets	<u>72,144,238</u>
 LIABILITIES	
Accounts payable	243,229
Accrued interest	268,255
Compensated absences	143,779
Noncurrent liabilities:	
Due within one year	3,670,000
Due in more than one year	<u>20,933,602</u>
Total liabilities	<u>25,258,865</u>
 NET POSITION	
Net investment in capital assets	36,756,895
Restricted for:	
Inventories	59,251
Special revenue funds	392,812
Capital projects	5,797,066
Debt service	2,685,489
Unrestricted	<u>1,193,860</u>
Total net position	<u>\$ 46,885,373</u>

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

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

STATEMENT OF ACTIVITIES
 Year Ended June 30, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary government:					
Governmental activities:					
Instruction	\$ 15,873,909	\$ 12,525	\$ 1,626,989	\$ 49,932	\$ (14,184,463)
Support Services - Students	3,364,750	192,989	344,868	10,584	(2,816,309)
Support Services - Instruction	828,164	-	84,882	2,605	(740,677)
Support Services - General Administration	895,794	-	91,814	2,818	(801,162)
Support Services - School Administration	1,420,406	-	145,584	4,468	(1,270,354)
Central Services	1,741,522	-	178,496	-	(1,563,026)
Operations & Maintenance of Plant	4,313,051	-	442,064	-	(3,870,987)
Student Transportation	1,857,441	-	1,584,226	-	(273,215)
Other Support Services	36,990	-	3,791	-	(33,199)
Food Services	1,569,738	385,159	898,732	-	(285,847)
Community Services	14,814	-	1,518	-	(13,296)
Bond interest paid	<u>717,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(717,258)</u>
Total governmental activities	<u>\$ 32,633,837</u>	<u>\$ 590,673</u>	<u>\$ 5,402,964</u>	<u>\$ 70,407</u>	<u>(26,569,793)</u>
General revenues:					
Property Taxes:					
					170,778
					3,128,436
					784,006
Grants and contributions not restricted					<u>21,055,414</u>
Total general revenues					<u>25,138,634</u>
Loss on asset disposal					<u>(62)</u>
Change in net position					<u>(1,431,221)</u>
Net position - beginning					48,542,675
Restatement					<u>(226,081)</u>
Net position - beginning as restated					<u>48,316,594</u>
Net position - ending					<u>\$ 46,885,373</u>

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

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2013

	General Fund	Title I Fund #24101	Bond Building Fund #31100
ASSETS			
Pooled cash and investments	\$ 1,016,010	\$ 1	\$ 5,504,708
Receivables:			
Property taxes	40,151	-	-
Grant	-	198,585	-
Due from other governments	3,654	-	-
Due from other funds	452,245	-	-
Fuel inventory	5,386	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,517,446</u>	<u>\$ 198,586</u>	<u>\$ 5,504,708</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 137,299	\$ 1,290	\$ 70,398
Due to other funds	<u>-</u>	<u>197,296</u>	<u>-</u>
Total liabilities	137,299	198,586	70,398
Deferred inflows of resources:			
Delinquent property taxes	<u>37,122</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>174,421</u>	<u>198,586</u>	<u>70,398</u>
Fund balance:			
Non-spendable:			
Inventories	5,386	-	-
Restricted for:			
Special revenue funds	-	-	-
Capital projects funds	-	-	5,434,310
Debt service	-	-	-
Unassigned	<u>1,337,639</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>1,343,025</u>	<u>-</u>	<u>5,434,310</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,517,446</u>	<u>\$ 198,586</u>	<u>\$ 5,504,708</u>

(cont'd; 1 of 2)

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

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2013

	Capital Improvements	Debt Service	Other	Total
	SB-9	Fund #41000	Governmental	Governmental
	<u>Fund #31700</u>	<u>Fund #41000</u>	<u>Funds</u>	<u>Funds</u>
ASSETS				
Pooled cash and investments	\$ 359,329	\$ 2,550,729	\$ 395,465	\$ 9,826,242
Receivables:				
Property taxes	191,475	806,242	-	1,037,868
Grant	-	-	257,679	456,264
Due from other governments	17,700	73,758	-	95,112
Due from other funds	-	-	-	452,245
Athletic inventory	-	-	-	5,386
Food inventory	-	-	53,865	53,865
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 568,504</u>	<u>\$ 3,430,729</u>	<u>\$ 707,009</u>	<u>\$ 11,926,982</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 28,859	\$ -	\$ 5,383	\$ 243,229
Due to other funds	-	-	254,949	452,245
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	28,859	-	260,332	695,474
Deferred inflows of resources:				
Delinquent property taxes	<u>176,889</u>	<u>745,240</u>	<u>-</u>	<u>959,251</u>
Total liabilities and deferred inflows of resources	<u>205,748</u>	<u>745,240</u>	<u>260,332</u>	<u>1,654,725</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	53,865	59,251
Restricted for:				
Special revenue funds	-	-	392,812	392,812
Capital projects funds	362,756	-	-	5,797,066
Debt service	-	2,685,489	-	2,685,489
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,337,639</u>
Total fund balance	<u>362,756</u>	<u>2,685,489</u>	<u>446,677</u>	<u>10,272,257</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 568,504</u>	<u>\$ 3,430,729</u>	<u>\$ 707,009</u>	<u>\$ 11,926,982</u>

(2 of 2)

THIS PAGE INTENTIONALLY LEFT BLANK

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

RECONCILIATION OF THE BALANCE SHEET - ALL GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 June 30, 2013

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

Fund balances - total governmental funds	\$	10,272,257
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		99,625,174
Accumulated depreciation		(38,955,673)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		959,251
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
Bonds payable		(24,435,000)
Accrued interest payable		(268,255)
Accrued vacation payable		(143,779)
Bond premiums		<u>(168,602)</u>
Net position of governmental activities	\$	<u>46,885,373</u>

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

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2013

	General <u>Fund</u>	Title I <u>Fund #24101</u>	Bond Building <u>Fund #31100</u>	Capital Improvements SB-9 <u>Fund #31700</u>
Revenues:				
Federal sources:				
Forest reserve	\$ 56,191	\$ -	\$ -	\$ -
Department of Defense	63,985	-	-	-
Federal flowthrough grants	46,991	704,548	-	-
Federal direct grants	-	-	-	-
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State equalization guarantee	20,930,678	-	-	-
Transportation	1,602,130	-	-	-
State instructional material	209,607	-	-	-
State grant	179,261	-	-	68,813
Local sources:				
District school tax levy	212,387	-	-	982,775
Fees and activities	12,525	-	-	-
Earnings from investments	-	-	1,594	-
Miscellaneous	4,560	-	-	-
Total revenue	<u>23,318,315</u>	<u>704,548</u>	<u>1,594</u>	<u>1,051,588</u>
Expenditures:				
Current:				
Instruction	13,413,237	310,372	-	-
Support Services:				
Students	2,099,488	213,699	-	-
Instruction	568,787	54,494	-	-
General Administration	405,436	125,983	-	9,827
School Administration	1,293,535	-	-	-
Central Services	545,996	-	-	1,039,972
Operation & Maintenance of Plant	3,205,795	-	722,012	-
Student Transportation	1,644,289	-	-	-
Other Support Services	33,686	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	325,849	29,559
Debt service:				
Principal retirement	-	-	-	-
Bond interest paid	-	-	-	-
Bond issuance costs	-	-	62,592	-
Total expenditures	<u>23,210,249</u>	<u>704,548</u>	<u>1,110,453</u>	<u>1,079,358</u>
Excess (deficiency) of revenues over expenditures	<u>108,066</u>	<u>-</u>	<u>(1,108,859)</u>	<u>(27,770)</u>
Other financing sources and financing uses:				
Sale of bonds	-	-	5,000,000	-
Bond premium	-	-	100,000	-
Refunds	-	-	-	-
Total other financing sources and financing uses	<u>-</u>	<u>-</u>	<u>5,100,000</u>	<u>-</u>
Net change in fund balance	108,066	-	3,991,141	(27,770)
Fund balance at beginning of the year	<u>1,234,959</u>	<u>-</u>	<u>1,443,169</u>	<u>390,526</u>
Fund balance at end of the year	<u>\$ 1,343,025</u>	<u>\$ -</u>	<u>\$ 5,434,310</u>	<u>\$ 362,756</u>

(cont'd; 1 of 2)

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

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2013

	Debt Service <u>Fund #41000</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:			
Federal sources:			
Forest reserve	\$ -	\$ -	\$ 56,191
Department of Defense	-	-	63,985
Federal flowthrough grants	-	1,277,867	2,029,406
Federal direct grants	-	210,472	210,472
Food and milk reimbursements	-	818,473	818,473
USDA Commodities	-	80,259	80,259
State sources:			
State equalization guarantee	-	-	20,930,678
Transportation	-	-	1,602,130
State instructional material	-	-	209,607
State grant	-	272,052	520,126
Local sources:			
District school tax levy	4,044,145	-	5,239,307
Fees and activities	-	578,148	590,673
Earnings from investments	657	-	2,251
Miscellaneous	-	-	4,560
Total revenue	<u>4,044,802</u>	<u>3,237,271</u>	<u>32,358,118</u>
Expenditures:			
Current:			
Instruction	-	669,843	14,393,452
Support Services:			
Students	-	751,022	3,064,209
Instruction	-	136,246	759,527
General Administration	40,527	234,008	815,781
School Administration	-	-	1,293,535
Central Services	-	-	1,585,968
Operation & Maintenance of Plant	-	-	3,927,807
Student Transportation	-	47,244	1,691,533
Other Support Services	-	-	33,686
Food Services Operations	-	1,429,528	1,429,528
Community Services	-	13,491	13,491
Capital outlay	-	-	355,408
Debt service:			
Principal retirement	3,335,000	-	3,335,000
Bond interest paid	751,684	-	751,684
Bond issuance costs	-	-	62,592
Total expenditures	<u>4,127,211</u>	<u>3,281,382</u>	<u>33,513,201</u>
Excess (deficiency) of revenues over expenditures	<u>(82,409)</u>	<u>(44,111)</u>	<u>(1,155,083)</u>
Other financing sources and financing uses:			
Sale of bonds	-	-	5,000,000
Bond premium	-	-	100,000
Refunds	-	(17,904)	(17,904)
Total other financing sources and financing uses	<u>-</u>	<u>(17,904)</u>	<u>5,082,096</u>
Net change in fund balance	(82,409)	(62,015)	3,927,013
Fund balance at beginning of the year	<u>2,767,898</u>	<u>508,692</u>	<u>6,345,244</u>
Fund balance at end of the year	<u>\$ 2,685,489</u>	<u>\$ 446,677</u>	<u>\$ 10,272,257</u>

(2 of 2)

