

**STATE OF NEW MEXICO**  
**MOUNTAINAIR PUBLIC SCHOOLS**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR-ENDED JUNE 30, 2014**



## **INTRODUCTORY SECTION**

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MOUNTAINAIR PUBLIC SCHOOLS  
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MOUNTAINAIR PUBLIC SCHOOLS  
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**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
OFFICIAL ROSTER  
FOR THE YEAR ENDED JUNE 30, 2014**

<b>Elected Officials</b>		<b>Title</b>
Darrell Roberts		President
Eric Anaya		Vice-President
Gabe Chavez		Secretary
P.J. Lovato		Member
Frances Gonzales		Member
<b>Audit Committee</b>		<b>Title</b>
Darrell Roberts		Board Member
Frances Gonzales		Board Member
Mary Childers		Community Member
Loretta Moseley		Parent
<b>Administrative Personnel</b>		
Ron Hendrix		Superintendent
Tammy Zamora		Business Manager

## **FINANCIAL SECTION**



## Independent Auditor's Report

Hector H. Balderas  
New Mexico State Auditor  
The Board of Education and  
The Audit Committee of  
Mountainair Public Schools  
Mountainair, New Mexico

### **Report on 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 Mountainair Public Schools (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental, fiduciary funds, 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, 2014, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows 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, and fiduciary fund of the District as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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



The Schedule of Expenditures of federal awards and other schedules required by Section 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 Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 13, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

*Integrity Accounting + Consulting, LLC*

Integrity Accounting & Consulting, LLC  
Albuquerque, NM

November 13, 2014

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
STATEMENT OF NET POSITION  
As of June 30, 2014**

	<u>Governmental Activities</u>	<u>Totals</u>
Assets and deferred inflows of resources:		
Assets:		
Cash and equivalents, unrestricted	\$ 727,525	727,525
Cash and equivalents, restricted	4,226	4,226
Receivables		
Taxes receivable	66,550	66,550
Due from other governments	263,732	263,732
Inventories	<u>2,406</u>	<u>2,406</u>
Total current assets	1,064,439	1,064,439
Non-current assets:		
Capital assets	12,084,849	12,084,849
Less: Accumulated depreciation	<u>(4,913,309)</u>	<u>(4,913,309)</u>
Total non-current assets	<u>7,171,540</u>	<u>7,171,540</u>
Total assets	<u>8,235,979</u>	<u>8,235,979</u>
Deferred Outflows of Resources:		
Total deferred outflows of resources	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	\$ <u><u>8,235,979</u></u>	<u><u>8,235,979</u></u>
Liabilities, deferred inflows of resources and net position:		
Liabilities:		
Accrued interest payable	\$ 5,545	5,545
Grants received in advance of eligibility requirements	20,130	20,130
Current portion of compensated absences	2,059	2,059
Current portion of long-term debt	<u>271,561</u>	<u>271,561</u>
Total current liabilities	299,295	299,295
Non-current liabilities		
Compensated absences	515	515
Notes payable	<u>755,821</u>	<u>755,821</u>
Total non-current liabilities	<u>756,336</u>	<u>756,336</u>
Total liabilities	1,055,631	1,055,631
Deferred Inflows of Resources:		
Total deferred inflows of resources	<u>-</u>	<u>-</u>
Net position		
Net Investment in Capital Assets	6,144,158	6,144,158
Unrestricted Net Position	<u>1,036,190</u>	<u>1,036,190</u>
Total net position	<u>7,180,348</u>	<u>7,180,348</u>
Total liabilities, deferred inflows of resources and net position:	\$ <u><u>8,235,979</u></u>	<u><u>8,235,979</u></u>

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2014

<u>Functions/programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Primary Government</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
<b>Primary government:</b>						
Governmental activities						
Instruction	\$ 1,965,408	12,485	1,637,709	-	(315,214)	(315,214)
Support services - students	399,726	-	399,726	-	-	-
Support services - instruction	90,288	-	90,288	-	-	-
Support services - general admin	201,173	-	201,173	-	-	-
Support services - school admin	258,333	-	258,333	-	-	-
Central services	84,951	-	84,951	-	-	-
Operation and maintenance of plant	850,442	-	850,442	-	-	-
Student transportation	336,642	-	336,642	-	-	-
Other support services	-	-	-	-	-	-
Food services operations	185,910	9,516	176,394	-	-	-
Capital Outlay	73,704	-	-	73,704	-	-
Interest expense	36,150	-	-	-	(36,150)	(36,150)
Total governmental activities	<u>\$ 4,482,727</u>	<u>22,001</u>	<u>4,035,658</u>	<u>73,704</u>	<u>(351,364)</u>	<u>(351,364)</u>
Total primary government					<u>\$ (351,364)</u>	<u>(351,364)</u>
<b>General revenues:</b>						
Taxes						
Property taxes levied for general purposes					55,133	55,133
Property taxes levied for debt service					343,776	343,776
Property taxes levied for capital projects					131,620	131,620
State equalization guarantee						
Interest income					802	802
Miscellaneous income					19,482	19,482
Total general revenue and transfers					<u>550,813</u>	<u>550,813</u>
Changes in net position					199,449	199,449
Beginning net position					7,016,358	7,016,358
Restatement					(35,459)	(35,459)
Beginning net position, as restated					<u>6,980,899</u>	<u>6,980,899</u>
Net position, end of year					<u>\$ 7,180,348</u>	<u>7,180,348</u>

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of June 30, 2014

	Major Funds							Total Non-Major Funds	Total Funds
	General Fund			Spec Revenue		Cap Proj	Debt Serv		
	11000	13000	14000	24101	24106	31700	41000		
	Opera-tional	Transpor-tation	Instruc-tional Materials	Title I	IDEA B - Entitle-ment	Capital Improv SB-9	Debt Service Fund		
Assets and deferred inflows of resources:									
Assets:									
Cash and equivalents, unrestricted	\$ 339,610	166	8,384	2,050	-	10,096	129,131	238,088	727,525
Cash and equivalents, restricted	-	-	-	-	-	-	1	4,225	4,226
Receivables									
Taxes receivable	3,877	-	-	-	-	17,351	45,323	-	66,551
Due from other funds	5,463	-	-	33	-	259,348	-	10,272	275,116
Due from other governments	-	-	-	162,353	58,352	-	-	43,026	263,731
Inventories	-	-	-	-	-	-	-	2,406	2,406
Total assets	<u>348,950</u>	<u>166</u>	<u>8,384</u>	<u>164,436</u>	<u>58,352</u>	<u>286,795</u>	<u>174,455</u>	<u>298,017</u>	<u>1,339,555</u>
Deferred Outflows of Resources:									
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-
Total assests and deferred outflows of resources	\$ <u>348,950</u>	<u>166</u>	<u>8,384</u>	<u>164,436</u>	<u>58,352</u>	<u>286,795</u>	<u>174,455</u>	<u>298,017</u>	<u>1,339,555</u>
Liabilities, deferred inflows of resources and fund balances:									
Liabilities:									
Due to other funds	\$ 2,977	-	-	164,436	58,352	-	-	49,351	275,116
Grants received in advance of eligibility requirements	-	-	-	-	-	-	-	20,130	20,130
Total liabilities	<u>2,977</u>	<u>-</u>	<u>-</u>	<u>164,436</u>	<u>58,352</u>	<u>-</u>	<u>-</u>	<u>69,481</u>	<u>295,246</u>
Deferred Inflows of Resources:									
"Unavailable" revenues	<u>2,951</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,177</u>	<u>34,461</u>	<u>-</u>	<u>50,589</u>
Total deferred inflows of resources	<u>2,951</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,177</u>	<u>34,461</u>	<u>-</u>	<u>50,589</u>
Fund balances:									
Nonspendable	-	-	-	-	-	-	-	2,406	2,406
Restricted	-	166	8,384	-	-	273,618	139,994	226,130	648,292
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	<u>343,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>343,022</u>
Total fund balances	<u>343,022</u>	<u>166</u>	<u>8,384</u>	<u>-</u>	<u>-</u>	<u>273,618</u>	<u>139,994</u>	<u>228,536</u>	<u>993,720</u>
Total liabilities, deferred inflows of resources and fund balances:	\$ <u>348,950</u>	<u>166</u>	<u>8,384</u>	<u>164,436</u>	<u>58,352</u>	<u>286,795</u>	<u>174,455</u>	<u>298,017</u>	<u>1,339,555</u>

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

**STATE OF NEW MEXICO**  
**MOUNTAINAIR PUBLIC SCHOOLS**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE**  
**TO THE STATEMENT OF NET POSITION**  
**As of June 30, 2014**

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

Total fund balance - Governmental funds	\$	993,720
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		7,171,540
Delinquent property tax not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the statement of activities.		50,589
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:		
Accrued interest expense	\$	(5,545)
Current compensated absences		(2,059)
Noncurrent compensated absences		(515)
Current notes payable		(271,561)
Noncurrent notes payable	\$	<u>(755,821)</u>
		<u>(1,035,501)</u>
Net position for governmental activities	\$	<u><u>7,180,348</u></u>

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2014

	Major Funds							Total Non-Major Funds	Total Funds
	General Fund			Spec Revenue		Cap Projects	Debt Service		
	11000	13000	14000	24101	24106	31700 Capital	41000		
	Operational	Transportation	Instructional Materials	Title I	IDEA B - Entitlement	Improv SB-9 Fund	Debt Service Fund		
Revenues:									
Taxes									
Property	\$ 27,026	-	-	-	-	118,445	309,315	25,156	479,942
Charges for services	-	-	-	-	-	-	-	22,001	22,001
Intergovernmental revenue									
Federal grants	9,520	-	-	227,588	87,338	-	-	208,240	532,686
State grants	3,142,702	322,840	18,156	-	-	12,213	-	80,768	3,576,679
Interest income	762	-	-	-	-	-	5	33	800
Miscellaneous income	5,739	-	-	-	-	-	-	13,738	19,477
Total revenues	<u>3,185,749</u>	<u>322,840</u>	<u>18,156</u>	<u>227,588</u>	<u>87,338</u>	<u>130,658</u>	<u>309,320</u>	<u>349,936</u>	<u>4,631,585</u>
Expenditures:									
Current:									
Instruction	1,571,353	-	15,128	223,484	74,812	-	-	80,627	1,965,404
Support services - students	350,147	-	-	-	12,526	-	-	37,054	399,727
Support services - instruction	90,184	-	-	104	-	-	-	-	90,288
Support services - general admin	193,596	-	-	4,000	-	1,242	3,224	-	202,062
Support services - school admin	257,405	-	-	-	-	-	-	928	258,333
Central services	84,951	-	-	-	-	-	-	-	84,951
Operation and maintenance of plant	533,803	-	-	-	-	-	-	-	533,803
Student transportation	13,802	322,840	-	-	-	-	-	-	336,642
Food services operations	-	-	-	-	-	-	-	185,910	185,910
Capital outlay	-	-	-	-	-	204,484	-	14,000	218,484
Debt service									
Principal	-	-	-	-	-	-	265,000	21,284	286,284
Interest	-	-	-	-	-	-	32,314	3,836	36,150
Total expenditures	<u>3,095,241</u>	<u>322,840</u>	<u>15,128</u>	<u>227,588</u>	<u>87,338</u>	<u>205,726</u>	<u>300,538</u>	<u>343,639</u>	<u>4,598,038</u>
Excess (deficiency) of revenues over (under) expenditures	90,508	-	3,028	-	-	(75,068)	8,782	6,297	33,547
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	6,351	6,351
Transfers out	(6,351)	-	-	-	-	-	-	-	(6,351)
Total other financing sources (uses):	<u>(6,351)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,351</u>	<u>-</u>
Net change in fund balances	84,157	-	3,028	-	-	(75,068)	8,782	12,648	33,547
Beginning fund balance	<u>258,865</u>	<u>166</u>	<u>5,356</u>	<u>-</u>	<u>-</u>	<u>348,686</u>	<u>131,212</u>	<u>215,888</u>	<u>960,173</u>
Ending fund balance	<u>\$ 343,022</u>	<u>166</u>	<u>8,384</u>	<u>-</u>	<u>-</u>	<u>273,618</u>	<u>139,994</u>	<u>228,536</u>	<u>993,720</u>

