

State of New Mexico Roy Municipal Schools

Annual Financial Statements

For the Fiscal Year Ended June 30, 2014

R. Kelly McFarland, CPA, PC

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

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**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Official Roster
June 30, 2014

BOARD OF EDUCATION

Sacramento Baca, Jr.
J. Blair Clavel
Edward De Herrera
Matt Mitchell
Lawrence Esquibel

Board President
Board Vice President
Board Secretary
Board Member
Board Member

SCHOOL OFFICIALS

Secundino Esquibel, Jr.
Sherrita Fluhman

Superintendent of Schools
Business Manager



R. Kelly McFarland

Certified Public Accountant
A Professional Corporation



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INDEPENDENT AUDITOR'S REPORT

Mr. Hector Balderas, New Mexico State Auditor and
Board Members of Roy Municipal Schools
Roy, New Mexico

Report on Financial Statements

I was engaged to audit the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Roy Municipal Schools, 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. I was also engaged to audit the financial statements of each of the District's nonmajor governmental funds and the budgetary comparisons for the major capital project fund, debt service fund and all nonmajor funds presented as supplementary information as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on conducting my 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. Because of the matters described in the Basis of Disclaimer of Opinion paragraph, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

Because of the inadequacy of capital asset records, I was unable to obtain sufficient appropriate audit evidence regarding the amounts at which property and equipment, depreciation expense and accumulated depreciation are recorded in the accompanying Government Activities financial statements.

I was also unable to examine sufficient appropriate audit evidence as to the governmental funds, regarding the beginning balances of the accounts, as to prior year's accruals of receivables of \$14,449 and unearned revenue of \$17,316 due to inadequate records. Neither was I able to examine sufficient appropriate audit evidence to determine the resulting effect on revenues, expenditures, or budgetary comparisons for the year.

Disclaimer of Opinion

Because of the significance of the matters described in Basis for Disclaimer of Opinion paragraphs above, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the Roy Municipal Schools as a whole. Accordingly, I do not express an opinion of the financial statements referred to above. I also do not express an opinion on the District's nonmajor governmental funds and the respective budgetary comparisons for the major capital projects fund, debt service fund and all nonmajor funds, presented as supplementary information for the year ended June 30, 2014 as listed in the table of contents.

Other Matters

Required Supplementary Information

Management has not presented the Management's Discussion and Analysis for the year ended June 30, 2014, that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financials statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financials statements in an appropriate operational, economic or historical context. My opinion on the basic financial statements is not affected by the missing report.

Other Information

My audit was conducted for the purpose of forming opinions on the Roy Municipal Schools financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The additional schedules, required by Section 2.2.2 NMAC, listed as "other supplemental" information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information required by Section 2.2.2 NMAC is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Because of the significance of the matters discussed in the Basis for Disclaimer paragraph above, I do not express an opinion on the fair presentation of the schedules required by Section 2.2.2 NMAC, in relation to the basic financial statements as a whole.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 12, 2014 on my consideration of the Roy Municipal School's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that reports to describe the scope of my 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 Roy Municipal School's reporting and compliance.



November 12, 2014

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**STATEMENT OF NET POSITION
June 30, 2014**

	Governmental Activities
ASSETS	
Current Assets:	
Cash	\$ 125,957
Taxes receivable	1,921
Other receivables	58
Due from other governments	46,136
Inventory	<u>454</u>
Total current assets	<u>174,526</u>
Non-current Assets:	
Land (non-depreciable)	16,200
Capital assets (depreciable)	4,698,463
Less: accumulated depreciation	<u>(2,641,178)</u>
Total non-current assets	<u>2,073,485</u>
Total Assets	<u><u>2,248,011</u></u>
LIABILITIES	
Current Liabilities:	
Accounts payable	1,729
Accrued salary payable	86
Accrued interest	2,257
Unearned revenue	16,412
Current portion of long-term obligations	<u>35,000</u>
Total current liabilities	55,484
Long-term Obligations:	
Non-current portion of long-term obligations	<u>130,000</u>
Total long-term liabilities	<u>130,000</u>
Total liabilities	<u>185,484</u>
NET POSITION	
Net invested in capital assets	1,906,228
Restricted for:	
Cafeteria fund (inventory)	454
Special revenue funds	69,309
Capital projects funds	5,134
Debt service	40,067
Unrestricted	<u>41,335</u>
Total Net Position	<u><u>\$ 2,062,527</u></u>