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

THIS PAGE INTENTIONALLY LEFT BLANK

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

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

Net change in fund balance - total governmental funds	\$ 3,927,013
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year</p>	
Capital outlay	355,408
Depreciation	(2,850,805)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Deferred property taxes at:	
June 30, 2012	(2,115,338)
June 30, 2013	959,251
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, and similar, items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Current year principal payments	3,335,000
Bonds sold	(5,000,000)
Current year bond premiums	(100,000)
Bond premium amortization	18,551
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
Compensated absences at:	
June 30, 2012	149,114
June 30, 2013	(143,779)
Accrued interest at:	
June 30, 2012	302,681
June 30, 2013	(268,255)
Loss on asset disposal	<u>(62)</u>
Change in net position of governmental activities	<u>\$ (1,431,221)</u>

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

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GENERAL FUND

Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Forest reserve	\$ -	\$ 56,191	\$ 56,191	\$ -
Department of Defense	60,652	60,652	63,985	3,333
Federal direct grant	40,000	40,000	46,991	6,991
State sources:				
State equalization guarantee	20,849,723	20,860,296	20,930,678	70,382
Transportation	1,632,790	1,602,130	1,602,130	-
State instructional material	209,607	219,511	209,607	(9,904)
State grant	23,500	23,500	179,261	155,761
Local sources:				
District school tax levy	191,209	191,209	212,446	21,237
Fees and activities	4,000	4,000	12,525	8,525
Miscellaneous	5,000	5,000	4,560	(440)
Total revenues	23,016,481	23,062,489	23,318,374	255,885
Expenditures:				
Current:				
Instruction	14,216,448	14,250,882	13,424,256	826,626
Support Services:				
Students	2,325,360	2,392,124	2,098,885	293,239
Instruction	558,788	558,788	568,593	(9,805)
General Administration	446,998	446,998	418,717	28,281
School Administration	1,345,545	1,345,545	1,293,535	52,010
Central Services	603,755	603,755	546,152	57,603
Operation & Maintenance of Plant	3,324,838	3,324,838	3,174,008	150,830
Student Transportation	1,655,768	1,625,108	1,644,755	(19,647)
Other Support Services	154,289	154,289	48,268	106,021
Total expenditures	24,631,789	24,702,327	23,217,169	1,485,158
Excess (deficiency) of revenues over expenditures	(1,615,308)	(1,639,838)	101,205	1,741,043
Beginning cash balance budgeted	1,615,308	1,639,838	-	(1,639,838)
Fund balance at beginning of the year	-	-	1,234,959	1,234,959
Fund balance at end of the year	\$ -	\$ -	1,336,164	\$ 1,336,164
RECONCILIATION TO GAAP BASIS:				
Change in inventory			1,343	
Change in property tax receivable			(41,981)	
Change in due from other governments			312	
Change in payables			5,578	
Change in deferred property taxes			41,609	
			\$ 1,343,025	

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

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TITLE I FUND - NO. 24101
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 697,604	\$ 885,623	\$ 706,937	\$ (178,686)
 Expenditures:				
Current:				
Instruction	506,416	491,268	310,372	180,896
Support Services:				
Students	88,687	214,162	213,699	463
Instruction	-	54,448	54,494	(46)
General Administration	102,501	125,745	124,870	875
Total expenditures	697,604	885,623	703,435	182,188
Excess of revenues over expenditures	-	-	3,502	3,502
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	3,502	\$ 3,502
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(2,390)	
Change in payables			(1,112)	
			\$ -	

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

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

AGENCY FUNDS
Statement of Fiduciary Assets and Liabilities
June 30, 2013

ASSETS

Pooled cash and investments	\$ 308,364
-----------------------------	------------

LIABILITIES

Deposits held for others	\$ 308,364
--------------------------	------------

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE	PAGE
I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES	
A. Reporting Entity	30
1. Blended Component Units	
2. Discretely Presented Component Units	
B. Government-Wide and Fund Financial Statements	30
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	31
1. Major Funds	32
D. Assets, Liabilities, and Net Position or Equity	33
II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	
A. Budgetary Information	37
B. Budgetary Violations	38
C. Deficit Fund Equity	38
III. DETAILED NOTES ON ALL FUNDS	
A. Cash and Temporary Investments	38
B. Receivables	39
C. Capital Assets	40
D. Inter-Fund Receivables and Payables	41
E. Inter-Fund Transfers	41
F. Long-Term Debt	42
IV. OTHER INFORMATION	43

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Moriarty-Edgewood School District (District) is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the Cities of Moriarty and Edgewood, New Mexico and the surrounding areas. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District's financial statements include all entities over which the Board of Education exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. Based upon the application of these criteria, no component units or fiduciary units were included in the financial statements.

Generally Accepted Accounting Principles (GAAP) requires that financial statements present the District (primary government) and its component units. The District has no component units that are required to be presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*.

1. Blended Component Units

The District does not have any component units reported as blended component units.

2. Discretely Presented Component Units

The District does not have any component units reported as discretely presented component units.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Moriarty-Edgewood School District's management who is responsible for their integrity and objectivity. The financial statements of the District conform to GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

During fiscal year 2013, Moriarty-Edgewood School District No. 8 adopted the following GASB Statements:

- GASB 60, Accounting and Financial Reporting for Service Concession Arrangements, improves financial reporting by addressing uses related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This Statement establishes recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators.
- GASB 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34, is effective for the District beginning with its year ending June 30, 2013. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity
- GASB 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, is effective for the District beginning with its year ending June 30, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position.
- GASB 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions — an Amendment to GASB Statement No. 53, which had no impact on the current year financial statements. The objective of this statement is to enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced.
- GASB 65, Items Previously Reported as Assets and Liabilities, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement resulted in a restatement of the financial statements which is detailed in Note IV.E on page 45.

Other accounting standards that Moriarty-Edgewood School District No. 8 is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 66, Technical Corrections: an amendment to GASB Statements No. 10 and No. 62, resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. This Statement will be effective for the year ended June 30, 2014.
- GASB 67, Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25, establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. This Statement will be effective for the year ended June 30, 2014.
- GASB 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27, this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. This Statement will be effective for the year ended June 30, 2015.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont'd)

- GASB 69, Government Combinations and Disposals of Government Operations, which had distinguishes between a government merger and a government acquisition and establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement will be effective for the year ended June 30, 2015.
- GASB 70, Accounting and Financial Reporting for Nonexchange Financial, June 30, 2014 the requirements of this Statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. This Statement will be effective for the year ended June 30, 2014.

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

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

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

The government reports the following major governmental funds:

General Fund – The general fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Title I Special Revenue Fund – To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

Bond Building Fund Capital Projects Fund – This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

Capital Improvements SB – 9 Capital Projects Fund – This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont'd)

Additionally, the government reports the following fund types:

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

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Funds – Fiduciary Funds are the agency funds used to account for financial resources used by the student activity groups for which the District has stewardship

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Assets, Liabilities, and Net Position or Equity

1. *Deposits and investments*

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

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds for the District must follow the above investment policies.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the school district. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due from/to other funds."

The District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB – 9 Capital Improvements Fund, and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the School District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10th following the levy and become delinquent after 30 days. Therefore, the School District has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year-end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the district has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not be collected, as prescribed in GASB 34. An allowance for refunds and uncollectible amounts has not been recorded.

3. *Inventories*

USDA Commodities are recorded at estimated costs and other inventories are recorded at cost, which approximates market. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

4. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2005, the threshold for defining Capital assets by the government was raised from \$1,000 to assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Software costs have been included with the cost of computer equipment and are capitalized with that equipment. The District does not develop software for internal use or any other use.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	20-40
Land Improvements	10-20
Equipment	5-7

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

5. *Compensated absences*

It is the District's policy to permit employees to accumulate 36 days of earned but unused vacation, which will be paid to employees upon separation from the District's service. The amount for liability has been reported in the government-wide financial statements.

Accumulated sick leave is not payable upon termination and is recorded as expenditures when it is paid.

6. *Long-term obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

7. *Fund balance*

a. Non-Spendable

The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

b. Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

c. Committed

Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the District's Board of Education should be reported as committed fund balance. The committed amounts cannot be used for any other purpose unless the District's Board of Education removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District did not have committed fund balances for the year ended June 30, 2013.

d. Assigned

Assigned fund balance includes (a) all remaining amounts, except for negative balances, that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed and amounts in the general fund that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent, and removal of, is expressed by the Board of Education or the Finance Committee. The District did not have assigned fund balances for the year ended June 30, 2013.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

e. Unassigned

The remaining fund balance, after all other classifications, within the general fund is reported as unassigned fund balance. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, a negative fund balance will be reported as unassigned fund balance.

When committed, assigned, and unassigned resources are available for use, it is the District's policy to use committed first followed by assigned and unassigned resources as they are needed.

8. *Net position*

Net position are presented on the statement of net position and may be presented in any of three components.

a. Invested in capital assets, net of related debt

This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in restricted for capital projects.

b. Restricted net position

Net position are reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

c. Unrestricted net position

Unrestricted net position consists of net position that does not meet the definition of "invested in capital assets, net of related debt" or "restricted."

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

In the governmental environment, net position often is designated to indicate that management does not consider them to be available for general operations. In contrast to restricted net position, these types of constraints on resources are internal and management can remove or modify them. However, enabling legislation established by the reporting government should not be construed as an internal constraint.

9. *Indirect Costs*

The District's General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

10. *Estimates*

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

11. *Revenues*

State Equalization Guarantee: School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program cost".

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$20,930,678 in state equalization guarantee distributions during the year ended June 30, 2013.

Transportation Distribution: School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$1,602,130 in transportation distributions during the year ended June 30, 2013.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the Public School Budget and Planning Unit of the Department of Education. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not exceed the budget on a line item basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

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

The school district follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont'd)

A. Budgetary Information (cont'd)

2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.
6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2013 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 24,631,789	\$ 24,702,327
Special Revenue Fund	3,566,054	4,553,825
Capital Projects Fund	2,724,616	2,954,407
Debt Service Fund	7,003,292	7,003,292
Totals	\$ 37,925,751	\$ 39,213,851

B. Budgetary Violations

The District did not have any budgetary violations during the year ended June 30, 2013.