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

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
As of June 30, 2014**

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

Total net change in fund balances-governmental funds	\$	33,547
<p>Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimates useful lives and reported as depreciation expense.</p>		
Capital expenditures recorded as capital outlay or other expenses		144,780
<p>Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore depreciation expense is not reported as expenditure in governmental funds.</p>		(316,639)
<p>The issuance of long-term debt (e.g. bonds, notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
(Increase)/decrease in noncurrent and current compensated absences		889
Principal payments on long-term debt		286,284
<p>Other reclassifications are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting to show the revenue earned from the current year's tax levy.</p>		50,589
Rounding		<u>(1)</u>
Change in net position of governmental activities	\$	<u><u>199,449</u></u>

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

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
GENERAL FUND - OPERATIONAL  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes				
Property	\$ 27,269	27,269	28,498	1,229
Intergovernmental revenue				
Federal grants	-	-	9,520	9,520
State grants	3,147,912	3,166,552	3,142,702	(23,850)
Interest income	1,100	1,100	762	(338)
Miscellaneous income	1,500	1,500	26,946	25,446
Total revenues	3,177,781	3,196,421	3,208,428	12,007
Expenditures:				
Current:				
Instruction	1,746,543	1,750,005	1,563,915	186,090
Support services - students	372,954	372,954	350,147	22,807
Support services - instruction	133,154	133,154	90,184	42,970
Support services - general admin	212,480	208,340	193,596	14,744
Support services - school admin	278,842	264,405	257,405	7,000
Central services	79,159	88,693	84,951	3,742
Operation and maintenance of plant	527,959	535,462	533,803	1,659
Student transportation	19,114	19,114	13,802	5,312
Capital outlay	25,000	25,000	-	25,000
	3,395,205	3,397,127	3,087,803	309,324
Excess (deficiency) of revenues over (under) expenditures	(217,424)	(200,706)	120,625	(297,317)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(6,351)	(6,351)
Total other financing sources (uses):	-	-	(6,351)	(6,351)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(217,424)	(200,706)	114,274	(303,668)
Budgeted cash carryover	217,424	200,706		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 114,274	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			(22,679)	
Adjustments to expenditures for accrued wages and expenditures			(7,438)	
Net change in fund balance (GAAP)			\$ 84,157	

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



STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
GENERAL FUND - TRANSPORTATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts			Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Intergovernmental revenue				
State grants	\$ 297,458	322,840	322,840	-
Total revenues	297,458	322,840	322,840	-
Expenditures:				
Current:				
Student transportation	297,458	322,840	322,840	-
	297,458	322,840	322,840	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	-	-
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ -	
Adjustments to revenue for tax accruals and other miscellaneous revenue accr			-	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
GENERAL FUND - INSTRUCTIONAL MATERIALS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ 14,800	14,800	18,155	3,355
Total revenues	14,800	14,800	18,155	3,355
Expenditures:				
Current:				
Instruction	17,385	17,385	15,127	2,258
	17,385	17,385	15,127	2,258
Excess (deficiency) of revenues over (under) expenditures	(2,585)	(2,585)	3,028	1,097
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(2,585)	(2,585)	3,028	1,097
Budgeted cash carryover	2,585	2,585		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 3,028	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			-	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ 3,028	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
TITLE I - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
Federal grants	\$ 203,693	263,380	199,403	(63,977)
Total revenues	203,693	263,380	199,403	(63,977)
Expenditures:				
Current:				
Instruction	198,619	258,306	223,484	34,822
Support services - instruction	1,000	1,000	104	896
Support services - general admin	4,074	4,074	4,000	74
	203,693	263,380	227,588	35,792
Excess (deficiency) of revenues over (under) expenditures	-	-	(28,185)	(99,769)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	(28,185)	(99,769)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (28,185)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			28,185	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
IDEA B - ENTITLEMENT - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenue				
Federal grants	\$ 72,366	98,061	113,866	15,805
Total revenues	<u>72,366</u>	<u>98,061</u>	<u>113,866</u>	<u>15,805</u>
Expenditures:				
Current:				
Instruction	59,338	85,033	74,812	10,221
Support services - students	<u>13,028</u>	<u>13,028</u>	<u>12,526</u>	<u>502</u>
	<u>72,366</u>	<u>98,061</u>	<u>87,338</u>	<u>10,723</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	26,528	5,082
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	<u>26,528</u>	<u>5,082</u>
Budgeted cash carryover	<u>-</u>	<u>-</u>		
Net change in fund balance	<u>\$ -</u>	<u>-</u>		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 26,528	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			(26,528)	
Adjustments to expenditures for accrued wages and expenditures			<u>-</u>	
Net change in fund balance (GAAP)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
As of June 30, 2014**

	<u>2014</u>
Assets:	
Cash	\$ <u>29,380</u>
Total assets	\$ <u><u>29,380</u></u>
Liabilities:	
Held for others	\$ <u>29,380</u>
Total liabilities	\$ <u><u>29,380</u></u>

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

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

*A. Reporting Entity*

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB-14. The first criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships,

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MOUNTAINAIR PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the District has no component units and is not a component unit of another governmental agency.

*B. Basis of Accounting/Measurement Focus*

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

*Government-Wide Financial Statements*

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, those transactions between governmental and business-type activities have not been eliminated.

*Governmental Fund Financial Statements*

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the

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MOUNTAINAIR PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements.

The District reports the general fund as a major governmental fund. The general fund is comprised of three separate sub-funds. These are as follows:

The *Operational Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided by district school tax levy, state equalization and earnings from investments. Expenditures include all costs associated with the daily operations of the schools except for those items included in other funds.

The *Transportation Fund* is used to account for the state equalization received from the State Public Education Department which is used to pay for the costs associated with transporting school age children.

The *Instructional Materials Fund* is used to account for the monies received from the State Public Education Department for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

In addition, the District reports the following other major funds:

Special Revenue Fund – The *Title I Fund* is used to account for grant funds to be used for the purpose of improving educational opportunities for educationally deprived children. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

Special Revenue Fund – The *IDEA-B Entitlement Fund* is used to account for resources provided to the school for the purpose of meeting the educational needs of the handicapped. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

Capital Projects Fund – The *Capital Improvements SB-9 Fund* is used to account for the revenue derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

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.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The District’s deferred outflows of resources and deferred inflows of resources are noncurrent. The Statement of Revenues,



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Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax, and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

*Fiduciary Fund Financial Statements*

Fiduciary fund financial statements include a Statement of Net Position. The District's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above. The District's Agency Funds are comprised of the High School and Elementary School Activities funds which are used to account for funds generated by and used for programs and events that are specific to each school.

*C. Assets, Liabilities and Equity*

Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The District pools idle cash from its governmental funds for the purpose of increasing income through investment activities. A "Pooled Cash" concept is used in maintaining the cash and investment accounts in the accounting records. Under this method, all governmental fund cash is pooled for investment purposes and each fund has "equity" in the pooled amount. All amounts included in pooled cash and investments are considered to be cash equivalents for the purposes of the statement of cash flows, except for certificates of deposit or other investments that have original maturities of more than 90 days. Additional cash and investment information are presented in Note 2.

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Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” In governmental fund financial statements, advances between funds are offset by an amount reported as nonspendable fund balance to indicate that they are not available for appropriation and are not expendable available financial resources.

Receivables from and payables to external parties are reported separately and are not offset in the proprietary fund financial statements and business-type activities of the government-wide financial statements, unless a right of offset exists.

Accounts receivable consist of receivables from grantors and property taxes. Estimated uncollectible accounts are not material and therefore the District has not established an allowance for doubtful accounts.

Inventories and Prepaid Items

Inventories in governmental consist of purchased food and non-food items and United States Department of Agriculture (USDA) commodities, and are valued at cost using a first-in, first-out (FIFO) method. Expendable supplies are accounted for using the consumption method.

Type	Amount
Food service items	\$ 2,406

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The District has a collection of library books which have been capitalized and are depreciated as a group.

Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government wide statements. Information technology equipment including software is being capitalized and included in machinery and equipment in accordance with NMAC 2.20.1.9

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C (5). Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets that have been disposed of are recorded as deletions on the government-wide financial statements. Accumulated depreciation is adjusted for all deletions.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. The total interest expense capitalized by the District during the current fiscal year was \$0. No interest was included as part of the cost of capital assets under construction.

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

Asset Type	Years
Land	Perpetuity
Construction in progress	Perpetuity
Land improvements	20
Buildings and improvements	40
Machinery and equipment	3 - 10
Library books	10

Amounts due from Grantors

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for grants received in advance of meeting eligibility requirements (commonly referred to as unearned revenue). The other type of deferred inflow is “unavailable revenue.” Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. It must also be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows.

Deferred Inflows of Resources

The property taxes receivable are an aggregate of uncollected amounts assessed for the current fiscal year, as well as delinquent balances carried forward from the nine preceding fiscal years. While some of the delinquent outstanding balances will eventually be eliminated through corrections, litigation, and other property tax administrative procedures, the majority of the balances will ultimately be realized through delinquent payment or tax sales. The aggregate amount of this ultimate realization is generally difficult to ascertain at any point in time. Thus,

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taxes not collected within sixty days official year end are carried in the deferred inflows of resources section of the balance sheet on the fund basis financial statements.