See accompanying notes to financial statements and independent auditor's report.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**STATEMENT OF ACTIVITIES
June 30, 2014**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Expenses:					
Governmental Activities:					
Direct instruction	\$ 908,141	\$ 8,897	\$ 130,454	\$ 0	\$ (768,790)
Support service - students	107,697	0	0	0	(107,697)
Support service - general administration	110,479	0	0	0	(110,479)
Central service	82,833	0	0	0	(82,833)
Operation and maintenance of plant	230,156	0	0	19,315	(210,841)
Medicaid expense	0	0	0	0	0
Food services	60,158	7,508	13,472	0	(39,178)
Student transportation	108,999	0	95,496	(673)	(14,176)
Depreciation and amortization - unallocated	40,177	0	0	0	(40,177)
Interest on long-term obligations	<u>7,365</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(7,365)</u>
Total Governmental Activities	<u>\$ 1,656,005</u>	<u>\$ 16,405</u>	<u>\$ 239,422</u>	<u>\$ 18,642</u>	<u>\$ (1,381,536)</u>
General Revenues:					
Taxes:					
Property taxes, levied for general purposes					3,581
Property taxes, levied for capital projects					15,454
Property taxes, levied for debt service					42,108
Federal and state aid not restricted to specific purpose					1,261,500
Interest and investment earnings					1,405
Miscellaneous - insurance recovery for capital projects					<u>12,089</u>
Subtotal, General Revenues					<u>1,336,137</u>
Change in net position					(45,399)
Net position - beginning of year					2,118,889
Prior period adjustment					<u>(10,963)</u>
Net position - beginning of year as adjusted					<u>2,107,926</u>
Net position - end of year					<u>\$ 2,062,527</u>

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2014**

	General Fund	Entitlement 24106	Teacher/Principal Training and Recruitment 24154	Reads to Lead 27114
ASSETS				
Cash	\$ 0	\$ 0	\$ 0	\$ 0
Taxes receivable	110	0	0	0
Other receivables	0	0	0	0
Inventory	0	0	0	0
Due from other governments	0	18,499	0	15,818
Due from other funds	52,468	0	0	0
Due from agencies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 52,578</u>	<u>\$ 18,499</u>	<u>\$ 0</u>	<u>\$ 15,818</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,815	\$ 0	\$ 0	\$ 0
Due to other funds	0	22,468	5,459	15,817
Unearned revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>1,815</u>	<u>22,468</u>	<u>5,459</u>	<u>15,817</u>
Fund Balances:				
Nonspendable - inventory	0	0	0	0
Restricted, reported in:				
Special Revenue Fund	0	0	0	1
Capital Projects Fund	0	0	0	0
Debt Service Fund	0		0	0
Unassigned, reported in:				
General Fund	50,763	0	0	0
Special Revenue Fund	<u>0</u>	<u>(3,969)</u>	<u>(5,459)</u>	<u>0</u>
Total Fund Balances	<u>50,763</u>	<u>(3,969)</u>	<u>(5,459)</u>	<u>1</u>
Total Liabilities and Fund Balances	<u>\$ 52,578</u>	<u>\$ 18,499</u>	<u>\$ 0</u>	<u>\$ 15,818</u>