C. Deficit Fund Equity

There were not any deficit fund balances as of June 30, 2013.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2013, the carrying amount of the District's deposits was \$10,134,606 and the bank balance was \$11,734,977 with the difference consisting of outstanding checks. Of this balance \$500,000 was covered by federal depository insurance and \$7,691,877 was covered by collateral held in joint safekeeping by a third party.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS (cont'd)

A. Cash and Temporary Investments (cont'd)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2013, \$3,543,100 of the District's bank balance of \$11,734,977 was exposed to custodial risk as follows:

	Wells Fargo <u>Bank</u>	<u>US Bank</u>	<u>Total</u>
Uninsured and uncollateralized	\$ 3,543,100	\$ -	\$ 3,543,100
Uninsured and collateral held by pledging bank's trust dept not in the District's name	<u>5,391,148</u>	<u>2,300,729</u>	<u>7,691,877</u>
Total uninsured	8,934,248	2,300,729	11,234,977
Insured (FDIC)	<u>250,000</u>	<u>250,000</u>	<u>500,000</u>
Total deposits	<u>\$ 9,184,248</u>	<u>\$ 2,550,729</u>	<u>\$ 11,734,977</u>
State of New Mexico collateral requirement:			
50% of uninsured public fund bank deposits	\$ 4,467,124	\$ 1,150,365	\$ 5,617,489
Pledged security	<u>5,391,148</u>	<u>3,500,000</u>	<u>8,891,148</u>
Over collateralization	<u>\$ 924,024</u>	<u>\$ 2,349,635</u>	<u>\$ 3,273,659</u>

The collateral pledged is listed on Page 117 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing "Now" accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

B. Receivables

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

	<u>Receivables</u>		<u>Due from Other</u>	
	<u>Property Taxes</u>	<u>Grant</u>	<u>Governments</u>	<u>Funds</u>
Major Funds:				
General	\$ 40,151	\$ -	\$ 3,654	\$ 452,245
Title I	-	198,585	-	-
Capital Improvements SB - 9	191,475	-	17,700	-
Debt Service	806,242	-	73,758	-
Other Governmental Funds	<u>-</u>	<u>257,679</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,037,868</u>	<u>\$ 456,264</u>	<u>\$ 95,112</u>	<u>\$ 452,245</u>

An allowance for doubtful accounts has not been established. All receivables are expected to be collectible.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS (cont'd)

B. Receivables (cont'd)

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes		
General Fund	\$ 37,122	\$ -
Capital Improvements SB - 9	176,889	-
Debt Service Fund	745,240	-
Total deferred/unearned revenue for governmental funds	\$ 959,251	\$ -

C. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>Beginning</u>		<u>Increases</u>		<u>Decreases</u>		<u>Adjustments</u>		<u>Ending</u>
	<u>Balance</u>		<u>Increases</u>		<u>Decreases</u>		<u>Adjustments</u>		<u>Balance</u>
Governmental activities:									
Capital assets not being depreciated:									
Land	\$ 1,427,529	\$ -	\$ -	\$ 36,877	\$ 1,464,406				
Water rights	424,528	-	-	-	424,528				
Construction in progress	14,437,659	-	-	(14,437,659)	-				
Total capital assets not being depreciated	16,289,716	-	-	(14,400,782)	1,888,934				
Capital assets being depreciated:									
Land improvements	2,545,454	-	-	96,731	2,642,185				
Buildings and improvements	73,142,512	13,852	-	14,295,967	87,452,331				
Furniture, fixtures, and equipment	7,404,522	341,556	(112,438)	8,084	7,641,724				
Total capital assets being depreciated	83,092,488	355,408	(112,438)	14,400,782	97,736,240				
Less accumulated depreciation for:									
Land improvements	(831,826)	(134,202)	-	-	(966,028)				
Buildings and improvements	(31,126,241)	(2,166,912)	-	-	(33,293,153)				
Furniture, fixtures, and equipment	(4,259,177)	(549,691)	112,376	-	(4,696,492)				
Total accumulated depreciation	(36,217,244)	(2,850,805)	112,376	-	(38,955,673)				
Total capital assets being depreciated, net	46,875,244	(2,495,397)	(62)	14,400,782	58,780,567				
Total capital assets, net	\$63,164,960	\$ (2,495,397)	\$ (62)	\$ -	\$60,669,501				

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS (cont'd)

C. Capital Assets (cont'd)

Depreciation has been allocated to the functions by the following amounts:

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 1,411,122
Support Services - Students	300,413
Support Services - Instruction	73,940
Support Services - General Administration	79,979
Support Services - School Administration	126,817
Central Services	155,487
Operations & Maintenance of Plant	391,216
Student Transportation	166,102
Other Support Services	3,303
Food Services	141,103
Community Services	<u>1,323</u>
Total Depreciation Expense	<u>\$ 2,850,805</u>

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

Construction commitments

The District is involved in long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$5,797,066 in the capital projects fund designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

D. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2013 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 452,245	\$ -
Title I	-	197,296
Other Governmental Funds	<u>-</u>	<u>254,949</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 452,245</u>	<u>\$ 452,245</u>

The inter-fund loans were made for the purposes of cash shortfalls within the individual funds. All loans are expected to be repaid within the next fiscal year.

E. Inter-Fund Transfers

There was not any inter-fund transfers made during the year ended June 30, 2013.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS (cont'd)

F. Long-Term Debt

General Obligation Bonds

General Obligation Bonds – The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the School District boundaries. The details of the bonds and notes as of June 30, 2013 are as follows:

<u>General Obligations Bonds</u>		<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance</u>	<u>Amount Due Within One Year</u>
Series	2001	\$ 3,000,000	4.75% to 5.00%	\$ 1,275,000	\$ 295,000
Series	2002	3,000,000	3.40% to 5.40%	1,395,000	285,000
Series	2002B	1,000,000	3.50% to 5.25%	110,000	110,000
Series	2003	2,000,000	2.50% to 3.00%	725,000	355,000
Series	2004	1,500,000	2.55% to 3.80%	675,000	125,000
Series	2004B	1,700,000	3.25% to 3.90%	1,200,000	250,000
Series	2005	1,500,000	3.40% to 3.50%	630,000	200,000
Series	2006	1,300,000	3.60% to 4.00%	700,000	200,000
Series	2008	7,500,000	3.00% to 3.25%	3,375,000	1,350,000
Series	2009	4,000,000	3.90% to 5.00%	3,050,000	-
Series	2010	4,000,000	2.50% to 3.00%	4,000,000	-
Series	2011	2,500,000	2.50% to 2.70%	2,300,000	100,000
Series	2011	5,000,000	1.00% to 2.00%	5,000,000	400,000
Total		<u>\$ 38,000,000</u>		<u>\$ 24,435,000</u>	<u>\$ 3,670,000</u>

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing.

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>General Obligation Bonds</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2014	\$ 3,670,000	\$ 712,361	\$ 4,382,361
2015	4,070,000	591,994	4,661,994
2016	4,870,000	457,461	5,327,461
2017	4,715,000	311,145	5,026,145
2018	4,110,000	167,280	4,277,280
2019 - 2023	2,000,000	220,000	2,220,000
2024 - 2028	1,000,000	30,000	1,030,000
Total	<u>\$ 24,435,000</u>	<u>\$ 2,490,241</u>	<u>\$ 26,925,241</u>

<u>Balance June 30, 2013</u>	
Bonds payable	\$ 24,435,000
Less: current maturities	(3,670,000)
Unamortized:	
Bond premiums	<u>168,602</u>
Total non-current liabilities	<u>\$ 20,933,602</u>

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS (cont'd)

C. Long-Term Debt (cont'd)

On February 5, 2013 the District was approved to issue \$19,000,000 of general obligation bonds. The District issued Series 2013 in the amount of \$5,000,000 on May 15, 2013 and will make the first interest payment on May 15, 2014. The bond series will mature on May 15, 2025 with interest rates between 1.0% and 2.0%. The remaining authorized amount will be issued in the future as dictated by the District's needs.

Changes in long term debt – During the year ended June 30, 2013 the following changes occurred in liabilities reported in the general obligation bonds account group:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>	Amount Due <u>Within One Year</u>
Compensated absences:					
Compensated vacation	\$ 149,114	\$ 137,274	\$ 142,609	\$ 143,779	\$ 143,779
Bonds payable	<u>22,770,000</u>	<u>5,000,000</u>	<u>3,335,000</u>	<u>24,435,000</u>	<u>3,670,000</u>
	<u>\$ 22,919,114</u>	<u>\$ 5,137,274</u>	<u>\$ 3,477,609</u>	<u>\$ 24,578,779</u>	<u>\$ 3,813,779</u>

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds. The liquidation of bonds payable is done with resources from the debt service fund.

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2013.

B. Employee Retirement Plan

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

ERB
P.O. Box 26129
Santa Fe, New Mexico 87502-6129
www.nmerb.org

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Funding Policy

Member Contributions

Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 9.40% of their gross salary in fiscal year 2013; 10.1% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions

In fiscal year 2013, the Moriarty-Edgewood School District No. 8 was required to contribute 12.4% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 10.9% of the gross covered salary for employees whose annual salary is more than \$20,000. In the future, the District will contribute the following percentages of the gross covered salary of employees: 13.15% of gross covered salary in fiscal year 2014; and 13.9% of gross covered salary in fiscal year 2015. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2013, 2012, and 2011, were \$1,807,352, \$1,682,990, and \$1,988,544, respectively, which equal the amount of the required contributions for each fiscal year.

C. Post-Retirement Health Care Benefits

Plan Description

Moriarty-Edgewood School District No. 8 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:

Retiree Health Care Authority
4308 Carlisle NE, Suite 104
Albuquerque, NM 87107

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

IV. OTHER INFORMATION (cont'd)

C. Post-Retirement Health Care Benefits (cont'd)

Funding Policy

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$325,441, \$319,728 and \$295,081, respectively, which equal the required contributions for each year.

D. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

E. Restatement

There was a restatement of the financials for \$226,081, unamortized issuance costs, is for the implementation of GASB65 which requires issuance costs associated with general obligation bond issues to be expensed in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

IV. OTHER INFORMATION (cont'd)

F. Cash Flows

The District's federal and state grants operate on a reimbursement basis. The District must support the expenditures of these grants with monies from the unrestricted operating monies. Operating on a reimbursement basis for these grants in its self does not adversely affect the District's ability to operate effectively. However, the time it takes to receive reimbursement, if extensive, does significantly affect the District's cash flows and the ability to deliver educational services to the community in an effective manner. This could affect the District's financial operations in subsequent years.

G. Subsequent Events

Subsequent events were evaluated through October 22, 2013, which is the date the financial statements were available to be issued.

GENERAL FUNDS
YEAR ENDED JUNE 30, 2013

OPERATING FUND

The government's primary fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

TRANSPORTATION FUND

Accounts for all the Transportation funds received through the state that are used in the maintaining and operating vehicles used to transport students.

INSTRUCTIONAL MATERIALS FUND

Accounts for all the Instructional Materials funds received through the state for the purpose of acquiring study materials for the students.