Compensated Absences

Full-time employees of the District are granted annual leave benefits in varying amounts to specified maximums depending on their contracts with the District. It is the District's policy to permit the Superintendent to carry over accumulated unused annual leave from one year to another, however the amount of annual leave carry over cannot exceed 30 hours. No other employees are permitted to carry-over annual leave at this time. The Superintendent's accumulated unused annual is payable upon retirement or termination from employment. The Superintendent's leave is accrued when incurred in the government-wide financial statements. A liability for compensated absences is not reported in the governmental fund balance sheet unless it was actually due and payable at year end for payments due to retired or terminated employees.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities section of the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are expensed in the period in which they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as debt 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 expenditures.

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent.

*Governmental Fund Financial Statements.* In accordance with GASBS No. 54, the District classifies fund balances in the governmental funds as follows:

*Nonspendable Fund Balance* includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal/contractual requirements. Examples are Prepaid Expenses and Inventory.

*Spendable Fund Balance* includes Restricted, Committed, Assigned, and Unassigned designations:

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*Restricted* includes fund balance amounts that are limited for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

*Committed* includes fund balance amounts that are obligated to a specific purpose which are internally imposed by the government through formal action (Ordinances and Resolutions) at the highest level of decision making authority (Board of Education). These commitments can only be overturned by a like action.

*Assigned* includes spendable fund balance amounts that are intended to be used for specific purposes that are considered neither restricted nor committed. Undesignated excess Fund Balances may be assigned by the Board of Education or Superintendent for specific purposes through the budget process or agenda items. The assigned designation may be reversed by the Board of Education at any public meeting.

*Unassigned* includes residual positive fund balances within the General Fund, which have not been classified within the other above mentioned categories. Unassigned Fund Balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

See the Schedule of Fund Balances on page 73 for additional information about fund balances.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in the General Fund, it is the District's policy to use unassigned resources first, then assigned, and then committed as needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any other governmental fund, it is the District's policy to use committed resources first, then assigned, and then unassigned as needed.

The District does not have a formal minimum fund balance requirement.

Net Position

*Government-wide Financial Statements.* The District classifies net position in the government-wide and proprietary fund financial statements as follows:

*Net Investment in Capital Assets* includes the District's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted Net Position* includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The District typically uses restricted assets first,

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as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

*Unrestricted Net Position* typically includes unrestricted liquid assets. The District's Board of Education has the authority to revisit or alter this designation.

*D. Revenues/Expenses*

Property Tax

The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1<sup>st</sup> of each year and are payable in two equal installments, on November 10<sup>th</sup> of the year in which the tax bill is prepared and April 10<sup>th</sup> of the following year with the levies becoming delinquent 30 days (one month) thereafter.

The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements. The District recognized \$479,939 in tax revenues in the governmental fund financial statements during the year ended June 30, 2014. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

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 costs".

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 \$3,142,702 in state equalization guarantee distributions during the year ended June 30, 2014.

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 \$322,840 in transportation distributions during the year ended June 30, 2014.

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Instructional Materials

The district had allocations allowed by the State for the current year of 18,155. The full amount of allocations used to purchase textbooks during the year was \$15,128. Allocations received and utilized are reflected in revenue and expenditures of the General Fund.

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 federal revenue in the General Fund.

*E. Inter-Fund Transactions*

Interfund activity is reported as loans, services provided, reimbursements, or transfers.

Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

*F. Income Taxes*

As a local government entity, the District is not subject to federal or state income taxes. The District is generally no longer subject to examination by federal and state taxing authorities for years prior to 2011. For the year ended June 30, 2014, no interest or penalties were recorded or included in the financial statements.

*G. 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.

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**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The District adopts budgets for each individual fund. Budgets 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.

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.

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

1. Prior to April 15, (unless a later date is fixed by the Secretary of the Public Education Department) the local school board submits to the School Budget Planning Unit (SBPU) of the New Mexico Public Education Department an estimated budget for the school district for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the Public Education Department by the school district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed operating budget will be reviewed and approved by the SBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.

The operating budget will be used by the District until it has been notified that the budget has been approved by the SBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.

3. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBPU.
4. No school board or officer or employee of a school district shall make any expenditures or incur any obligation for the expenditure of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division, but this does not prohibit the transfer of funds between line items within a series of a budget.



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5. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the SBPU.
6. Appropriations lapse at fiscal year-end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and any amendments.

*Budgetary Compliance* – Budgetary control is required to be maintained at the individual function/fund level.

Actual fund revenues may be either over or under the budgeted amounts; however, the variance is required to be reasonable, particularly in the case of over-budgeted revenues. Major over-budgeted revenues require a budget amendment as soon as the extent of the shortage is reasonably ascertainable.

*Budget Amendments* – 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.

*Budgetary Basis* – State law prescribes that the District's budget be prepared on the basis of cash receipts and cash expenditures. Therefore, budgetary comparisons shown in exhibits are prepared on a cash basis to compare actual revenues and expenditures with a cash basis budget as amended.

The accompanying Statements of Revenue, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2014 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The District's cash balances consist of demand deposits and interest bearing savings accounts. The majority of District's cash and cash equivalents in the governmental funds are pooled. All interest income is accounted for in the related funds. The District does not have a deposit policy. The District's cash and cash equivalents are listed on pages 77 of this report.

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The following is a summary of the District's cash and cash equivalents balances by fund type as of June 30, 2014:

Fund Type	Amount
Cash and equivalents	
Governmental funds	\$ 731,751
Fiduciary funds	29,380
Total cash and cash equivalents	\$ 761,131

Certain of the District's cash balances are restricted for the following purposes:

Fund Type	Amount
Debt service fund:	
Debt service reserve	\$ 1
EE & RE bonding act fund - Non-major spec rev fund	
Debt service reserve	4,225
Total restricted cash and equivalents	\$ 4,226

*Custodial Credit Risk Deposits* - Custodial credit risk is the risk that in the event of a bank failure, the District funds may not be returned. The District does not have a deposit policy for custodial risk.

State regulations require that uninsured demand deposits and deposit-type investments such as certificates of deposit be collateralized by the depository thrift or banking institution. At present, state statutes require that a minimum of fifty percent of uninsured balances on deposit with anyone institution must be collateralized, with higher requirements up to 100% for financially troubled institutions.

Based on the above, the District is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to 50% of the public money in each account. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency or political subdivision of the State of New Mexico. The District's Schedule of Collateral is presented on page 78 of this report.

As of June 30, 2014, the District's bank balances of \$1,020,968 were exposed to custodial credit risk as follows:

Insured through federal depository insurance	\$ 250,000
Uninsured, collateralized with securities held by pledging financial institution's trust department or agent in the District's name.	770,968
Uninsured and uncollateralized	-
Total uninsured deposits	\$ 1,020,968

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**NOTE 4 – RECEIVABLES**

Receivables as of June 30, 2014 are as follows:

Governmental Activities							
	<b>Oper</b>	<b>Title I</b>	<b>IDEA B - Entitle- ment</b>	<b>Capital Improv SB-9</b>	<b>Debt Service Fund</b>	<b>Non- Major Funds</b>	<b>Total</b>
Taxes:							
Property	\$ 3,877	-	-	17,351	45,323	-	66,551
Other intergovernmental	-	162,353	58,352	-	-	43,026	263,731
Subtotal	3,877	162,353	58,352	17,351	45,323	43,026	330,282
Less: Allowance for uncollectibles	-	-	-	-	-	-	-
Net Receivables	\$ <u>3,877</u>	<u>162,353</u>	<u>58,352</u>	<u>17,351</u>	<u>45,323</u>	<u>43,026</u>	<u>330,282</u>

Estimated uncollectible accounts are not material and therefore the District has not established an allowance for doubtful accounts.

In accordance with GASB No. 33, the property tax revenues totaling \$50,590 that were not collected within the period of availability have been reclassified as deferred inflows of resources in the governmental fund financial statements.

**NOTE 5 – CAPITAL ASSETS**

A summary of capital assets and changes occurring during the year ended June 30, 2014 follows.

	<b>Balance 06/30/13</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 06/30/14</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>Non-depreciable capital assets:</b>				
Land	\$ 57,583	-	-	57,583
Total non-depreciable capital assets	57,583	-	-	57,583
<b>Capital assets being depreciated:</b>				
Land improvements	798,780	-	-	798,780
Buildings and improvements	9,523,236	-	-	9,523,236
Machinery and equipment	1,086,114	144,780	-	1,230,894
Library books	474,356	-	-	474,356
Total capital assets being depreciated	11,882,486	144,780	-	12,027,266
<b>Less accumulated depreciation for:</b>				
Land improvements	(274,756)	(39,939)	-	(314,695)
Buildings and improvements	(3,068,496)	(202,710)	-	(3,271,206)
Machinery and equipment	(893,838)	(55,502)	-	(949,340)
Library books	(359,580)	(18,488)	-	(378,068)
Total accumulated depreciation	(4,596,670)	(316,639)	-	(4,913,309)
Total capital assets being depreciated	7,285,816	(171,859)	-	7,113,957
Total capital assets, net of depreciation	\$ <u>7,343,399</u>	<u>(171,859)</u>	<u>-</u>	<u>7,171,540</u>

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Land and construction in progress are not subject to depreciation. Depreciation expense for the year ended June 30, 2014 was charged to the following functions and funds:

Governmental activities:		
Operation and maintenance of plant	\$	316,639
Total governmental activities	\$	<u>316,639</u>

**NOTE 6 – LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2014, was as follows:

	Balance			Amount due	
	June 30, 2013	Increases	Decreases	June 30, 2014	within one year
Governmental funds debt					
Compensated absences	\$ 3,462	3,750	(4,638)	2,574	2,059
Bonds payable	1,313,666	-	(286,284)	1,027,382	271,561
Total governmental activities	<u>\$ 1,317,128</u>	<u>3,750</u>	<u>(290,922)</u>	<u>1,029,956</u>	<u>273,620</u>

Long-term liabilities are liquidated from the general fund and special revenue funds. No short-term debt was incurred during fiscal year 2014.

**General Obligation Bonds**

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The original amount of general obligation bonds issued in prior years was \$2,088,668. The District did not issue any general obligation bonds for fiscal year 2014. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2014 are for governmental activities.