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2014**

	Capital Improvements 31700	Debt Service 41000	Other Governmental Funds	Total
ASSETS				
Cash	\$ 54,360	\$ 38,746	\$ 32,851	\$ 125,957
Taxes receivable	490	1,321	0	1,921
Other receivables	0	0	58	58
Inventory	0	0	454	454
Due from other governments	0	0	11,819	46,136
Due from other funds	4,558	0	0	57,026
Due from agencies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 59,408</u>	<u>\$ 40,067</u>	<u>\$ 45,182</u>	<u>\$ 231,552</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 1,815
Due to other funds	0	0	13,282	57,026
Unearned revenue	<u>0</u>	<u>0</u>	<u>16,412</u>	<u>16,412</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>29,694</u>	<u>75,253</u>
Fund Balances:				
Nonspendable - inventory	0	0	454	454
Restricted, reported in:				
Special Revenue Fund	59,408	0	9,900	69,309
Capital Projects Fund	0	0	5,134	5,134
Debt Service Fund	0	40,067	0	40,067
Unassigned, reported in:				
General Fund	0	0	0	50,763
Special Revenue Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>(9,428)</u>
Total Fund Balances	<u>59,408</u>	<u>40,067</u>	<u>15,488</u>	<u>156,299</u>
Total Liabilities and Fund Balances	<u>\$ 59,408</u>	<u>\$ 40,067</u>	<u>\$ 45,182</u>	<u>\$ 231,552</u>

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS
June 30, 2014**

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

Fund Balances - total government funds	\$ 156,299
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,073,485
Long-term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest	(2,257)
General obligation funds	<u>(165,000)</u>
Total net position - governmental funds	<u>\$ 2,062,527</u>

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
June 30, 2014**

	General Fund	Entitlement 24106	Teacher/Principal Training and Recruitment 24154	Reads to Lead 27114
REVENUES				
Taxes	\$ 3,581	\$ 0	\$ 0	\$ 0
Charges for services	5,383	0	0	0
State sources	1,353,286	0	0	52,553
Federal sources	0	38,051	(7,640)	0
Earnings from investments	1,323	0	0	0
Miscellaneous	3,710	0	0	0
	<u>1,367,283</u>	<u>38,051</u>	<u>(7,640)</u>	<u>52,553</u>
Total Revenues				
EXPENDITURES				
Current:				
Direct instruction	787,864	28,292	114	52,552
Support service - students	74,758	0	0	0
Support service - general administration	108,859	0	0	0
Central services	82,833	0	0	0
Operation and maintenance of plant	207,199	0	0	0
Medicaid	140	0	0	0
Food services	38,347	0	0	0
Student transportation	108,739	0	0	0
Capital outlay	0	0	0	0
Debt services:				
Bonds	0	0	0	0
Interest	0	0	0	0
	<u>1,408,739</u>	<u>28,292</u>	<u>114</u>	<u>52,552</u>
Total Expenditures				
Excess (deficiency) of revenues over expenditures	<u>(41,456)</u>	<u>9,759</u>	<u>(7,754)</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>(7,827)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>(7,827)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	<u>(49,283)</u>	<u>9,759</u>	<u>(7,754)</u>	<u>1</u>
Fund balances - beginning of year	100,046	(13,728)	2,295	0
Prior period adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net position - beginning of year as adjusted	<u>100,046</u>	<u>(13,728)</u>	<u>2,295</u>	<u>0</u>
Fund balances - end of year	<u>\$ 50,763</u>	<u>\$ (3,969)</u>	<u>\$ (5,459)</u>	<u>\$ 1</u>

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
June 30, 2014**

	Capital Improvements 31700	Debt Service 41000	Other Governmental Funds	Total
REVENUES				
Taxes	\$ 15,454	\$ 42,108	\$ 0	\$ 61,143
Charges for services	0	0	11,022	16,405
State sources	0	0	18,642	1,424,481
Federal sources	0	0	60,962	91,373
Earnings from investments	0	0	82	1,405
Miscellaneous	<u>12,089</u>	<u>0</u>	<u>0</u>	<u>15,799</u>
 Total Revenues	 <u>27,543</u>	 <u>42,108</u>	 <u>90,708</u>	 <u>1,610,606</u>
EXPENDITURES				
Current:				
Direct instruction	0	0	39,319	908,141
Support service - students	29,518	0	3,421	107,697
Support service - general administration	123	1,357	0	110,339
Central services	0	0	0	82,833
Operation and maintenance of plant	9,949	0	0	217,148
Medicaid	0	0	0	140
Food services	0	0	21,811	60,158
Student transportation	0	0	13,268	122,007
Capital outlay	0	0	0	0
Debt services:				0
Bonds	0	35,000	0	35,000
Interest	<u>0</u>	<u>7,375</u>	<u>0</u>	<u>7,375</u>
 Total Expenditures	 <u>39,590</u>	 <u>43,732</u>	 <u>77,819</u>	 <u>1,650,838</u>
Excess (deficiency) of revenues over expenditures	<u>(12,047)</u>	<u>(1,624)</u>	<u>12,889</u>	<u>(40,232)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>0</u>	<u>0</u>	<u>7,827</u>	<u>0</u>
Total other financing sources (uses)	0	0	7,827	0
 Net change in fund balances	 <u>(12,047)</u>	 <u>(1,624)</u>	 <u>20,716</u>	 <u>(40,232)</u>
 Fund balances - beginning of year	 71,455	 20,953	 (2,331)	 178,690
Prior period adjustment	<u>0</u>	<u>20,738</u>	<u>(2,897)</u>	<u>17,841</u>
Net position - beginning of year as adjusted	<u>71,455</u>	<u>41,691</u>	<u>(5,228)</u>	<u>196,531</u>
 Fund balances - end of year	 <u>\$ 59,408</u>	 <u>\$ 40,067</u>	 <u>\$ 15,488</u>	 <u>\$ 156,299</u>