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GENERAL FUND
 Combining Balance Sheet
 June 30, 2013

	General Funds			Total General Funds
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
ASSETS				
Pooled cash and investments	\$ 967,822	\$ 72	\$ 48,116	\$ 1,016,010
Receivables:				
Property taxes	40,151	-	-	40,151
Due from other governments	3,654	-	-	3,654
Due from other funds	452,245	-	-	452,245
Fuel inventory	-	5,386	-	5,386
 Total assets	 \$ 1,463,872	 \$ 5,458	 \$ 48,116	 \$ 1,517,446
 LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 136,285	\$ 1,014	\$ -	\$ 137,299
Deferred inflows of resources:				
Delinquent property taxes	37,122	-	-	37,122
 Total liabilities and deferred inflows of resources	 173,407	 1,014	 -	 174,421
Fund balance:				
Non-spendable:				
Inventories	-	5,386	-	5,386
Unassigned	1,290,465	(942)	48,116	1,337,639
 Total fund balance	 1,290,465	 4,444	 48,116	 1,343,025
 Total liabilities, deferred inflows of resources, and fund balance	 \$ 1,463,872	 \$ 5,458	 \$ 48,116	 \$ 1,517,446

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GENERAL FUND
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2013

	General Funds			Total General Fund
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
Revenues:				
Federal sources:				
Forest reserve	\$ 56,191	\$ -	\$ -	\$ 56,191
Department of Defense	63,985	-	-	63,985
Federal flowthrough grants	46,991	-	-	46,991
State sources:				
State equalization guarantee	20,930,678	-	-	20,930,678
Transportation	-	1,602,130	-	1,602,130
State instructional material	-	-	209,607	209,607
State grant	179,261	-	-	179,261
Local sources:				
District school tax levy	212,387	-	-	212,387
Fees and activities	12,525	-	-	12,525
Miscellaneous	<u>4,560</u>	<u>-</u>	<u>-</u>	<u>4,560</u>
Total revenue	<u>21,506,578</u>	<u>1,602,130</u>	<u>209,607</u>	<u>23,318,315</u>
Expenditures:				
Current:				
Instruction	13,225,355	-	187,882	13,413,237
Support Services:				
Students	2,099,488	-	-	2,099,488
Instruction	568,787	-	-	568,787
General Administration	405,436	-	-	405,436
School Administration	1,293,535	-	-	1,293,535
Central Services	545,996	-	-	545,996
Operation & Maintenance of Plant	3,205,795	-	-	3,205,795
Student Transportation	42,945	1,601,344	-	1,644,289
Other Support Services	<u>33,686</u>	<u>-</u>	<u>-</u>	<u>33,686</u>
Total expenditures	<u>21,421,023</u>	<u>1,601,344</u>	<u>187,882</u>	<u>23,210,249</u>
Excess (deficiency) of revenues				
Excess of revenues over expenditures	85,555	786	21,725	108,066
Fund balance at beginning of the year				
Fund balance at end of the year	<u>\$ 1,204,910</u>	<u>3,658</u>	<u>26,391</u>	<u>1,234,959</u>
Fund balance at end of the year	<u>\$ 1,290,465</u>	<u>\$ 4,444</u>	<u>\$ 48,116</u>	<u>\$ 1,343,025</u>

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

OPERATIONAL FUND - NO. 11000
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Federal sources:				
Forest reserve	\$ -	\$ 56,191	\$ 56,191	\$ -
Department of Defense	60,652	60,652	63,985	3,333
Federal direct grant	40,000	40,000	46,991	6,991
State sources:				
State equalization guarantee	20,849,723	20,860,296	20,930,678	70,382
State grant	23,500	23,500	179,261	155,761
Local sources:				
District school tax levy	191,209	191,209	212,446	21,237
Fees and activities	4,000	4,000	12,525	8,525
Miscellaneous	5,000	5,000	4,560	(440)
Total revenues	21,174,084	21,240,848	21,506,637	265,789
Expenditures:				
Current:				
Instruction	14,004,980	14,004,980	13,236,374	768,606
Support Services:				
Students	2,325,360	2,392,124	2,098,885	293,239
Instruction	558,788	558,788	568,593	(9,805)
General Administration	446,998	446,998	418,717	28,281
School Administration	1,345,545	1,345,545	1,293,535	52,010
Central Services	603,755	603,755	546,152	57,603
Operation & Maintenance of Plant	3,324,838	3,324,838	3,174,008	150,830
Student Transportation	22,978	22,978	42,651	(19,673)
Other Support Services	154,289	154,289	48,268	106,021
Total expenditures	22,787,531	22,854,295	21,427,183	1,427,112
Excess (deficiency) of revenues over expenditures	(1,613,447)	(1,613,447)	79,454	1,692,901
Beginning cash balance budgeted	1,613,447	1,613,447	-	(1,613,447)
Fund balance at beginning of the year	-	-	1,204,910	1,204,910
Fund balance at end of the year	\$ -	\$ -	1,284,364	\$ 1,284,364
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(41,981)	
Change in due from other governments			312	
Change in payables			6,161	
Change in deferred property taxes			41,609	
			\$ 1,290,465	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TRANSPORTATION FUND - NO. 13000
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
Transportation	\$ 1,632,790	\$ 1,602,130	\$ 1,602,130	\$ -
 Expenditures:				
Current:				
Support Services:				
Student Transportation	<u>1,632,790</u>	<u>1,602,130</u>	<u>1,602,104</u>	<u>26</u>
Excess of revenues over expenditures	-	-	26	26
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>3,658</u>	<u>3,658</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,684	<u>\$ 3,684</u>
 RECONCILIATION TO GAAP BASIS:				
Change in inventory			1,343	
Change in payables			<u>(583)</u>	
			<u>\$ 4,444</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

INSTRUCTIONAL MATERIALS FUND - NO. 14000
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
State sources:				
State instructional material	\$ 209,607	\$ 219,511	\$ 209,607	\$ (9,904)
 Expenditures:				
Current:				
Instruction	<u>211,468</u>	<u>245,902</u>	<u>187,882</u>	<u>58,020</u>
Excess (deficiency) of revenues over expenditures	(1,861)	(26,391)	21,725	48,116
Beginning cash balance budgeted	1,861	26,391	-	(26,391)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>26,391</u>	<u>26,391</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>48,116</u>	<u><u>\$ 48,116</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u><u>\$ 48,116</u></u>	

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Food Service Fund #21000	Athletics Fund #22000	Entitlement IDEA-B Fund #24106	Discretionary IDEA-B Fund #24107
ASSETS				
Pooled cash and investments	\$ 136,293	\$ 143,595	\$ -	\$ -
Receivables:				
Grant	-	-	108,754	-
Food inventory	<u>53,865</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 190,158</u>	<u>\$ 143,595</u>	<u>\$ 108,754</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 2,208	\$ 126	\$ 1,878	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>106,876</u>	<u>-</u>
Total liabilities	<u>2,208</u>	<u>126</u>	<u>108,754</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	53,865	-	-	-
Restricted for:				
Special revenue funds	<u>134,085</u>	<u>143,469</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>187,950</u>	<u>143,469</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 190,158</u>	<u>\$ 143,595</u>	<u>\$ 108,754</u>	<u>\$ -</u>

(cont'd; 1 of 8)

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Preschool IDEA-B <u>Fund #24109</u>	IDEA-B CEIS <u>Fund #24112</u>	Education of Homeless <u>Fund #24113</u>	Fresh Fruits and Vegetables <u>Fund #24118</u>
ASSETS				
Pooled cash and investments	\$ -	\$ 1	\$ -	\$ 1
Receivables:				
Grant	13,995	8,570	1,875	3,426
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 13,995</u>	<u>\$ 8,571</u>	<u>\$ 1,875</u>	<u>\$ 3,427</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>13,995</u>	<u>8,571</u>	<u>1,875</u>	<u>3,427</u>
Total liabilities	<u>13,995</u>	<u>8,571</u>	<u>1,875</u>	<u>3,427</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 13,995</u>	<u>\$ 8,571</u>	<u>\$ 1,875</u>	<u>\$ 3,427</u>

(cont'd; 2 of 8)

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	IDEA-B "Risk Pool" <u>Fund #24120</u>	IDEA-B Student Success <u>Fund #24132</u>	Comprehensive School Reform <u>Fund #24135</u>	Title V <u>Fund #24150</u>
ASSETS				
Pooled cash and investments	\$ 1	\$ 1	\$ -	\$ -
Receivables:				
Grant	2,209	20,765	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,210</u>	<u>\$ 20,766</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>2,210</u>	<u>20,766</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>2,210</u>	<u>20,766</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 2,210</u>	<u>\$ 20,766</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 3 of 8)

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Title III English Language <u>Fund #24153</u>	Title II Teacher Quality <u>Fund #24154</u>	Title IV Drug Free Schools <u>Fund #24157</u>	Title I School Improvement <u>Fund #24162</u>
ASSETS				
Pooled cash and investments	\$ 1	\$ 1	\$ -	\$ -
Receivables:				
Grant	9,993	20,896	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 9,994</u>	<u>\$ 20,897</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ 860	\$ -	\$ -
Due to other funds	<u>9,994</u>	<u>20,037</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>9,994</u>	<u>20,897</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 9,994</u>	<u>\$ 20,897</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 4 of 8)

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Title III Immigrant Funding <u>Fund #24163</u>	Title XIX Medicaid <u>Fund #25153</u>	ARRA - State Revitalization <u>Fund #25250</u>	LANL Foundation <u>Fund #26113</u>
ASSETS				
Pooled cash and investments	\$ -	\$ 107,088	\$ 1	\$ 2,366
Receivables:				
Grant	-	-	-	-
Food inventory	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 107,088</u>	<u>\$ 1</u>	<u>\$ 2,366</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ 81	\$ -	\$ 230
Due to other funds	-	-	-	-
Total liabilities	-	<u>81</u>	-	<u>230</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	<u>107,007</u>	<u>1</u>	<u>2,136</u>
Total fund balance	-	<u>107,007</u>	<u>1</u>	<u>2,136</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 107,088</u>	<u>\$ 1</u>	<u>\$ 2,366</u>

(cont'd; 5 of 8)

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds				
	Wallace Foundation <u>Fund #26125</u>	Dual Credit Instructional Mataterials <u>Fund #27103</u>	Libraries GO Bond 2010 <u>Fund #27106</u>	Formative Assessments <u>Fund #27111</u>	Reads to Lead <u>Fund #27114</u>
ASSETS					
Pooled cash and investments	\$ 227	\$ -	\$ 1	\$ -	\$ -
Receivables:					
Grant	-	-	797	-	16,159
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 227</u>	<u>\$ -</u>	<u>\$ 798</u>	<u>\$ -</u>	<u>\$ 16,159</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>798</u>	<u>-</u>	<u>16,159</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>798</u>	<u>-</u>	<u>16,159</u>
Fund balance:					
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Special revenue funds	<u>227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 227</u>	<u>\$ -</u>	<u>\$ 798</u>	<u>\$ -</u>	<u>\$ 16,159</u>

(cont'd; 6 of 8)

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Technology for Education <u>Fund #27117</u>	Incentives for School Improvement <u>Fund #27138</u>	Beginning Teacher Mentoring <u>Fund #27154</u>	Breakfast for Elementary Students <u>Fund #27155</u>
ASSETS				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ 10
Receivables:				
Grant	-	-	-	-
Food inventory	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ 10
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	10
Total fund balance	-	-	-	10
Total liabilities and fund balance	\$ -	\$ -	\$ -	\$ 10

(cont'd; 7 of 8)