Bonds outstanding at June 30, 2014, are comprised of the following:

Series	Date of Issue	Original Amount	Interest Rate	Balance	Due Within One Year
2007	5/11/2007	\$ 750,000	2.72-2.82%	260,000	200,000
2008	10/15/2008	550,000	3.85-5.00%	440,000	50,000
2012	1/13/2012	363,668	1.27%	327,382	21,561
		<u>\$ 1,663,668</u>		<u>1,027,382</u>	<u>271,561</u>

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The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2014, including interest payments are as follows:

Series 2007			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 200,000	7,284	207,284
2016	60,000	1,694	61,694
Total	\$ <u>260,000</u>	<u>8,978</u>	<u>268,978</u>
Series 2008			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 50,000	16,898	66,898
2016	55,000	14,835	69,835
2017	200,000	9,635	209,635
2018	135,000	2,767	137,767
Total	\$ <u>440,000</u>	<u>44,135</u>	<u>484,135</u>
Series 2012			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 21,561	3,773	25,334
2016	21,902	3,677	25,579
2017	22,304	3,553	25,857
2018	22,779	3,399	26,178
2019	23,325	3,211	26,536
2020-2024	127,481	12,091	139,572
2025-2029	88,030	2,820	90,850
Total	\$ <u>327,382</u>	<u>32,524</u>	<u>359,906</u>
Total payment requirements			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 271,561	27,955	299,516
2016	136,902	20,206	157,108
2017	222,304	13,188	235,492
2018	157,779	6,166	163,945
2019	23,325	3,211	26,536
2020-2024	127,481	12,091	139,572
2025-2029	88,030	2,820	90,850
Total	\$ <u>1,027,382</u>	<u>85,637</u>	<u>1,113,019</u>

**NOTE 7 – INTERFUND BALANCES AND TRANSFERS**

The District recorded interfund transfers to reflect activity occurring between funds. Transfers and payments within the District are substantially for the purpose of subsidizing operating functions and funding various projects within the District. All transfers made during the year were considered routine and were consistent with the general characteristics of the District’s transfer policy.

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The composition of interfund transfers during the year ended June 30, 2014 was as follows:

Transfers Out	Transfers In			
		General	Non-Major Govern- mental	
		Operational		Total
		Operational	mental	Total
General - Operational	\$ -	6,351		6,351
Non-Major Governmental	-	-		-
<b>Total</b>	<b>\$ -</b>	<b>6,351</b>		<b>6,351</b>

The District recorded interfund receivables/payables to reflect temporary loans between funds. The purpose of the loans were to cover cash shortages until grant reimbursements or other funding measures could be obtained. All interfund balances are expected to be repaid within one year. Interfund balances as of June 30, 2014, are as follows:

Due To Fund	Due From Fund	Amount
Capital Improv SB-9 Fund - Major spec rev fund	Title I - Major Spec Rev Fund	\$ 164,436
Capital Improv SB-9 Fund - Major spec rev fund	IDEA B - Entitlement - Major spec rev fund	58,352
Capital Improv SB-9 Fund - Major spec rev fund	IDEA B - Preschool - Non-major spec rev fund	852
Capital Improv SB-9 Fund - Major spec rev fund	Teacher/Prinpl Training - Non-major spec rev fund	7,548
Capital Improv SB-9 Fund - Major spec rev fund	Dual Credit Instr - Non-major spec rev fund	54
Capital Improv SB-9 Fund - Major spec rev fund	NM Reads to Lead - Non-major spec rev fund	22,234
Capital Improv SB-9 Fund - Major spec rev fund	K-3 Plus - Non-major spec rev fund	5,871
Food Services Fund - Non-major spec rev fund	Breakfast for Elem - Non-major spec rev fund	6,489
Food Services Fund - Non-major spec rev fund	Fresh Fruits & Veg - Non-major spec rev fund	839
Title I - Major Spec Rev Fund	Operational - General Fund	33
Operational - General Fund	Food Services Fund - Non-major spec rev fund	3,381
Breakfast for Elem - Non-major spec rev fund	Operational - General Fund	2,944
Operational - General Fund	NM Reads to Lead - Non-major spec rev fund	2,083
		<u>\$ 275,116</u>

**NOTE 8 – 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 School Insurance Authority (NMPSIA) was formed 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

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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, 2014.

**NOTE 9 – PENSION PLAN – EDUCATIONAL RETIREMENT BOARD**

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

*Funding Policy.*

**Member Contributions**

Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 10.10% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

**Employer Contributions**

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

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, 2014, 2013, and 2012, were \$253,300, \$225,405, and \$202,354, respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE 10 – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN**

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

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, the statutes required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978



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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, 2014, 2013, and 2012 were \$37,741, \$40,061 and \$38,140, respectively, which equal the required contributions for each year.

**NOTE 11 – NON-CASH FEDERAL ASSISTANCE**

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2014 was \$10,183.

**NOTE 12 – FUND DEFICITS AND NON-COMPLIANCE**

Deficit Fund Balances

No funds had deficit balances as of June 30, 2014.

Legal Compliance with Budget

No functions exceeded budgeted expenditures for the year ended June 30, 2014.

**NOTE 13 – CONTINGENCIES**

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2014, significant amounts of grant expenditures have not been audited by the grantor agencies.

Management believes that any disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds of the overall financial position of the District.

The District is party to various legal proceedings, which are the unavoidable results of governmental operations. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material effect on the financial condition of the District.

**NOTE 14 – SURETY BOND**

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

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**NOTE 15 – JOINT VENTURE**

Mountainair Public Schools is a member of Central Region Educational Cooperative, which was established by the New Mexico State Board of Education. This REC operates as an agency for school districts and provides cooperative services as its primary service. The REC administers several federal award programs for municipal schools. Central Region Educational Cooperative issues a separate, publicly available audited financial report that includes expenditures of federal awards and supplementary information. That report may be obtained by writing Central Region Educational Cooperative, P.O. Box 37440, Albuquerque, NM 87176.

**NOTE 16 – RELATED PARTIES**

Due to the size of the district and surrounding community, in the ordinary course of business, the District has and expects to continue to have transactions with its employees and elected officials. In the opinion of management, such transactions were on substantially the same terms, including interest rates, and collateral, as those prevailing at the time of comparable transactions with other persons and did not involve more than a normal risk of collectability or present any other unfavorable features to the District.

The District has entered into a contract for providing bus services with a company owned and operated by a member of the Board of Education. The contract is for one year ending June 30, 2014 and is not to exceed \$31,098. No amounts were due or remaining on the contract as of June 30, 2014

**NOTE 17 – RESTATEMENTS OF BEGINNING FUND BALANCES/NET POSITION**

The following restatements were made to beginning fund balance:

Fund	Purpose/Reason	Amount
Government-wide statements	Due to implementation of GASB 65, the cost of issuance of debt is no longer recorded as asset and amortized over the life of the debt. As a result, these amounts were written down in the current year.	\$ 35,459
Total governmental activities		<u>\$ 35,459</u>

**NOTE 18 – EVALUATION OF SUBSEQUENT EVENTS**

The District has evaluated subsequent events through November 13, 2014, the date which the financial statements were available to be issued.

## **SUPPLEMENTAL INFORMATION**

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

**NON-MAJOR SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Special Revenue Funds are used to account for the proceeds of specific revenue sources which are legally restricted to expenditures for specific purposes. Grants accounted for in the Special Revenue Funds include:

Food Service - This fund is utilized to account for the cost of operating a student breakfast, lunch, snack bar and summer lunch program and is financed with federal grants and fees paid by program users. Authority for the creation of this fund is NMSA 22-13-13.

Athletics - This fund is used to account for income from gross receipts and other proceeds from school athletic events and to provide for the payment of operating expenses of those activities. The authority for creation of this fund is 6.20.2 NMAC.

Board Activity- This fund is utilized to account for resources designated by the Board of Education. Authority is Board of Education Resolution.

IDEA-B Preschool - To assist in providing free, appropriate public education to all handicapped children from ages three to five. Authority for creation of this fund is Public Law 105-17.

Fresh Fruits and Vegetables-To account for resources provided to combat childhood obesity by helping children learn healthier eating habits. The program is used primarily to purchase unique fresh fruit and vegetables and must be made available to all students. Authorized by National School Lunch Act, as amended, 42 U.S.C. 1769.

Teacher/Principal Training and Recruitment- To account for grant funds to be used for training and recruiting teachers and principals. The authority for creation of this fund is Title II of the Elementary and Secondary Education Act of 1965 as amended, Public Law 103-382.

Medicaid- To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children of low-income families. Funding authority is the U.S. Government.

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

Dual Credit Instructional Materials - To purchase college textbooks for students who dual enroll in college credited courses while still attending high school. Authority is the State of New Mexico Public Education Department.

GO Student Library Funds - To account for funds used to purchase library books and library supplies for all school sites. Authority is the State of New Mexico Public Education Department.

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

GO Bond Public School Library Acquisition Award -To be used to acquire library books, equipment and library resources for public school libraries statewide. The authority is the State of New Mexico Public Education Department.

New Mexico Reads to Lead - K-3 Reading Initiative legislative funded. The authority is the State of New Mexico Public Education Department.

Breakfast for Elementary Students - To fund elementary breakfast. The authority is the United States Department of Agriculture through the New Mexico Public Education Department.

K-3 Plus - To account for funds used to demonstrate that increased time in kindergarten and the early grades narrows the achievement gap between disadvantaged students and other students, increases cognitive skills and leads to higher test scores for all participants. The authority is the State of New Mexico Public Education Department.

STEM Teacher Initiative - To account for funds to be used as a stipend to recruit STEM experts to teach in hard to staff schools or to attract and retain STEM teachers in hard to staff schools. The authority is the State of New Mexico Public Education Department.

NM Arts Grant - To account for funds used for art given by the State of New Mexico. Authority is the State of New Mexico, Public Education Department

Energy Efficiency and Renewable Energy Bonding Act (EF & RE) Fund - Used to account for funds to provide or improve energy efficiency and renewable energy measures at existing facilities.

CYFD Summer Lunch - This grant is to account for summer lunches for school age children in the district area. Funding authority is the State of New Mexico Public Education Department.

School Based Health Center - A fund used to account for resources provided by the State of New Mexico Department of Health to implement a school-based health center. Authority is laws of 2005.