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN THE FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
June 30, 2014**

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

Net Change in Fund Balances - total governmental funds	\$	(40,232)
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Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation expense exceeds capital outlays in the period.

Depreciation expense		(40,177)
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The issuance of long-term debt (e.g. bonds, notes, 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.

(Increase) Decrease in accrued interest		10
Principal payment of bond		<u>35,000</u>

Change in net position of governmental activities	\$	<u>(45,399)</u>
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**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**

June 30, 2014

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Taxes	\$ 3,763	\$ 3,763	\$ 3,632	\$ (131)
Charges for services	3,724	3,724	5,383	1,659
State sources	1,295,378	1,353,518	1,353,286	(232)
Federal sources	0	0	0	0
Earnings from investments	3,600	3,600	1,323	(2,277)
Miscellaneous	<u>0</u>	<u>0</u>	<u>3,710</u>	<u>3,710</u>
 Total Revenues	 <u>1,306,465</u>	 <u>1,364,605</u>	 <u>1,367,334</u>	 <u>2,729</u>
EXPENDITURES				
Current:				
Direct instruction	710,826	794,550	786,384	8,166
Support service - students	85,411	74,762	74,758	4
Support service - general administration	135,753	107,269	108,634	(1,365)
Central services	86,906	83,015	82,833	182
Operation and maintenance of plant	231,897	219,830	207,404	12,426
Food services	35,075	43,075	38,347	4,728
Medicaid	644	1,134	140	994
Student transportation	<u>89,003</u>	<u>106,000</u>	<u>108,739</u>	<u>(2,739)</u>
 Total Expenditures	 <u>1,375,515</u>	 <u>1,429,635</u>	 <u>1,407,239</u>	 <u>22,396</u>
 Excess (deficiency) of revenues over expenditures	 (69,050)	 (65,030)	 (39,905)	 25,125
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>0</u>	<u>(7,827)</u>	<u>(7,827)</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>(7,827)</u>	<u>(7,827)</u>	<u>0</u>
 Net change in fund balances	 (69,050)	 (72,857)	 (47,732)	 25,125
 Fund balances - beginning of year	 <u>100,046</u>	 <u>100,046</u>	 <u>100,046</u>	 <u>0</u>
 Fund balances - end of year	 <u>\$ 30,996</u>	 <u>\$ 27,189</u>	 <u>\$ 52,314</u>	 <u>\$ 25,125</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (47,732)	
Net revenue accruals			(104)	
Net expenditure accruals			<u>(1,447)</u>	
Net changes in fund balance GAAP basis			<u>\$ (49,283)</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

ENTITLEMENT FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**

June 30, 2014

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Federal Sources	\$ 0	\$ 36,048	\$ 19,552	\$ (16,496)
Total Revenues	<u>0</u>	<u>36,048</u>	<u>19,552</u>	<u>(16,496)</u>
EXPENDITURES				
Current:				
Direct instruction	<u>0</u>	<u>36,048</u>	<u>28,292</u>	<u>7,756</u>
Total Expenditures	<u>0</u>	<u>36,048</u>	<u>28,292</u>	<u>7,756</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>(8,740)</u>	<u>(8,740)</u>
Fund balance - beginning of year	<u>(13,728)</u>	<u>(13,728)</u>	<u>(13,728)</u>	<u>0</u>
Fund balance - end of year	<u>\$ (13,728)</u>	<u>\$ (13,728)</u>	<u>\$ (22,468)</u>	<u>\$ (8,740)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (8,740)	
Net revenue accruals			18,499	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 9,759</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