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Libraries GO Bond 2006 <u>Fund #27171</u>	Library Books <u>Fund #27549</u>	Dairy Max <u>Fund #29102</u>	Total Nonmajor Governmental <u>Funds</u>
ASSETS				
Pooled cash and investments	\$ 1	\$ -	\$ 5,877	\$ 395,465
Receivables:				
Grant	50,240	-	-	257,679
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,865</u>
Total assets	<u>\$ 50,241</u>	<u>\$ -</u>	<u>\$ 5,877</u>	<u>\$ 707,009</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 5,383
Due to other funds	<u>50,241</u>	<u>-</u>	<u>-</u>	<u>254,949</u>
Total liabilities	<u>50,241</u>	<u>-</u>	<u>-</u>	<u>260,332</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	53,865
Restricted for:				
Special revenue funds	<u>-</u>	<u>-</u>	<u>5,877</u>	<u>392,812</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>5,877</u>	<u>446,677</u>
Total liabilities and fund balance	<u>\$ 50,241</u>	<u>\$ -</u>	<u>\$ 5,877</u>	<u>\$ 707,009</u>

(8 of 8)

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2013

	Special Revenue Funds				
	Food Service Fund #21000	Athletics Fund #22000	Entitlement IDEA-B Fund #24106	Discretionary IDEA-B Fund #24107	Preschool IDEA-B Fund #24109
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ 848,252	\$ -	\$ 46,624
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	818,473	-	-	-	-
USDA Commodities	80,259	-	-	-	-
State sources:					
State grant	68,024	-	-	-	-
Local sources:					
Fees and activities	<u>385,159</u>	<u>192,989</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,351,915</u>	<u>192,989</u>	<u>848,252</u>	<u>-</u>	<u>46,624</u>
Expenditures:					
Current:					
Instruction	-	201,638	234,084	-	2,895
Support Services:					
Students	-	-	348,733	-	21,297
Instruction	-	-	-	-	-
General Administration	-	-	204,700	-	22,432
Student Transportation	-	-	47,244	-	-
Food Services Operations	1,370,012	-	-	-	-
Community Services	<u>-</u>	<u>-</u>	<u>13,491</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,370,012</u>	<u>201,638</u>	<u>848,252</u>	<u>-</u>	<u>46,624</u>
Excess (deficiency) of revenues over expenditures	(18,097)	(8,649)	-	-	-
Other financing uses:					
Refunds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(18,097)	(8,649)	-	-	-
Fund balance at beginning of the year	<u>206,047</u>	<u>152,118</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 187,950</u>	<u>\$ 143,469</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 1 of 7)

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2013

	Special Revenue Funds				
	IDEA-B CEIS <u>Fund #24112</u>	Education of Homeless <u>Fund #24113</u>	Fresh Fruits and Vegetables <u>Fund #24118</u>	IDEA-B "Risk Pool" <u>Fund #24120</u>	IDEA-B Student Success <u>Fund #24132</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ 50,206	\$ 8,483	\$ 58,375	\$ 4,408	\$ 89,635
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Fees and activities	-	-	-	-	-
Total revenue	<u>50,206</u>	<u>8,483</u>	<u>58,375</u>	<u>4,408</u>	<u>89,635</u>
Expenditures:					
Current:					
Instruction	-	-	-	4,408	61,743
Support Services:					
Students	48,977	8,483	-	-	25,697
Instruction	-	-	-	-	-
General Administration	1,229	-	-	-	2,195
Student Transportation	-	-	-	-	-
Food Services Operations	-	-	58,375	-	-
Community Services	-	-	-	-	-
Total expenditures	<u>50,206</u>	<u>8,483</u>	<u>58,375</u>	<u>4,408</u>	<u>89,635</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing uses:					
Refunds	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 2 of 7)

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2013

	Special Revenue Funds				
	Comprehensive School Reform <u>Fund #24135</u>	Title V <u>Fund #24150</u>	Title III English Language <u>Fund #24153</u>	Title II Teacher Quality <u>Fund #24154</u>	Title IV Drug Free Schools <u>Fund #24157</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ 10,545	\$ 161,339	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Fees and activities	-	-	-	-	-
Total revenue	-	-	10,545	161,339	-
Expenditures:					
Current:					
Instruction	-	-	10,028	23,040	-
Support Services:					
Students	-	-	-	2,850	-
Instruction	-	-	-	135,449	-
General Administration	-	-	517	-	-
Student Transportation	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Services	-	-	-	-	-
Total expenditures	-	-	10,545	161,339	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing uses:					
Refunds	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -

cont'd; 3 of 7)

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2013

	Special Revenue Funds				
	Title I School Improvement <u>Fund #24162</u>	Title III Immigrant Funding <u>Fund #24163</u>	Title XIX Medicaid <u>Fund #25153</u>	ARRA - State Revitalization <u>Fund #25250</u>	LANL Foundation <u>Fund #26113</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	210,472	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Fees and activities	-	-	-	-	-
Total revenue	-	-	210,472	-	-
Expenditures:					
Current:					
Instruction	-	-	6,576	-	1,195
Support Services:					
Students	-	-	218,925	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Services	-	-	-	-	-
Total expenditures	-	-	225,501	-	1,195
Excess (deficiency) of revenues over expenditures	-	-	(15,029)	-	(1,195)
Other financing uses:					
Refunds	-	-	-	-	-
Net change in fund balance	-	-	(15,029)	-	(1,195)
Fund balance at beginning of the year	-	-	122,036	1	3,331
Fund balance at end of the year	\$ -	\$ -	\$ 107,007	\$ 1	\$ 2,136

(cont'd; 4 of 7)

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2013

	Special Revenue Funds				
	Wallace Foundation <u>Fund #26125</u>	Dual Credit Instructional Materials <u>Fund #27103</u>	Libraries GO Bond 2010 <u>Fund #27106</u>	Formative Assessments <u>Fund #27111</u>	Reads to Lead <u>Fund #27114</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	8,527	797	24,596	119,868
Local sources:					
Fees and activities	-	-	-	-	-
Total revenue	-	8,527	797	24,596	119,868
Expenditures:					
Current:					
Instruction	-	8,527	-	24,596	40,873
Support Services:					
Students	-	-	-	-	76,060
Instruction	-	-	797	-	-
General Administration	-	-	-	-	2,935
Student Transportation	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Services	-	-	-	-	-
Total expenditures	-	8,527	797	24,596	119,868
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing uses:					
Refunds	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	<u>227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 227</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 5 of 7)

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2013

	Special Revenue Funds			
	Technology for Education <u>Fund #27117</u>	Incentives for School Improvement <u>Fund #27138</u>	Beginning Teacher Mentoring <u>Fund #27154</u>	Breakfast for Elementary Students <u>Fund #27155</u>
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State grant	-	-	-	-
Local sources:				
Fees and activities	-	-	-	-
Total revenue	-	-	-	-
Expenditures:				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
Student Transportation	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing uses:				
Refunds	(13,305)	(388)	(3,919)	-
Net change in fund balance	(13,305)	(388)	(3,919)	-
Fund balance at beginning of the year	13,305	388	3,919	10
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ 10

(cont'd; 6 of 7)

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2013

	Special Revenue Funds			
	Libraries GO Bond 2006 <u>Fund #27171</u>	Library Books <u>Fund #27549</u>	Dairy Max <u>Fund #29102</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ 1,277,867
Federal direct grants	-	-	-	210,472
Food and milk reimbursements	-	-	-	818,473
USDA Commodities	-	-	-	80,259
State sources:				
State grant	50,240	-	-	272,052
Local sources:				
Fees and activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>578,148</u>
Total revenue	<u>50,240</u>	<u>-</u>	<u>-</u>	<u>3,237,271</u>
Expenditures:				
Current:				
Instruction	50,240	-	-	669,843
Support Services:				
Students	-	-	-	751,022
Instruction	-	-	-	136,246
General Administration	-	-	-	234,008
Student Transportation	-	-	-	47,244
Food Services Operations	-	-	1,141	1,429,528
Community Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,491</u>
Total expenditures	<u>50,240</u>	<u>-</u>	<u>1,141</u>	<u>3,281,382</u>
Excess (deficiency) of revenues over expenditures	-	-	(1,141)	(44,111)
Other financing uses:				
Refunds	<u>-</u>	<u>(292)</u>	<u>-</u>	<u>(17,904)</u>
Net change in fund balance	-	(292)	(1,141)	(62,015)
Fund balance at beginning of the year	<u>-</u>	<u>292</u>	<u>7,018</u>	<u>508,692</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,877</u>	<u>\$ 446,677</u>

BUDGETARY PRESENTATION

NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2013

FOOD SERVICES

This program provides financing for the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-12, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.

ATHLETICS

This fund provides financing for school athletic activities. Funding is provided by fees from patrons.

ENTITLEMENT/DISCRETIONARY IDEA-B

The Entitlement/Discretionary IDEA-B program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

PRESCHOOL IDEA-B

The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals With Disabilities Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.

IDEA-B CEIS

Up to 15% of combined entitlement and preschool funding may be budgeted as per 34 CFR § 300.226. Must be used consistent with the applicable provisions of IDEA-B, as follows: (1) Must be used only to pay the excess costs of providing special education and related services to children with disabilities; (2) Must be used to supplement State, local, and other Federal funds and not to supplant such funds; and (3) Must not be used to reduce an LEA's maintenance of effort (MOE) for the education of children with disabilities below the preceding year's level except as allowed by 34 CFR §§ 300.204 and 205.

EDUCATION OF HOMELESS

To ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children, the Education for Homeless Children and Youth program provides assistance to States, Outlying Areas, and the Department of Interior/Bureau of Indian Education (BIE) to: (1) establish or designate an Office of Coordinator of Education of Homeless Children and Youths; (2) develop and carry out a State plan for the education of homeless children; and (3) make subgrants to local educational agencies to support the education of those children. Authorization: McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B.

FRESH FRUITS AND VEGETABLES

To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2006. Authorization granted under National School Lunch Act, as amended, 42 U.S.C. 1769.

IDEA-B "RISK POOL"

The IDEA-B "Risk Pool" program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

IDEA-B Student Success

The purpose of this grant award is to support activities included in the school's Educational Plan for Student Success, or areas in need of improvement, identified through the instructional audit.

NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2013

COMPREHENSIVE SCHOOL REFORM

The Comprehensive School Reform (CSR) program support for a clearinghouse of school reform projects. Authorization (040): Elementary and Secondary Education Act, as amended, Title I, Part F.

TITLE V

To assist State and Local educational agencies in the reform of elementary and secondary education. Authorized by the Elementary and Secondary Education Act of 1965, Title VI, as amended, 20 U.S.C. 7301-7373.

TITLE III ENGLISH LANGUAGE

To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.

TITLE II TEACHER QUALITY

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 the academic achievement. Authorization is granted through the Elementary and Secondary Education Act of 1965, as amended, Title II, Part A, Public Law 107-110.

TITLE IV DRUG FREE SCHOOLS

To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources. Authorized by Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 U.S.C. 7111-7118.

TITLE I SCHOOL IMPROVEMENT

To develop parental involvement in the school curriculum. The program is funded by the United States government under P.L. 100-297.

TITLE III – IMMIGRANT FUNDING

To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.