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
As of June 30, 2014**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
Assets and deferred inflows of resources:			
Assets:			
Cash and equivalents, unrestrictd	\$ 183,648	54,440	238,088
Cash and equivalents, restrictd	4,225	-	4,225
Receivables			
Due from other funds	10,272	-	10,272
Due from other governments	43,026	-	43,026
Inventories	<u>2,406</u>	<u>-</u>	<u>2,406</u>
Total assets	<u>243,577</u>	<u>54,440</u>	<u>298,017</u>
Deferred Outflows of Resources:			
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assests and deferred outflows of resources	<u>\$ 243,577</u>	<u>54,440</u>	<u>298,017</u>
Liabilities, deferred inflows of resources and fund balances:			
Liabilities:			
Due to other funds	\$ 49,351	-	49,351
Grants received in advance of eligibility requirements	<u>20,130</u>	<u>-</u>	<u>20,130</u>
Total liabilities	<u>69,481</u>	<u>-</u>	<u>69,481</u>
Deferred Inflows of Resources:			
"Unavailable" revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	2,406	-	2,406
Restricted	171,690	54,440	226,130
Committed	-	-	-
Assigned	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>174,096</u>	<u>54,440</u>	<u>228,536</u>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 243,577</u>	<u>54,440</u>	<u>298,017</u>

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

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2014**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Totals</u>
Revenues:			
Taxes			
Property	\$ 25,156	-	25,156
Charges for services	22,001	-	22,001
Intergovernmental revenue			
Federal grants	208,240	-	208,240
State grants	80,768	-	80,768
Interest income	33	-	33
Miscellaneous income	498	-	498
Total revenues	<u>336,696</u>	<u>13,240</u>	<u>349,936</u>
Expenditures:			
Current:			
Instruction	80,627	-	80,627
Support services - students	37,054	-	37,054
Support services - instruction	-	-	-
Support services - general admin	-	-	-
Support services - school admin	928	-	928
Central services	-	-	-
Operation and maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	185,910	-	185,910
Capital outlay	-	14,000	14,000
Debt service			
Principal	21,284	-	21,284
Interest	3,836	-	3,836
Total expenditures	<u>329,639</u>	<u>14,000</u>	<u>343,639</u>
Excess (deficiency) of revenues over (under) expenditures	7,057	(760)	6,297
Other financing sources (uses):			
Transfers in	6,351	-	6,351
Transfers out	-	-	-
Total other financing sources (uses):	<u>6,351</u>	<u>-</u>	<u>6,351</u>
Net change in fund balances	13,408	(760)	12,648
Beginning fund balance	<u>160,688</u>	<u>55,200</u>	<u>215,888</u>
Ending fund balance	<u>\$ 174,096</u>	<u>54,440</u>	<u>228,536</u>

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
As of June 30, 2014

	<u>21000</u>	<u>22000</u>	<u>23000</u>	<u>24109</u>	<u>24118</u>	<u>24154</u>	<u>25153</u>	<u>25233</u>
	<u>Food</u>	<u>Athletics</u>	<u>Non-Inst</u>	<u>IDEA B -</u>	<u>Fresh</u>	<u>Teacher/</u>	<u>Title XIX</u>	<u>REAP</u>
	<u>Services</u>	<u>Fund</u>	<u>Support</u>	<u>Preschool</u>	<u>Fruits &amp;</u>	<u>Principal</u>	<u>MEDICAID</u>	<u>SRSA</u>
	<u>Vegetables</u>				<u>Training &amp;</u>			
					<u>Recruiting</u>			
Assets and deferred inflows of resources:								
Assets:								
Cash and equivalents, unrestricted	\$ 68,159	82	10,654	-	-	-	78,272	-
Cash and equivalents, restricted	-	-	-	-	-	-	-	-
Receivables								
Due from other funds	7,328	-	-	-	-	-	-	-
Due from other governments	-	-	-	852	839	7,548	-	-
Inventories	2,406	-	-	-	-	-	-	-
Total assets	<u>77,893</u>	<u>82</u>	<u>10,654</u>	<u>852</u>	<u>839</u>	<u>7,548</u>	<u>78,272</u>	<u>-</u>
Deferred Outflows of Resources:								
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 77,893</u>	<u>82</u>	<u>10,654</u>	<u>852</u>	<u>839</u>	<u>7,548</u>	<u>78,272</u>	<u>-</u>
Liabilities, deferred inflows of resources and fund balances:								
Liabilities:								
Due to other funds	\$ 3,381	-	-	852	839	7,548	-	-
Total liabilities	<u>3,381</u>	<u>-</u>	<u>-</u>	<u>852</u>	<u>839</u>	<u>7,548</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:								
"Unavailable" revenues	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:								
Nonspendable	2,406	-	-	-	-	-	-	-
Restricted	72,106	82	10,654	-	-	-	78,272	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>74,512</u>	<u>82</u>	<u>10,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,272</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 77,893</u>	<u>82</u>	<u>10,654</u>	<u>852</u>	<u>839</u>	<u>7,548</u>	<u>78,272</u>	<u>-</u>

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



STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
As of June 30, 2014

	<u>27103</u>	<u>27105</u>	<u>27106</u>	<u>27114</u>	<u>27155</u>	<u>27166</u>	<u>27181</u>	<u>28131</u>
	Dual	Student	Library	NM	Breakfast		STEM	
	Credit Instr	Library	Fund SB-1	Reads to	for Elem		Teacher	NM Arts
	Materials	Bonds	Fund	Lead K-3	Students	K-3 Plus	Initiative	Div Fund
Assets and deferred inflows of resources:								
Assets:								
Cash and equivalents, unrestricted	\$ -	-	-	-	-	-	-	95
Cash and equivalents, restricted	-	-	-	-	-	-	-	-
Receivables								
Due from other funds	-	-	-	-	2,944	-	-	-
Due from other governments	54	-	-	24,317	3,545	5,871	-	-
Total assets	<u>54</u>	<u>-</u>	<u>-</u>	<u>24,317</u>	<u>6,489</u>	<u>5,871</u>	<u>-</u>	<u>95</u>
Deferred Outflows of Resources:								
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	\$ <u>54</u>	<u>-</u>	<u>-</u>	<u>24,317</u>	<u>6,489</u>	<u>5,871</u>	<u>-</u>	<u>95</u>
Liabilities, deferred inflows of resources and fund balances:								
Liabilities:								
Due to other funds	\$ 54	-	-	24,317	6,489	5,871	-	-
Grants received in advance of eligibility requirements	-	-	-	-	-	-	-	95
Total liabilities	<u>54</u>	<u>-</u>	<u>-</u>	<u>24,317</u>	<u>6,489</u>	<u>5,871</u>	<u>-</u>	<u>95</u>
Deferred Inflows of Resources:								
"Unavailable" revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances:	\$ <u>54</u>	<u>-</u>	<u>-</u>	<u>24,317</u>	<u>6,489</u>	<u>5,871</u>	<u>-</u>	<u>95</u>

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
As of June 30, 2014

	<u>28107</u>	<u>28201</u>	<u>29130</u>	
	<u>EE &amp; RE</u>	<u>Child and</u>	<u>School Based</u>	
	<u>Bonding</u>	<u>Adult Care Food</u>	<u>Health Center</u>	
	<u>Act Fund</u>	<u>Program</u>	<u>Fund</u>	<u>Total</u>
Assets and deferred inflows of resources:				
Assets:				
Cash and equivalents, unrestricted	\$ -	16,545	9,841	183,648
Cash and equivalents, restricted	4,225	-	-	4,225
Receivables				
Due from other funds	-	-	-	10,272
Due from other governments	-	-	-	43,026
Inventories	-	-	-	2,406
Total assets	<u>4,225</u>	<u>16,545</u>	<u>9,841</u>	<u>243,577</u>
Deferred Outflows of Resources:				
Total deferred outflows of resources	-	-	-	-
Total assests and deferred outflows of resources	<u>\$ 4,225</u>	<u>16,545</u>	<u>9,841</u>	<u>243,577</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Due to other funds	\$ -	-	-	49,351
Grants received in advance of eligibility requirements	-	10,194	9,841	20,130
Total liabilities	<u>-</u>	<u>10,194</u>	<u>9,841</u>	<u>69,481</u>
Deferred Inflows of Resources:				
"Unavailable" revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	2,406
Restricted	4,225	6,351	-	171,690
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>4,225</u>	<u>6,351</u>	<u>-</u>	<u>174,096</u>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 4,225</u>	<u>16,545</u>	<u>9,841</u>	<u>243,577</u>

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
NON-MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
As of June 30, 2014

	<b>31100</b>		<b>Bond</b>		<b>Building</b>		<b>Totals</b>
	<b>Fund</b>				<b>Fund</b>		<b>Totals</b>
Assets and deferred inflows of resources:							
Assets:							
Cash and equivalents, unrestricted	\$	54,440			54,440		54,440
Total assets		54,440			54,440		54,440
Deferred Outflows of Resources:							
Total deferred outflows of resources		-			-		-
Total assests and deferred outflows of resources							
	\$	54,440			54,440		54,440
Liabilities, deferred inflows of resources and fund balances:							
Liabilities:							
Total liabilities	\$	-			-		-
Deferred Inflows of Resources:							
"Unavailable" revenues		-			-		-
Total deferred inflows of resources		-			-		-
Fund balances:							
Nonspendable		-			-		-
Restricted		54,440			54,440		54,440
Committed		-			-		-
Assigned		-			-		-
Unassigned		-			-		-
Total fund balances		54,440			54,440		54,440
Total liabilities, deferred inflows of resources and fund balances:							
	\$	54,440			54,440		54,440

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2014

	<u>21000</u>	<u>22000</u>	<u>23000</u>	<u>24109</u>	<u>24118</u>	<u>24154</u>	<u>25153</u>	<u>25233</u>
	<u>Food Services</u>	<u>Athletics Fund</u>	<u>Non-Inst Support</u>	<u>IDEA B - Preschool</u>	<u>Fresh Fruits &amp; Vegetables</u>	<u>Teacher/ Principal Training &amp; Recruiting</u>	<u>Title XIX MEDICAID</u>	<u>REAP SRSA</u>
Revenues:								
Charges for services	\$ 9,516	12,485	-	-	-	-	-	-
Intergovernmental revenue								
Federal grants	137,983	-	-	852	7,356	7,548	27,575	-
Interest income	32	-	-	-	-	-	-	-
Miscellaneous income	<u>49</u>	<u>-</u>	<u>449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>147,580</u>	<u>12,485</u>	<u>449</u>	<u>852</u>	<u>7,356</u>	<u>7,548</u>	<u>27,575</u>	<u>-</u>
Expenditures:								
Current:								
Instruction	-	12,530	2,450	852	-	7,548	-	-
Support services - students	-	-	-	-	-	-	19,389	-
Support services - school admin	-	-	-	-	-	-	-	-
Food services operations	146,700	-	-	-	7,356	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	<u>146,700</u>	<u>12,530</u>	<u>2,450</u>	<u>852</u>	<u>7,356</u>	<u>7,548</u>	<u>19,389</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	880	(45)	(2,001)	-	-	-	8,186	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	880	(45)	(2,001)	-	-	-	8,186	-
Beginning fund balance	<u>73,632</u>	<u>127</u>	<u>12,655</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,086</u>	<u>-</u>
Ending fund balance	<u>\$ 74,512</u>	<u>82</u>	<u>10,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,272</u>	<u>-</u>