TITLE XIX MEDICAID

To provide financial assistance from the Federal government which flows-through the State of New Mexico to school districts, for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women and the aged who meet income and resource requirements, and other categorically-eligible groups. The program is funded by the U.S. government under the Social Security Act, Title XIX, as amended; Public Laws 92-223, 92-602, 93-66, 93-233, 96-499, 97-35, 97-2248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-234, 101-239, 101-508, 101-517, 102-234, 102-170, 102-394, 103-66, 103-112, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

ARRA – STATE REVITALIZATION

To support and restore funding for elementary, secondary, and postsecondary education and, as applicable, early child hood education programs and services in States and local educational agencies. Authorization: American Recovery and Reinvestment Act of 2011 (ARRA), Division A, Title XIV, Public Law 111-5.

LANL FOUNDATION

Local grant sponsored by Los Alamos National Laboratory that was used to provide a scholarship to a senior high student that was to be used in a four-year program for educational efforts in pursuing an engineering degree at a New Mexico college or university.

NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

WALLACE FOUNDATION

The purpose of this program is to provide funding to develop the use and understanding of accountability to build effective leaders in the educational system along with improving student achievement. Funds are acquired from federal sources through the New Mexico Department of Finance and Administration. Funding is provided by the Wallace Foundation a private funding for the State Action for Education Leadership Project.

DUAL CREDIT INSTRUCTIONAL MATERIALS

To be used for courses approved by Higher Education Department (HED) and through a college/university for which the district has an approved agreement.

LIBRARY GO BONDS 2010

To be used to fund each library facility for improvement or acquisition and to acquire library books and library resources to support the library program. Funds generated by GO Bonds may not be used to supplant existing or prior library material funding within school districts receiving these monies. This funding will supplement and be in addition to current and existing funding. Authorized through Senate Bill 2010 SB333

FORMATIVE ASSESSMENTS

The approved formative assessments are for English language arts and math in grades 4 through 10 per school year 2012-2013. These formative assessments will give teachers essential tools for monitoring student progress and making timely, strategic interventions throughout the school year.

READS TO LEAD

To increase the quality of reading instruction.

TECHNOLOGY FOR EDUCATION

State funding to provide financial assistance to school districts to improve educational opportunities for all students to close the technology gap between schools and the workplace through enhancement of computer education. The funding is provided by state resources and supplements the federal funding for the Technology Literacy Challenge grant. The creation of the fund is authorized by NMSA 1978 22-15A-1 TO 22-15A-10.

INCENTIVE FOR SCHOOL IMPROVEMENTS

These funds are used for school improvements, from lighting to encyclopedias. Funding is provided by the State of New Mexico. The creation of the fund is authorized by NMSA 1978 22-13A-5.

BEGINNING TEACHER MENTORING

Funds to assist school districts in the design, implementation, and evaluation of beginning teacher mentoring programs. Funding is provided through the 2000 legislative session, with appropriated funds from the General Appropriations Act.

BREAKFAST FOR ELEMENTARY STUDENTS

To provide elementary students with the nutrition necessary to facilitate learning.

GO BONDS INSTRUCTIONAL MATERIALS

To be used for the purchase of textbooks for schools within the District.

LIBRARY BOOKS

To support the purchase of library books. Authorized through New Mexico Senate Bill 471.

DAIRY MAX

The goal of the awards program is to call attention to the importance of alternate school breakfast. Offering breakfast outside of the classroom increases participation by providing service for children who arrive late or who prefer to socialize rather than eat, and by helping to remove the potential social stigma that the program is meant for low-income students.

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

FOOD SERVICE FUND - NO. 21000
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 819,967	\$ 819,967	\$ 818,473	\$ (1,494)
USDA Commodities	67,687	67,687	-	(67,687)
State sources:				
State grant	46,171	46,171	68,024	21,853
Local sources:				
Fees and activities	310,287	310,287	385,159	74,872
Total revenues	1,244,112	1,244,112	1,271,656	27,544
Expenditures:				
Current:				
Food Services Operations	1,322,968	1,403,081	1,294,332	108,749
Excess (deficiency) of revenues over expenditures	(78,856)	(158,969)	(22,676)	136,293
Beginning cash balance budgeted	78,856	158,969	-	(158,969)
Fund balance at beginning of the year	-	-	206,047	206,047
Fund balance at end of the year	\$ -	\$ -	183,371	\$ 183,371
RECONCILIATION TO GAAP BASIS:				
Change in inventory			5,674	
Change in payables			(1,095)	
			\$ 187,950	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

ATHLETICS FUND - NO. 22000
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Fees and activities	\$ 125,368	\$ 125,368	\$ 192,989	\$ 67,621
 Expenditures:				
Current:				
Instruction	<u>249,891</u>	<u>278,071</u>	<u>202,097</u>	<u>75,974</u>
Excess (deficiency) of revenues over expenditures	(124,523)	(152,703)	(9,108)	143,595
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>152,118</u>	<u>152,118</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	143,010	<u>\$ 143,010</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>459</u>	
			<u>\$ 143,469</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

ENTITLEMENT IDEA-B FUND - NO. 24106
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 789,241	\$ 935,617	\$ 1,125,384	\$ 189,767
Expenditures:				
Current:				
Instruction	228,679	293,390	233,326	60,064
Support Services:				
Students	335,279	385,579	349,245	36,334
General Administration	210,278	213,643	204,821	8,822
Student Transportation	-	22,000	46,857	(24,857)
Community Services Operations	15,005	21,005	13,491	7,514
Total expenditures	789,241	935,617	847,740	87,877
Excess of revenues over expenditures	-	-	277,644	277,644
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	277,644	\$ 277,644
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(277,132)	
Change in payables			(512)	
			\$ -	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

DISCRETIONARY IDEA-B FUND - NO. 24107
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Refunds	-	-	(11)	(11)
Net change in fund balance	-	-	(11)	(11)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(11)	<u>\$ (11)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>11</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

PRESCHOOL IDEA-B FUND - NO. 24109
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 40,994	\$ 51,902	\$ 62,664	\$ 10,762
Expenditures:				
Current:				
Instruction	-	8,133	2,895	5,238
Support Services:				
Students	20,350	22,850	21,297	1,553
General Administration	20,644	20,919	22,432	(1,513)
Total expenditures	40,994	51,902	46,624	5,278
Excess of revenues over expenditures	-	-	16,040	16,040
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	16,040	\$ 16,040
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(16,040)	
			\$ -	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

IDEA-B CEIS FUND - NO. 24112
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 50,278	\$ 50,278	\$ 66,320	\$ 16,042
Expenditures:				
Current:				
Support Services:				
Students	49,016	49,016	48,977	39
General Administration	<u>1,262</u>	<u>1,262</u>	<u>1,229</u>	<u>33</u>
Total expenditures	<u>50,278</u>	<u>50,278</u>	<u>50,206</u>	<u>72</u>
Excess of revenues over expenditures	-	-	16,114	16,114
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	16,114	<u>\$ 16,114</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(16,114)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

EDUCATION OF HOMELESS FUND - NO. 24113
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 8,100	\$ 9,000	\$ 8,032	\$ (968)
 Expenditures:				
Current:				
Support Services:				
Students	<u>8,100</u>	<u>9,000</u>	<u>8,483</u>	<u>517</u>
Excess (deficiency) of revenues over expenditures	-	-	(451)	(451)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(451)	<u>\$ (451)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>451</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

FRESH FRUITS AND VEGETABLES FUND - NO. 24118
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 73,185	\$ 73,185	\$ 54,901	\$ (18,284)
 Expenditures:				
Current:				
Food Services Operations	<u>73,185</u>	<u>73,185</u>	<u>58,375</u>	<u>14,810</u>
Excess (deficiency) of revenues over expenditures	-	-	(3,474)	(3,474)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(3,474)	<u>\$ (3,474)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			3,426	
Change in deferred revenue			<u>48</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

IDEA-B "RISK POOL" FUND - NO. 24120
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 4,470	\$ 2,199	\$ (2,271)
 Expenditures:				
Current:				
Instruction	-	4,470	4,408	62
 Excess (deficiency) of revenues over expenditures	-	-	(2,209)	(2,209)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(2,209)	<u>\$ (2,209)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>2,209</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

IDEA-B STUDENT SUCCESS FUND - NO. 24132
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 125,000	\$ 68,870	\$ (56,130)
Expenditures:				
Current:				
Instruction	-	84,184	61,743	22,441
Support Services:				
Students	-	37,678	25,697	11,981
General Administration	-	3,138	2,195	943
Total expenditures	-	125,000	89,635	35,365
Excess (deficiency) of revenues over expenditures	-	-	(20,765)	(20,765)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(20,765)	\$ (20,765)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			20,765	
			\$ -	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

COMPREHENSIVE SCHOOL REFORM FUND - NO. 24135
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Refunds	-	-	(87)	(87)
Net change in fund balance	-	-	(87)	(87)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(87)	<u>\$ (87)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>87</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TITLE V FUND - NO. 24150
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Refunds	-	-	(71)	(71)
Net change in fund balance	-	-	(71)	(71)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(71)	<u>\$ (71)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>71</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TITLE III ENGLISH LANGUAGE FUND - NO. 24153
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 11,476	\$ 22,821	\$ 13,031	\$ (9,790)
Expenditures:				
Current:				
Instruction	11,151	22,212	20,608	1,604
Support Services:				
General Administration	325	609	517	92
Total expenditures	11,476	22,821	21,125	1,696
Excess (deficiency) of revenues over expenditures	-	-	(8,094)	(8,094)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(8,094)	\$ (8,094)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(2,487)	
Change in payables			10,581	
			\$ -	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TITLE II TEACHER QUALITY FUND - NO. 24154
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 135,570	\$ 177,397	\$ 195,626	\$ 18,229
Expenditures:				
Current:				
Instruction	9,120	35,756	23,040	12,716
Support Services:				
Students	450	450	2,850	(2,400)
Instruction	73,000	73,000	-	73,000
General Administration	53,000	68,191	134,589	(66,398)
Total expenditures	135,570	177,397	160,479	16,918
Excess of revenues over expenditures	-	-	35,147	35,147
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	35,147	\$ 35,147
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(34,287)	
Change in payables			(860)	
			\$ -	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TITLE IV DRUG FREE SCHOOLS FUND - NO. 24157
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Refunds	-	-	(779)	(779)
Net change in fund balance	-	-	(779)	(779)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(779)	<u>\$ (779)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>779</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TITLE I SCHOOL IMPROVEMENT FUND - NO. 24162
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Refunds	-	-	(3)	(3)
Net change in fund balance	-	-	(3)	(3)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(3)	<u>\$ (3)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>3</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TITLE III IMMIGRANT FUNDING FUND - NO. 24163
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Refunds	-	-	(52)	(52)
Net change in fund balance	-	-	(52)	(52)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(52)	<u>\$ (52)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>52</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TITLE XIX MEDICAID FUND - NO. 25153
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 185,880	\$ 185,880	\$ 210,472	\$ 24,592
Expenditures:				
Current:				
Instruction	-	7,500	6,576	924
Support Services:				
Students	185,280	303,934	222,963	80,971
Operation & Maintenance of Plant	600	600	-	600
Total expenditures	185,880	312,034	229,539	82,495
Excess (deficiency) of revenues over expenditures	-	(126,154)	(19,067)	107,087
Beginning cash balance budgeted	-	126,154	-	(126,154)
Fund balance at beginning of the year	-	-	122,036	122,036
Fund balance at end of the year	\$ -	\$ -	102,969	\$ 102,969
RECONCILIATION TO GAAP BASIS:				
Change in payables			4,038	
			\$ 107,007	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