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2014

	<u>27103</u>	<u>27105</u>	<u>27106</u>	<u>27114</u>	<u>27155</u>	<u>27166</u>	<u>27181</u>	<u>28131</u>
	Dual Credit	GO Student	Student	NM	Breakfast for		STEM	
	Instr	Library	Library Fund	Reads to	Elem		Teacher	NM Arts
	Materials	Bonds	SB-1 Fund	Lead K-3	Students	K-3 Plus	Initiative	Div Fund
Revenues:								
Intergovernmental revenue								
State grants	\$ 359	-	-	38,888	4,928	5,871	9,947	3,110
Total revenues	359	-	-	38,888	4,928	5,871	9,947	3,110
Expenditures:								
Current:								
Instruction	359	-	-	37,960	-	5,871	9,947	3,110
Support services - students	-	-	-	-	-	-	-	-
Support services - school admin	-	-	-	928	-	-	-	-
Food services operations	-	-	-	-	4,928	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	359	-	-	38,888	4,928	5,871	9,947	3,110
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses):	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-
Beginning fund balance	-	-	-	-	-	-	-	-
Ending fund balance	\$ -	-	-	-	-	-	-	-

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2014

	<u>28197</u>	<u>28201</u>	<u>29130</u>	
	EE & RE	Child and	School Based	
	Bonding	Adult Care	Health Center	
	Act Fund	Food Program	Fund	Total
Revenues:				
Taxes				
Property	\$ 25,156	-	-	25,156
Charges for services	-	-	-	22,001
Intergovernmental revenue				
Federal grants	-	26,926	-	208,240
State grants	-	-	17,665	80,768
Interest income	1	-	-	33
Miscellaneous income	-	-	-	498
Total revenues	<u>25,157</u>	<u>26,926</u>	<u>17,665</u>	<u>336,696</u>
Expenditures:				
Current:				
Instruction	-	-	-	80,627
Support services - students	-	-	17,665	37,054
Support services - school admin	-	-	-	928
Food services operations	-	26,926	-	185,910
Debt service				
Principal	21,284	-	-	21,284
Interest	<u>3,836</u>	<u>-</u>	<u>-</u>	<u>3,836</u>
Total expenditures	<u>25,120</u>	<u>26,926</u>	<u>17,665</u>	<u>329,639</u>
Excess (deficiency) of revenues over (under) expenditures	37	-	-	7,057
Other financing sources (uses):				
Transfers in	-	6,351	-	6,351
Transfers out	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>6,351</u>	<u>-</u>	<u>6,351</u>
Net change in fund balances	37	6,351	-	13,408
Beginning fund balance	<u>4,188</u>	<u>-</u>	<u>-</u>	<u>160,688</u>
Ending fund balance	<u>\$ 4,225</u>	<u>6,351</u>	<u>-</u>	<u>174,096</u>

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
NON-MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2014

	<u>31100</u>		<u>Bond Building</u>		<u>Totals</u>
	Fund				
Revenues:					
Miscellaneous income	\$ 13,240				13,240
Total revenues	13,240				13,240
Expenditures:					
Current:					
Capital outlay			14,000		14,000
Total expenditures			14,000		14,000
Excess (deficiency) of revenues over (under) expenditures			(760)		(760)
Other financing sources (uses):					
Transfers in			-		-
Transfers out			-		-
Total other financing sources (uses):			-		-
Net change in fund balances			(760)		(760)
Beginning fund balance			55,200		55,200
Ending fund balance			\$ 54,440		54,440

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
FOOD SERVICES - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts			Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 9,000	9,000	9,516	516
Intergovernmental revenue				
Federal grants	106,000	106,000	129,806	23,806
Interest income	25	25	32	7
Miscellaneous income	150	150	50	(100)
Total revenues	115,175	115,175	139,404	24,229
Expenditures:				
Current:				
Food services operations	162,105	162,105	138,270	23,835
	162,105	162,105	138,270	23,835
Excess (deficiency) of revenues over (under) expenditures	(46,930)	(46,930)	1,134	394
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(46,930)	(46,930)	1,134	394
Budgeted cash carryover	46,930	46,930		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 1,134	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			8,177	
Adjustments to expenditures for accrued wages and expenditures			(8,431)	
Net change in fund balance (GAAP)			\$ 880	

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



STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
ATHLETICS - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 17,500	17,500	12,485	(5,015)
Total revenues	<u>17,500</u>	<u>17,500</u>	<u>12,485</u>	<u>(5,015)</u>
Expenditures:				
Current:				
Instruction	<u>19,594</u>	<u>19,594</u>	<u>12,530</u>	<u>7,064</u>
	<u>19,594</u>	<u>19,594</u>	<u>12,530</u>	<u>7,064</u>
Excess (deficiency) of revenues over (under) expenditures	(2,094)	(2,094)	(45)	(12,079)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(2,094)	(2,094)	<u>(45)</u>	<u>(12,079)</u>
Budgeted cash carryover	<u>2,094</u>	<u>2,094</u>		
Net change in fund balance	<u>\$ -</u>	<u>-</u>		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (45)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			-	
Adjustments to expenditures for accrued wages and expenditures			<u>-</u>	
Net change in fund balance (GAAP)			<u>\$ (45)</u>	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
NON-INSTRUCTIONAL SUPPORT - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Miscellaneous income	\$ -	-	449	449
Total revenues	-	-	449	449
Expenditures:				
Current:				
Instruction	12,450	12,450	2,450	10,000
	12,450	12,450	2,450	10,000
Excess (deficiency) of revenues over (under) expenditures	(12,450)	(12,450)	(2,001)	(9,551)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(12,450)	(12,450)	(2,001)	(9,551)
Budgeted cash carryover	12,450	12,450		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (2,001)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			-	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ (2,001)	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
IDEA B - PRESCHOOL - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
Federal grants	\$ 7,098	13,356	5,853	(7,503)
Total revenues	7,098	13,356	5,853	(7,503)
Expenditures:				
Current:				
Instruction	7,098	13,356	853	12,503
	7,098	13,356	853	12,503
Excess (deficiency) of revenues over (under) expenditures	-	-	5,000	(20,006)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	5,000	(20,006)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 5,000	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			(5,000)	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
FRESH FRUITS & VEGETABLES - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenue				
Federal grants	\$ 5,350	5,350	5,350	-
Total revenues	<u>5,350</u>	<u>5,350</u>	<u>5,350</u>	<u>-</u>
Expenditures:				
Current:				
Food services operations	<u>5,350</u>	<u>5,350</u>	<u>5,350</u>	<u>-</u>
	<u>5,350</u>	<u>5,350</u>	<u>5,350</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	<u>-</u>	<u>-</u>
Budgeted cash carryover	<u>-</u>	<u>-</u>		
Net change in fund balance	<u>\$ -</u>	<u>-</u>		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ -	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			2,006	
Adjustments to expenditures for accrued wages and expenditures			<u>(2,006)</u>	
Net change in fund balance (GAAP)			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
TEACHER/PRINCIPAL TRAINING - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
Federal grants	\$ 31,952	39,252	39,763	511
Total revenues	31,952	39,252	39,763	511
Expenditures:				
Current:				
Instruction	31,952	39,252	7,548	31,704
	31,952	39,252	7,548	31,704
Excess (deficiency) of revenues over (under) expenditures	-	-	32,215	(31,193)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	32,215	(31,193)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 32,215	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			(32,215)	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
TITLE XIX - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenue				
Federal grants	\$ 25,000	25,000	27,575	2,575
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>27,575</u>	<u>2,575</u>
Expenditures:				
Current:				
Support services - students	<u>107,915</u>	<u>107,915</u>	<u>19,389</u>	<u>88,526</u>
	<u>107,915</u>	<u>107,915</u>	<u>19,389</u>	<u>88,526</u>
Excess (deficiency) of revenues over (under) expenditures	(82,915)	(82,915)	8,186	(85,951)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(82,915)	(82,915)	<u>8,186</u>	<u>(85,951)</u>
Budgeted cash carryover	<u>82,915</u>	<u>82,915</u>		
Net change in fund balance	<u>\$ -</u>	<u>-</u>		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 8,186	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			-	
Adjustments to expenditures for accrued wages and expenditures			<u>-</u>	
Net change in fund balance (GAAP)			<u>\$ 8,186</u>	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
REAP SRSA - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
Federal grants	\$ -	-	5,539	5,539
Total revenues	-	-	5,539	5,539
Expenditures:				
Current:				
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general admin	-	-	-	-
Support services - school admin	-	-	-	-
	-	-	-	-
	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	5,539	5,539
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	5,539	5,539
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 5,539	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			(5,539)	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
DUAL CREDIT INSTRUCTIONAL MATERIALS - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ 305	359	305	(54)
Total revenues	305	359	305	(54)
Expenditures:				
Current:				
Instruction	305	359	359	-
	305	359	359	-
Excess (deficiency) of revenues over (under) expenditures	-	-	(54)	(54)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	(54)	(54)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (54)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			54	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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



STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
GO STUDENT LIBRARY BONDS - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ -	-	381	381
Total revenues	-	-	381	381
Expenditures:				
Current:				
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general admin	-	-	-	-
Support services - school admin	-	-	-	-
	-	-	-	-
	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	381	381
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	381	381
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 381	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			(381)	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
STUDENT LIBRARY BOND - SB-1 - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ -	-	2,962	2,962
Total revenues	-	-	2,962	2,962
Expenditures:				
Current:				
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general admin	-	-	-	-
Support services - school admin	-	-	-	-
	-	-	-	-
	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	2,962	2,962
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	2,962	2,962
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 2,962	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			(2,962)	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
NM READS TO LEAD K-3 - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ 44,392	52,392	14,571	(37,821)
Total revenues	44,392	52,392	14,571	(37,821)
Expenditures:				
Current:				
Instruction	42,780	46,780	37,960	8,820
Support services - school admin	1,612	1,612	928	684
	44,392	48,392	38,888	9,504
Excess (deficiency) of revenues over (under) expenditures	-	4,000	(24,317)	(47,325)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	4,000	(24,317)	(47,325)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	4,000		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (24,317)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			24,317	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
BREAKFAST FOR ELEM STUDENTS - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ 1,383	4,977	1,383	(3,594)
Total revenues	1,383	4,977	1,383	(3,594)
Expenditures:				
Current:				
Food services operations	1,383	4,977	4,928	49
	1,383	4,977	4,928	49
Excess (deficiency) of revenues over (under) expenditures	-	-	(3,545)	(3,643)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	(3,545)	(3,643)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (3,545)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			3,545	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
K-3 PLUS - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ -	29,881	-	(29,881)
Total revenues	-	29,881	-	(29,881)
Expenditures:				
Current:				
Instruction	-	29,881	5,871	24,010
	-	29,881	5,871	24,010
Excess (deficiency) of revenues over (under) expenditures	-	-	(5,871)	(53,891)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	(5,871)	(53,891)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (5,871)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			5,871	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
STEM TEACHER INITIATIVE - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ -	-	9,947	9,947
Total revenues	-	-	9,947	9,947
Expenditures:				
Current:				
Instruction	10,000	10,000	9,947	53
	10,000	10,000	9,947	53
Excess (deficiency) of revenues over (under) expenditures	(10,000)	(10,000)	-	9,894
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(10,000)	(10,000)	-	9,894
Budgeted cash carryover	10,000	10,000		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ -	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			-	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
NM ARTS DIV FUND - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ 3,110	3,110	6,379	3,269
Total revenues	3,110	3,110	6,379	3,269
Expenditures:				
Current:				
Instruction	3,110	3,110	3,110	-
	3,110	3,110	3,110	-
Excess (deficiency) of revenues over (under) expenditures	-	-	3,269	3,269
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	3,269	3,269
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 3,269	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			(3,269)	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
EE AND ER BONDING ACT FUND - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes				
Property	\$ -	-	-	-
Intergovernmental revenue				
Federal grants	-	-	-	-
State grants	-	-	-	-
Other grants	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
	-	-	-	-
	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	-	-
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ -	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			25,157	
Adjustments to expenditures for accrued wages and expenditures			(25,120)	
Net change in fund balance (GAAP)			\$ 37	

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



STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
CHILD AND ADULT CARE FOOD PROGRAM - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenue				
Federal grants	\$ 11,960	11,960	-	(11,960)
State grants	<u>25,556</u>	<u>30,556</u>	<u>22,948</u>	<u>(7,608)</u>
Total revenues	<u>37,516</u>	<u>42,516</u>	<u>22,948</u>	<u>(19,568)</u>
Expenditures:				
Current:				
Food services operations	<u>37,516</u>	<u>42,516</u>	<u>26,927</u>	<u>15,589</u>
	<u>37,516</u>	<u>42,516</u>	<u>26,927</u>	<u>15,589</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(3,979)	(35,157)
Other financing sources (uses):				
Transfers in	-	-	6,351	6,351
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>6,351</u>	<u>6,351</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	<u>2,372</u>	<u>(28,806)</u>
Budgeted cash carryover	<u>-</u>	<u>-</u>		
Net change in fund balance	<u>\$ -</u>	<u>-</u>		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 2,372	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			3,979	
Adjustments to expenditures for accrued wages and expenditures			<u>-</u>	
Net change in fund balance (GAAP)			<u>\$ 6,351</u>	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
SCHOOL-BASED HEALTH CENTER - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Property	\$ -	-	-	-
Intergovernmental revenue				
Federal grants	-	-	-	-
State grants	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Support services - students	<u>34,679</u>	<u>34,679</u>	<u>17,665</u>	<u>17,014</u>
	<u>34,679</u>	<u>34,679</u>	<u>17,665</u>	<u>17,014</u>
Excess (deficiency) of revenues over (under) expenditures	(34,679)	(34,679)	(17,665)	(17,014)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(34,679)	(34,679)	<u>(17,665)</u>	<u>(17,014)</u>
Budgeted cash carryover	<u>34,679</u>	<u>34,679</u>		
Net change in fund balance	<u>\$ -</u>	<u>-</u>		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (17,665)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			17,665	
Adjustments to expenditures for accrued wages and expenditures			<u>-</u>	
Net change in fund balance (GAAP)			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
CAPITAL IMPROVEMENTS - SB-9 - CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Property	\$ 118,941	118,941	124,261	5,320
Intergovernmental revenue				
State grants	<u>12,213</u>	<u>22,681</u>	<u>12,213</u>	<u>(10,468)</u>
Total revenues	<u>131,154</u>	<u>141,622</u>	<u>136,474</u>	<u>(5,148)</u>
Expenditures:				
Current:				
Support services - general admin	1,190	1,658	1,242	416
Capital outlay	<u>399,541</u>	<u>409,541</u>	<u>204,484</u>	<u>205,057</u>
	<u>400,731</u>	<u>411,199</u>	<u>205,726</u>	<u>205,473</u>
Excess (deficiency) of revenues over (under) expenditures	(269,577)	(269,577)	(69,252)	(210,621)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(269,577)	(269,577)	<u>(69,252)</u>	<u>(210,621)</u>
Budgeted cash carryover	<u>269,577</u>	<u>269,577</u>		
Net change in fund balance	<u>\$ -</u>	<u>-</u>		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (69,252)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			(5,816)	
Adjustments to expenditures for accrued wages and expenditures			<u>-</u>	
Net change in fund balance (GAAP)			<u>\$ (75,068)</u>	

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

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
BOND BUILDING FUND - CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Miscellaneous income	\$ -	-	13,240	13,240
Total revenues	-	-	13,240	13,240
Expenditures:				
Current:				
Capital outlay	38,200	38,200	14,000	24,200
	38,200	38,200	14,000	24,200
Excess (deficiency) of revenues over (under) expenditures	(38,200)	(38,200)	(760)	(10,960)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(38,200)	(38,200)	(760)	(10,960)
Budgeted cash carryover	38,200	38,200		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (760)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			-	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ (760)	

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

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes				
Property	\$ 297,324	297,324	322,333	25,009
Interest income	-	-	5	5
Total revenues	297,324	297,324	322,338	25,014
Expenditures:				
Current:				
Support services - general admin	3,225	3,225	3,225	-
Debt service				
Principal	359,238	359,238	265,000	94,238
Interest	32,314	32,314	32,312	2
	394,777	394,777	300,537	94,240
Excess (deficiency) of revenues over (under) expenditures	(97,453)	(97,453)	21,801	(69,226)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(97,453)	(97,453)	21,801	(69,226)
Budgeted cash carryover	97,453	97,453		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 21,801	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			(13,017)	
Adjustments to expenditures for accrued wages and expenditures			(2)	
Net change in fund balance (GAAP)			\$ 8,782	

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

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
For the Year Ended June 30, 2014**

	<u>Balance</u> <u>06/30/13</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>06/30/14</u>
High school activities				
Assets:				
Cash	\$ 27,453	90,949	(100,055)	18,347
Total assets	<u>27,453</u>	<u>90,949</u>	<u>(100,055)</u>	<u>18,347</u>
Liabilities:				
Held for others	27,453	90,949	(100,055)	18,347
Total liabilities	<u>27,453</u>	<u>90,949</u>	<u>(100,055)</u>	<u>18,347</u>
Elementary school activities				
Assets:				
Cash	10,298	13,139	(12,404)	11,033
Total assets	<u>10,298</u>	<u>13,139</u>	<u>(12,404)</u>	<u>11,033</u>
Liabilities:				
Held for others	10,298	13,139	(12,404)	11,033
Total liabilities	<u>10,298</u>	<u>13,139</u>	<u>(12,404)</u>	<u>11,033</u>
High school activities				
Assets:				
Cash	37,751	104,088	(112,459)	29,380
Total assets	<u>37,751</u>	<u>104,088</u>	<u>(112,459)</u>	<u>29,380</u>
Liabilities:				
Held for others	37,751	104,088	(112,459)	29,380
Total liabilities	\$ <u>37,751</u>	<u>104,088</u>	<u>(112,459)</u>	<u>29,380</u>

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

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2014**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Grant Number</u>	<u>Expenditures</u>
<b>U.S. Department of Education</b>			
Passed Through the New Mexico Department of Education			
Special Education Cluster (IDEA)-Cluster			
Special Education_Grants to States	84.027	* 24106	\$ 87,338
Special Education_Preschool Grants	84.173	* 24109	852
Total Special Education Cluster (IDEA)-Cluster			<u>88,190</u>
Improving Teacher Quality State Grants	84.367	24154	7,548
Title I Grants to Local Educational Agencies	84.010	* 24101	231,588
Total U.S. Department of Education			<u>327,326</u>
<b>U.S. Department of Health and Human Services</b>			
Passed Through the New Mexico Department of Education			
Medical Assistance Program	93.778	25153	19,388
Total U.S. Department of Health and Human Services			<u>19,388</u>
<b>U.S. Department of Agriculture</b>			
Passed Through the New Mexico Department of Education			
Forest Reserve - Schools and Roads - Grants to States	10.665	11000	5,520
National School Lunch Program	10.555	21000	146,446
Fresh Fruit and Vegetable Program	10.582	24118	7,356
Child and Adult Care Food Program	10.558	25171	26,926
Total U.S. Department of Agriculture			<u>186,248</u>
Total			<u>\$ 532,962</u>

\* Major program

Note 1 - Basis of Presentation

The above Schedule of Expenditures of federal awards includes the federal grant activity of the Mountainair Public Schools and is presented on the accrual basis of accounting, which is the same basis as was used to prepare the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in or used in preparation of the basic financial statements.

Note 2 - Non-cash Assistance

The District expended \$10,183 worth of USDA Commodities received for the year.

Note 3 - Subrecipients

The District did not provide any federal awards to subrecipients during the year.

See independent auditor's report.

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
SCHEDULE OF FUND BALANCES  
As of June 30, 2014

	Major Funds							Total Non- Major	Total Funds
	General Fund			Spec Revenue		Cap Projects	Debt Service		
	Operatio nal	Transport ation	Instructio n I Materials	Title I	IDEA B - Entitlement	Capital Improv SB-9 Fund	Debt Service Fund		
Fund Balances:									
Nonspendable:									
Inventory	\$ -	-	-	-	-	-	-	2,406	2,406
Prepaid expenses	-	-	-	-	-	-	-	-	-
Subtotal nonspendable funds	-	-	-	-	-	-	-	2,406	2,406
Restricted for:									
Transportation	-	166	-	-	-	-	-	-	166
Instructional materials	-	-	8,384	-	-	-	-	-	8,384
Educational Programs	-	-	-	-	-	-	-	171,690	171,690
School construction	-	-	-	-	-	273,618	-	54,440	328,058
Debt service	-	-	-	-	-	-	139,994	-	139,994
Subtotal restricted funds	-	166	8,384	-	-	273,618	139,994	226,130	648,292
Committed to:									
Subtotal committed funds	-	-	-	-	-	-	-	-	-
Assigned to:									
Subtotal assigned funds	-	-	-	-	-	-	-	-	-
Unassigned	343,022	-	-	-	-	-	-	-	343,022
	\$ 343,022	166	8,384	-	-	273,618	139,994	228,536	993,720

See independent auditor's report.