ARRA - STATE REVITALIZATION FUND - NO. 25250
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	1	1
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1	<u>\$ 1</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 1</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

LANL FOUNDATION FUND - NO. 26113
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	3,331	965	2,366
Excess (deficiency) of revenues over expenditures	-	(3,331)	(965)	2,366
Beginning cash balance budgeted	-	3,331	-	(3,331)
Fund balance at beginning of the year	-	-	3,331	3,331
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,366	<u>\$ 2,366</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			(230)	
			<u>\$ 2,136</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

WALLACE FOUNDATION FUND - NO. 26125
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	227	227
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	227	<u>\$ 227</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 227</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

DUAL CREDIT INSTRUCTIONAL MATATERIALS FUND - NO. 27103
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 9,346	\$ 10,825	\$ 1,479
Expenditures:				
Current:				
Instruction	-	9,346	8,527	819
Excess of revenues over expenditures	-	-	2,298	2,298
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	2,298	\$ 2,298
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(2,298)	
			\$ -	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

LIBRARIES GO BOND 2010 FUND - NO. 27106
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ 867	\$ 867	\$ 9,918	\$ 9,051
 Expenditures:				
Current:				
Support Services:				
Instruction	<u>867</u>	<u>867</u>	<u>797</u>	<u>70</u>
Excess of revenues over expenditures	-	-	9,121	9,121
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	9,121	<u>\$ 9,121</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(9,121)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

FORMATIVE ASSESSMENTS FUND - NO. 27111
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 24,596	\$ 24,596	\$ -
 Expenditures:				
Current:				
Instruction	-	24,596	24,596	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

READS TO LEAD FUND - NO. 27114
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 123,352	\$ 103,709	\$ (19,643)
 Expenditures:				
Current:				
Instruction	-	40,892	40,873	19
Support Services:				
Students	-	81,239	76,060	5,179
General Administration	-	1,221	2,935	(1,714)
Total expenditures	-	123,352	119,868	3,484
 Excess (deficiency) of revenues over expenditures	-	-	(16,159)	(16,159)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(16,159)	\$ (16,159)
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			16,159	
			\$ -	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TECHNOLOGY FOR EDUCATION FUND - NO. 27117
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Refunds	-	-	(13,305)	(13,305)
Net change in fund balance	-	-	(13,305)	(13,305)
Fund balance at beginning of the year	-	-	13,305	13,305
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ -	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

INCENTIVES FOR SCHOOL IMPROVEMENT FUND - NO. 27138
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Refunds	-	-	(388)	(388)
Net change in fund balance	-	-	(388)	(388)
Fund balance at beginning of the year	-	-	388	388
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

BEGINNING TEACHER MENTORING FUND - NO. 27154
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Refunds	-	-	(3,919)	(3,919)
Net change in fund balance	-	-	(3,919)	(3,919)
Fund balance at beginning of the year	-	-	3,919	3,919
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

BREAKFAST FOR ELEMENTARY STUDENTS FUND - NO. 27155
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	10	10
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	10	<u>\$ 10</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 10</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

LIBRARIES GO BOND 2006 FUND - NO. 27171
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 56,836	\$ -	\$ (56,836)
 Expenditures:				
Current:				
Instruction	-	56,836	50,240	6,596
 Excess (deficiency) of revenues over expenditures	-	-	(50,240)	(50,240)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(50,240)	<u>\$ (50,240)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>50,240</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

LIBRARY BOOKS FUND - NO. 27549
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Refunds	-	-	(292)	(292)
Net change in fund balance	-	-	(292)	(292)
Fund balance at beginning of the year	-	-	292	292
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

DAIRY MAX FUND - NO. 29102
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Grant	\$ -	\$ 4,936	\$ -	\$ (4,936)
 Expenditures:				
Current:				
Food Services Operations	-	7,018	1,141	5,877
Excess (deficiency) of revenues over expenditures	-	(2,082)	(1,141)	941
Beginning cash balance budgeted	-	2,082	-	(2,082)
Fund balance at beginning of the year	-	-	7,018	7,018
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	5,877	<u>\$ 5,877</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 5,877</u>	

CAPITAL PROJECTS FUNDS

YEAR ENDED JUNE 30, 2013

BOND BUILDING FUND

This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

CAPITAL IMPROVEMENTS SB – 9

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

BOND BUILDING FUND - NO. 31100
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Local sources:				
Earnings from investments	\$ -	\$ -	\$ 1,594	\$ 1,594
Expenditures:				
Current:				
Support Services:				
Operation & Maintenance of Plant	695,000	606,537	267,107	339,430
Capital outlay:				
Equipment	86,000	86,000	22,315	63,685
Construction in progress	<u>772,957</u>	<u>944,784</u>	<u>944,784</u>	<u>-</u>
Total expenditures	<u>1,553,957</u>	<u>1,637,321</u>	<u>1,234,206</u>	<u>403,115</u>
Excess (deficiency) of revenues over expenditures	(1,553,957)	(1,637,321)	(1,232,612)	404,709
Other financing sources:				
Sale of bonds	<u>-</u>	<u>-</u>	<u>5,100,000</u>	<u>5,100,000</u>
Net change in fund balance	(1,553,957)	(1,637,321)	3,867,388	5,504,709
Beginning cash balance budgeted	1,553,957	1,637,321	-	(1,637,321)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,443,169</u>	<u>1,443,169</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	5,310,557	<u>\$ 5,310,557</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>123,753</u>	
			<u>\$ 5,434,310</u>	

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

CAPITAL IMPROVEMENTS SB-9 FUND - NO. 31700
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 68,813	\$ 137,145	\$ 68,332
Local sources:				
District school tax levy	<u>954,679</u>	<u>954,679</u>	<u>982,743</u>	<u>28,064</u>
Total revenues	<u>954,679</u>	<u>1,023,492</u>	<u>1,119,888</u>	<u>96,396</u>
Expenditures:				
Current:				
Support Services:				
General Administration	12,010	12,010	9,827	2,183
Operation & Maintenance of Plant	1,046,981	1,178,408	1,014,766	163,642
Capital outlay:				
Equipment	5,000	20,000	19,408	592
Construction in progress	<u>106,668</u>	<u>106,668</u>	<u>10,151</u>	<u>96,517</u>
Total expenditures	<u>1,170,659</u>	<u>1,317,086</u>	<u>1,054,152</u>	<u>262,934</u>
Excess (deficiency) of revenues over expenditures	(215,980)	(293,594)	65,736	359,330
Beginning cash balance budgeted	215,980	293,594	-	(293,594)
Fund balance at beginning of the year	-	-	<u>390,526</u>	<u>390,526</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	456,262	<u>\$ 456,262</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(68,332)	
Change in property tax receivable			(200,131)	
Change in due from other governments			1,394	
Change in payables			(25,206)	
Change in deferred property taxes			<u>198,769</u>	
			<u>\$ 362,756</u>	

THIS PAGE INTENTIONALLY LEFT BLANK

DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2013

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

THIS PAGE INTENTIONALLY LEFT BLANK

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

DEBT SERVICE FUND - NO. 41000
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive
				<u>(Negative)</u>
Revenues:				
Local sources:				
District school tax levy	\$ 4,142,526	\$ 4,142,526	\$ 4,052,720	\$ (89,806)
Earnings from investments	<u> -</u>	<u> -</u>	<u> 657</u>	<u> 657</u>
Total revenues	<u>4,142,526</u>	<u>4,142,526</u>	<u>4,053,377</u>	<u>(89,149)</u>
 Expenditures:				
Current:				
Support Services:				
General Administration	41,420	51,420	40,527	10,893
Debt service:				
Principal retirement	3,335,000	3,335,000	3,335,000	-
Bond interest paid	766,634	766,634	751,684	14,950
Reserves	<u>2,860,238</u>	<u>2,850,238</u>	<u> -</u>	<u>2,850,238</u>
Total expenditures	<u>7,003,292</u>	<u>7,003,292</u>	<u>4,127,211</u>	<u>2,876,081</u>
Excess (deficiency) of revenues over expenditures	(2,860,766)	(2,860,766)	(73,834)	2,786,932
Beginning cash balance budgeted	2,860,766	2,860,766	-	(2,860,766)
Fund balance at beginning of the year	<u> -</u>	<u> -</u>	<u>2,767,898</u>	<u>2,767,898</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,694,064	<u>\$ 2,694,064</u>
 RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(925,378)	
Change in due from other governments			1,094	
Change in deferred property taxes			<u>915,709</u>	
			<u>\$ 2,685,489</u>	

THIS PAGE INTENTIONALLY LEFT BLANK

OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

FIDUCIARY FUNDS
 Schedule of Changes in Assets and Liabilities - All Agency Funds
 Year Ended June 30, 2013

Activity		Balance				Balance
Fund	ASSETS	<u>June 30, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2013</u>
23100	Mountain View Elementary School	\$ 10,443	\$ 12,180	\$ 12,734	\$	9,889
23200	Moriarty Elementary School	18,280	10,385	7,357	\$	21,308
23300	South Mountain Elementary School	6,508	9,943	10,749	\$	5,702
23400	Moriarty Middle School	25,858	16,615	23,765	\$	18,708
23500	Moriarty High School	113,717	235,599	226,968	\$	122,348
23600	Edgewood Elementary School	11,931	8,478	7,907	\$	12,502
23700	Route 66 Elementary School	20,728	7,503	13,945	\$	14,286
23800	District Office	102,695	9,709	34,386	\$	78,018
23900	Edgewood Middle School	<u>25,803</u>	<u>24,103</u>	<u>24,303</u>	\$	<u>25,603</u>
	Pooled cash and investments	<u>\$ 335,963</u>	<u>\$ 334,515</u>	<u>\$ 362,114</u>	\$	<u>308,364</u>
	LIABILITIES					
	Deposits held for others	<u>\$ 335,963</u>	<u>\$ 334,515</u>	<u>\$ 362,114</u>	\$	<u>308,364</u>

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

SCHEDULE OF PLEDGED COLLATERAL
 June 30, 2013

	Wells Fargo <u>Bank</u>	<u>US Bank</u>	<u>Total</u>
Cash on deposit at June 30, 2013	\$ 9,184,248	\$ 2,550,729	\$ 11,734,977
Less FDIC coverage	<u>250,000</u>	<u>250,000</u>	<u>500,000</u>
Uninsured funds	<u>\$ 8,934,248</u>	<u>\$ 2,300,729</u>	<u>\$ 11,234,977</u>
50% collateral requirement	\$ 4,467,124	\$ 1,150,365	\$ 5,617,489
Pledged collateral	<u>5,391,148</u>	<u>3,500,000</u>	<u>8,891,148</u>
Excess (deficiency) of pledged collateral	<u>\$ 924,024</u>	<u>\$ 2,349,635</u>	<u>\$ 3,273,659</u>

Pledged collateral of financial institutions consists of the following at June 30, 2013

Wells Fargo Bank:	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
FN AH8825	3/1/2041	3138AA YX3	\$ 161,317
FN AQ9991	2/1/2043	3138MSC56	892,879
FN AR9199	3/1/2043	3138W7GH1	9,719
FN AT2722	5/1/2043	3138WQAY8	1,661,977
FN AT5895	6/1/2043	3138WTRR9	137,314
FN AB6498	10/1/2042	31417OGG2	162,713
FN AB7579	1/1/2043	31417EM57	551,703
FN MA0934	12/1/2026	31418ABC1	1,782,841
FN AE0215	12/1/2039	31419AGZ4	<u>30,685</u>
			<u>\$ 5,391,148</u>

The above securities are held at Federal Home Loan Bank in Dallas, TX.