**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATIONS  
As of June 30, 2014**

	<u>11000</u>	<u>13000</u>	<u>14000</u>	<u>21000</u>	<u>22000</u>	<u>23000</u>
	<u>Operational</u>	<u>Trans- portation</u>	<u>Instructional Materials</u>	<u>Food Services</u>	<u>Athletics Fund</u>	<u>Non- Inst Support</u>
Cash, June 30, 2013	\$ 232,238	166	5,356	70,972	127	12,655
Add:						
2013-2014 revenues	3,203,087	322,840	18,155	139,404	12,485	449
Transfers from other funds	-	-	-	-	-	-
Repayment of PY loans to other funds	24,230	-	-	-	-	-
Loans from other funds	2,977	-	-	3,380	-	-
Total increases in cash	<u>3,230,294</u>	<u>322,840</u>	<u>18,155</u>	<u>142,784</u>	<u>12,485</u>	<u>449</u>
Less:						
2013-2014 expenditures	(3,098,337)	(322,840)	(15,128)	(138,269)	(12,530)	(2,450)
Transfers to other funds	(6,351)	-	-	-	-	-
Repayment of PY loans from other funds	-	-	-	-	-	-
Loans to other funds	(5,463)	-	-	(7,328)	-	-
Total decreases in cash	<u>(3,110,151)</u>	<u>(322,840)</u>	<u>(15,128)</u>	<u>(145,597)</u>	<u>(12,530)</u>	<u>(2,450)</u>
Adjustment	<u>(12,771)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investments	<u>\$ 339,610</u>	<u>166</u>	<u>8,383</u>	<u>68,159</u>	<u>82</u>	<u>10,654</u>

See independent auditor's report

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATIONS  
As of June 30, 2014**

	<u>24000</u>	<u>25000</u>	<u>27000</u>	<u>28000</u>	<u>29000</u>	<u>31100</u>	<u>31700</u>
	<b>Federal</b>	<b>Federal</b>	<b>State</b>	<b>State</b>	<b>Local/ State</b>	<b>Bond</b>	<b>Capital</b>
	<b>Flow- through Fund</b>	<b>Direct Fund</b>	<b>Flow- through Fund</b>	<b>Direct Fund</b>	<b>Fund</b>	<b>Building Fund</b>	<b>Improv SB- 9 Fund</b>
Cash, June 30, 2013	\$ -	84,280	-	5,488	27,506	55,200	68,327
Add:							
2013-2014 revenues	364,234	33,113	32,496	29,364	-	13,240	136,472
Transfers from other funds	-	-	-	6,351	-	-	-
Repayment of PY loans to other funds	-	-	-	-	-	-	270,370
Loans from other funds	<u>232,028</u>	<u>-</u>	<u>36,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total increases in cash	596,262	33,113	69,227	35,715	-	13,240	406,842
Less:							
2013-2014 expenditures	(328,674)	(19,388)	(59,993)	(30,036)	(17,665)	(14,000)	(205,725)
Transfers to other funds	-	-	-	-	-	-	-
Repayment of PY loans from other funds	(269,488)	(5,539)	(16,399)	(3,174)	-	-	-
Loans to other funds	<u>(33)</u>	<u>-</u>	<u>(2,944)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(259,348)</u>
Total decreases in cash	(598,195)	(24,927)	(79,336)	(33,210)	(17,665)	(14,000)	(465,073)
Adjustment	<u>3,983</u>	<u>(14,193)</u>	<u>10,109</u>	<u>12,872</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investments	<u>\$ 2,050</u>	<u>78,273</u>	<u>-</u>	<u>20,865</u>	<u>9,841</u>	<u>54,440</u>	<u>10,096</u>

See independent auditor's report

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATIONS  
As of June 30, 2014**

	<b>41000</b>	
	<b>Debt Service Fund</b>	<b>Governmental</b>
Cash, June 30, 2013	\$ 107,332	669,647
Add:		
2013-2014 revenues	322,338	4,627,677
Transfers from other funds	-	6,351
Repayment of PY loans to other funds	-	294,600
Loans from other funds	-	275,116
Total increases in cash	322,338	5,203,744
Less:		
2013-2014 expenditures	(300,536)	(4,565,571)
Transfers to other funds	-	(6,351)
Repayment of PY loans from other funds	-	(294,600)
Loans to other funds	-	(275,116)
Total decreases in cash	(300,536)	(5,141,638)
Adjustment	-	-
Total cash and investments	\$ 129,134	731,753
	Add fiduciary funds	29,380
	Rounding	(2)
	Total cash	\$ 761,131

See independent auditor's report

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
SCHEDULE OF DEPOSITORIES  
As of June 30, 2014

<u>Account name</u>	<u>Type</u>	<u>Interest bearing</u>	<u>My Bank</u>	<u>NM Finance Authority</u>	<u>Plus Deposits in Transit</u>	<u>Less O/S Checks</u>	<u>Balance Per Books</u>
General operating account	CK	No	\$ 531,682	-	-	(59,159)	472,523
Food service account	CK	Yes	85,242	-	-	(539)	84,703
Payroll clearing account	CK	Yes	223,235	-	-	(198,608)	24,627
Bond proceeds	CK	Yes	68,457	-	-	-	68,457
High school activities	CK	Yes	19,864	-	-	(1,517)	18,347
High school athletics	CK	Yes	82	-	-	-	82
Elementary school activities	CK	Yes	11,047	-	-	(14)	11,033
Operational savings account	Savings	Yes	66,558	-	-	-	66,558
Debt service savings account	Savings	Yes	10,575	-	-	-	10,575
Reserve and Debt Service	DS	Yes	-	4,226	-	-	4,226
Total cash and equivalents			<u>1,016,742</u>	<u>4,226</u>	<u>-</u>	<u>(259,837)</u>	<u>761,131</u>
Total amount on deposit			1,016,742	4,226	-	(259,837)	761,131
FDIC coverage			<u>(250,000)</u>	-			
Total uninsured public funds			766,742	4,226			
50% collateral requirement (Section 6-10-17 NMSA-1978)			383,371	2,113			
Pledged security			775,089	-			
See NMFA audited financials			-	4,226			
Amount (over)/under collateralized			<u>\$ (391,718)</u>	<u>(2,113)</u>			

See independent auditor's report.

STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
SCHEDULE OF PLEDGED COLLATERAL BY DEPOSITORY  
As of June 30, 2014

<u>Cuspid</u>	<u>Description/ Maturity</u>	<u>Coupon</u>	<u>Moody</u>	<u>Pledged Percent</u>	<u>Par</u>	<u>Book Value</u>	<u>Market Value</u>
<b>My Bank</b>							
<i>Safekeeping Location - The Independent Banker's Bank (TIB) - Dallas, TX</i>							
189414HB4	Clovis NM Muni School District 8/1/2014	2.00	N/A	100%	\$ 455,000	455,000	455,814
550340DL4	Luna County NM School District 8/1/2016	3.60	N/A	100%	300,000	300,000	319,275
					\$	<u>755,000</u>	<u>775,089</u>

See independent auditor's report.

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
SCHEDULE OF JOINT POWERS AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING  
As of June 30, 2014**

**Public Schools Facilities - Joint Powers Agreement**

Participants:	District and State of New Mexico, Public School Facilities Authority (PSFA)
Responsible party:	PSFA
Description	This joint power agreement does not have a monetary amount within it but enables PSFA to work with the District.
Period:	07/1/2010 - 06/30/2015
Project costs:	N/A
District contributions:	N/A
Audit responsibility:	PSFA



**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***

Hector H. Balderas  
New Mexico State Auditor  
The Board of Education and the Audit Committee of  
Mountainair Public Schools  
Mountainair, New Mexico

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, and the budgetary comparisons of the general fund and major special revenue funds of the Mountainair Public Schools, State of New Mexico, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated November 13, 2014.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Integrity Accounting + Consulting, LLC*

Integrity Accounting & Consulting, LLC  
Albuquerque, NM

November 13, 2014





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

Hector H. Balderas  
New Mexico State Auditor  
The Board of Education and the Audit Committee of  
Mountainair Public Schools  
Mountainair, New Mexico

**Report on Compliance for Each Major Federal Program**

We have audited the Mountainair Public Schools, State of New Mexico'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 the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

### ***Opinion on Each Major Federal Program***

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

### **Report on Internal Control over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

*Integrity Accounting + Consulting, LLC*

Integrity Accounting & Consulting, LLC  
Albuquerque, NM

November 13, 2014

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**SECTION I SUMMARY OF AUDIT RESULTS**

*Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditors' report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weakness identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | No         |
| c. Noncompliance material to the financial statements noted?                     | No         |
| d. Other matters   | No         |

*Federal Awards:*

- |   |            |
|---|------------|
| 1. Internal control over major programs:  |            |
| a. Material weaknesses identified?  | No         |
| b. Significant deficiencies identified not considered to be material weaknesses?                                      | No         |
| 2. Type of auditors' report issued on compliance for major programs   | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | No         |
| 4. Identification of major programs:  |            |

<u>CFDA Number</u>	<u>Federal Program</u>
84.027	Special Education_Grants to States
84.173	Special Education_Preschool Grants
84.010	Title I Grants to Local Educational Agencies

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee?                                   | No        |

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**SECTION II FINDINGS – FINANCIAL STATEMENTS**

		Status of	
		Current and	Financial
		Prior Year	Statement
<b>Finding</b>		<b>Findings</b>	<b>Finding</b>
<b>Prior Year Findings</b>			
2004-001	Bank Accounts Not Reconciled	Resolved	Yes
2012-002	Timeliness of Audit Report	Resolved	Yes
2013-001	Negative Cash Balance	Resolved	Yes
<b>Current Year Findings</b>			
None			

**PRIOR YEAR FINDINGS**

None

**CURRENT YEAR FINDINGS**

None

**STATE OF NEW MEXICO  
MOUNTAINAIR PUBLIC SCHOOLS  
OTHER DISCLOSURES  
FOR THE YEAR ENDED JUNE 30, 2014**

**A. AUDITOR PREPARED FINANCIAL STATEMENTS**

*Presentation:* The accompanying financial statements are the responsibility of the District and are based on information from the District's financial records. Assistance was provided by Integrity Accounting & Consulting to the District in preparing the financial statements.

**B. EXIT CONFERENCE**

The contents of the report for the Mountainair Public Schools were discussed on November 13, 2014. The following individuals were in attendance.

Mountainair Public Schools Officials

Darrell Roberts – President, Board Member, Audit Committee Member  
Frances Gonzales – Board Member, Audit Committee Member  
Loretta Moseley – Audit Committee Member  
Ron Hendrix – Superintendent  
Tammy Zamora – Business Manager

Integrity Accounting & Consulting

Erick Robinson, CPA, CFE – Partner