US Bank:	<u>Issue Date</u>	<u>Expiration</u>	<u>Credit Limit</u>
FHLB Letter of Credit	5/14/2013	8/1/2013	<u>\$ 3,500,000</u>

The above letter of credit is held at US Bank in Cincinnati, OH, will honored by the Federal Home Loan Bank of Cincinnati, and expires on August 1, 2013 at 2:00 pm.

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

CASH RECONCILIATION
 June 30, 2013

	<u>Beginning Cash</u>	<u>Receipts</u>	<u>Distributions</u>	<u>Other</u>	<u>Net Cash End of Period</u>	<u>Adjustments to the report</u>	<u>Total Cash on Report</u>
Operations	\$ 629,852	\$ 21,506,637	\$ (21,427,185)	\$ 258,518	\$ 967,822	\$ -	\$ 967,822
Transportation	46	1,602,130	(1,602,104)	-	72	-	72
Instructional Materials	26,391	209,607	(187,882)	-	48,116	-	48,116
Food Services	158,969	1,271,656	(1,294,332)	-	136,293	-	136,293
Athletics	152,703	192,989	(202,097)	-	143,595	-	143,595
Federal Flowthrough Funds	1,055	2,303,965	(1,990,511)	(314,502)	7	-	7
Federal Direct Funds	126,155	210,472	(229,538)	-	107,089	-	107,089
Local Grants	3,558	-	(965)	-	2,593	-	2,593
State Flowthrough Funds	17,915	149,048	(204,028)	37,077	12	-	12
Local/State	7,018	-	(1,141)	-	5,877	-	5,877
Bond Building	1,637,321	1,594	(1,234,207)	5,100,000	5,504,708	-	5,504,708
Capital Improvements SB-9	293,594	1,119,888	(1,054,153)	-	359,329	-	359,329
Debt Service	2,624,563	4,053,377	(4,127,211)	-	2,550,729	-	2,550,729
Agency Funds	-	-	-	-	-	308,364	308,364
Total	\$ 5,679,140	\$ 32,621,363	\$ (33,555,354)	\$ 5,081,093	\$ 9,826,242	\$ 308,364	\$ 10,134,606

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	<u>Adjustments to report:</u>	
Operational	Checking - Interest	Wells Fargo	\$ 9,184,248	Agency funds	<u>\$ 308,364</u>
Debt Service	Checking - Interest	First National Bank	2,550,729		
Payroll	Checking - Non-Interest	International Bank	-	<u>Adjustments to cash:</u>	
			<u>\$ 11,734,977</u>	Bank Balance	\$ 11,734,977
				Cash on hand	-
				Outstanding deposits	-
				Outstanding checks	<u>(1,600,371)</u>
				Total adjustment to cash	<u>\$ 10,134,606</u>

SINGLE AUDIT SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

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

THIS PAGE INTENTIONALLY LEFT BLANK

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 AUDITORS' REPORT

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Moriarty-Edgewood School District No. 8

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 Moriarty-Edgewood School District No. 8 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Moriarty-Edgewood School District No. 8's basic financial statements, and the combining and individual funds and related budgetary comparisons of Moriarty-Edgewood School District No. 8, presented as supplemental information, and have issued our report thereon dated October 22, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered Moriarty-Edgewood School District No. 8'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 Moriarty-Edgewood School District No. 8's internal control. Accordingly, we do not express an opinion on the effectiveness of Moriarty-Edgewood School District No. 8'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 Moriarty-Edgewood School District No. 8's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other matters

As part of obtaining reasonable assurance about whether Moriarty-Edgewood School District No. 8's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Moriarty-Edgewood School District No. 8

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Moriarty-Edgewood School District No. 8's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accounting & Financial Solutions, LLC
Farmington, NM
October 22, 2013



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133

THIS PAGE INTENTIONALLY LEFT BLANK

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Moriarty-Edgewood School District No. 8

Report on Compliance for Each Major Federal Program

We have audited Moriarty-Edgewood School District No. 8's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Moriarty-Edgewood School District No. 8's major federal programs for the year ended June 30, 2013. Moriarty-Edgewood School District No. 8'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 Moriarty-Edgewood School District No. 8'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 Moriarty-Edgewood School District No. 8'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 Moriarty-Edgewood School District No. 8's compliance.

Opinion on Each Major Federal Program

In our opinion, Moriarty-Edgewood School District No. 8 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, 2013.

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Moriarty-Edgewood School District No. 8

Report on Internal Control Over Compliance

Management of Moriarty-Edgewood School District No. 8 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 Moriarty-Edgewood School District No. 8'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 Moriarty-Edgewood School District No. 8's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Accounting & Financial Solutions, LLC
Farmington, NM
October 22, 2013

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2013

A. PRIOR YEAR AUDIT FINDINGS

NOT RESOLVED

No audit findings to report.

RESOLVED

2012 – 1 LACK OF TIMELY MONITORING OF BUDGET LINE ITEMS

Current Status: Resolved. Not repeated in the current year.

2012 – 2 FEDERAL TAX PAYMENT NOT MADE TIMELY

Current Status: Resolved. Not repeated in the current year.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2013

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the basic financial statements of Moriarty-Edgewood School District No. 8.
2. There were no significant deficiencies disclosed during the audit of the financial statements in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. There were no significant deficiencies considered to be material weaknesses.
3. There were no instances of noncompliance material to the financial statements of Moriarty-Edgewood School District No. 8 disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of the major federal awards program in the Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; And Report On The Schedule Of Expenditures Of Federal Awards Required By OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Moriarty-Edgewood School District No. 8 expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award programs for Moriarty-Edgewood School District No. 8 that are required to be reported in accordance with OMB Circular A-133.510(a).
7. The programs treated as major programs include:
 - USDA Child Nutrition Cluster CFDA# 10.555 and 10.553; and
 - Medicaid CFDA# 93.778
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Moriarty-Edgewood School District No. 8 was determined to be a low-risk auditee.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

No audit findings to report.

C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.

THIS PAGE INTENTIONALLY LEFT BLANK

SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
Direct Program:				
Forest Reserve	10.670	11000		\$ 56,191
Pass-Through Program From:				
New Mexico Department of Education:				
<u>Child Nutrition Cluster:</u>				
USDA National School Lunch Program	10.555	21000	613,156	
USDA School Breakfast Program	10.553	21000	<u>205,317</u>	
Total Child Nutrition Cluster				818,473
Fresh Fruits and Vegetables	10.582	24118		58,375
Pass-Through Program From:				
New Mexico Human Service Department:				
USDA Commodities Program	10.550	21000		<u>80,259</u>
Subtotal Pass-Through Programs				<u>957,107</u>
Total U.S. Department of Agriculture				<u>1,013,298</u>
<u>U.S. Department of Defense:</u>				
Pass-Through Program From:				
National Guard Military Projects	12.401	11000		<u>63,985</u>
<u>U.S. Department of Education:</u>				
Pass-Through Programs From:				
New Mexico Department of Education:				
<u>Special Education (IDEA) Cluster:</u>				
Entitlement IDEA-B	84.027	24106	848,252	
Preschool IDEA-B	84.173	24109	46,624	
IDEA-B CEIS	84.027	24112	50,206	
IDEA-B "Risk Pool"	84.027	24120	4,408	
IDEA-B Student Success	84.027A	24132	<u>89,635</u>	
Total Special Education (IDEA) Cluster				1,039,125
Title I	84.010	24101		704,548
Education of Homeless	84.196	24113		8,483
Title III English Language	84.365	24153		10,545
Title II Teacher Quality	84.367	24154		<u>161,339</u>
Total U.S. Department of Education				<u>1,924,040</u>
<u>U.S. Department of Health and Human Services:</u>				
Pass-Through Program From:				
New Mexico Department of Health:				
Title XIX Medicaid	93.778	25153		<u>225,501</u>
Total Expenditures of Federal Awards				<u>\$ 3,226,824</u>

See the accompanying notes to the Schedule of Expenditures of Federal Awards.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013

1. Scope of audit pursuant to OMB Circular A-133

All federal grant operations of Moriarty-Edgewood School District No. 8 (the "School District") are included in the scope of the Office of management and Budget ("OMB") Circular A-133 audit (the "Single Audit"). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised March 2013 the "Compliance Supplement"). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal 2013 cash and non-cash expenditures to ensure coverage of at least 25% (LOW risk auditee) of federally granted funds. Actual coverage is approximately 32% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$3,146,565 and all non-cash expenditures amounted to \$80,259.

<u>Major Federal Award Program Description</u>	<u>Fiscal 2013 Expenditure</u>
Cash assistance:	
USDA Child Nutrition	\$ 818,473
Medicaid	225,501
Total	<u>\$ 1,043,974</u>

There were not federal programs that were considered high risk Type A programs for the 2013.

The U.S. Department of Education is the School District's oversight agency for single audit.

2. Summary of significant accounting policies

Basis of presentation

The accompanying Schedule of Expenditure of Federal Awards includes all federal grants to the School District that had activity during the fiscal year ended June 30, 2013. This Statement has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School District has met the qualifications for the respective grant.

Accrued and deferred reimbursements

Various reimbursement procedures are used for Federal awards received by the School District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over receipts to date. Deferred balance at year-end represent an excess of cash receipts over reimbursable expenditure to date. Generally, accrued or deferred balances covered by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period.

3. Audits performed by other entities

There were no other audits performed by other organizations on the School Districts federal grant programs in 2013.

THIS PAGE INTENTIONALLY LEFT BLANK

REQUIRED DISCLOSURE

THIS PAGE INTENTIONALLY LEFT BLANK

REQUIRED DISCLOSURES
YEAR ENDED JUNE 30, 2013

REQUIRED DISCLOSURE

The financial statements were prepared by the independent public accountants.

An exit conference was held October 22, 2013, during which the audit findings were discussed. The exit conference was attended by the following individuals:

MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Audrey Jaramillo	Vice-President, Board of Education; Member, Audit Committee
Saul Araque	Chairperson, Audit Committee
Tom Sullivan	Incoming Superintendent; Member, Audit Committee
Marla Lovato	Coordinator of Business Services; Member, Audit Committee

ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Terry Ogle, CPA	Partner
-----------------	---------