TEACHER/PRINCIPAL TRAINING AND RECRUITING

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**

June 30, 2014

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Federal Sources	\$ 3,294	\$ 3,294	\$ 1,607	\$ (1,687)
Total Revenues	<u>3,294</u>	<u>3,294</u>	<u>1,607</u>	<u>(1,687)</u>
EXPENDITURES				
Current:				
Direct instruction	<u>3,294</u>	<u>3,294</u>	<u>114</u>	<u>3,180</u>
Total Expenditures	<u>3,294</u>	<u>3,294</u>	<u>114</u>	<u>3,180</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>1,493</u>	<u>1,493</u>
Fund balance - beginning of year	<u>(6,952)</u>	<u>(6,952)</u>	<u>(6,952)</u>	<u>0</u>
Fund balance - end of year	<u><u>\$ (6,952)</u></u>	<u><u>\$ (6,952)</u></u>	<u><u>\$ (5,459)</u></u>	<u><u>\$ 1,493</u></u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 1,493	
Net revenue accruals			(9,247)	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u><u>\$ (7,754)</u></u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**READS TO LEAD SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 53,114	\$ 53,114	\$ 36,735	\$ (16,379)
Total Revenues	<u>53,114</u>	<u>53,114</u>	<u>36,735</u>	<u>(16,379)</u>
EXPENDITURES				
Current:				
Direct instruction	<u>0</u>	<u>53,114</u>	<u>52,552</u>	<u>562</u>
Total Expenditures	<u>0</u>	<u>53,114</u>	<u>52,552</u>	<u>562</u>
Net change in fund balance	<u>53,114</u>	<u>0</u>	<u>(15,817)</u>	<u>(15,817)</u>
Fund balance - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - end of year	<u>\$ 53,114</u>	<u>\$ 0</u>	<u>\$ (15,817)</u>	<u>\$ (15,817)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (15,817)	
Net revenue accruals			15,818	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 1</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2014**

ASSETS

Current Assets	
Cash	\$ <u>102,799</u>
Total Assets	\$ <u><u>102,799</u></u>

LIABILITIES

Current Liabilities	
Deposits held in trust for others	\$ <u>102,799</u>
Total Liabilities	\$ <u><u>102,799</u></u>

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Notes to the Financial Statements
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. There are no component units.

The financial statements include all funds that are controlled by, or dependent on, the District and which are included in the District's reports to the Public Education Department.

B. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Charges to customers include fees for labs, meals and activity fees for Roy Municipal Schools. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated uncollectible amounts, in the year for which they are levied, even if not available. The amount of delinquent property taxes was not available and thus not recorded as revenue in these financial statements. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Notes to the Financial Statements
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

C. Measurement Focus, Basis of Accounting, Continued

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

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and would be recognized as revenues of the current fiscal period if this information is available. All other revenue items are considered to be measurable and available only when cash is received by the government. Grant revenues and deferrals are recognized in accordance with GASB 33.

The government reports the following major governmental funds:

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

Entitlement Special Revenue Fund – To account for a federal grant restricted to the operation and maintenance of meeting the special education needs of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17.

Teacher/Principal Training & Recruiting – To account for grant funds to increase student academic achievement through strategies such as improving teacher and principal quality. Financing and authority is Elementary and Secondary Education Act of 1965 as amended, Title II, Part A, Public Law 107-110.

Reads to Lead - Provides an aligned approach for districts and schools to ensure that children can read by the end of the third grade-giving them essential skills for future career and college success. Authority for the creation of this fund is New Mexico Code: Section 22-13-1.3 (2004)

Capital Improvements SB9 Capital Project Fund – To account for 2.0 mill levy restricted by board resolution for erecting, remodeling, making additions to, providing equipment for, and furnishing school buildings, improving school grounds and maintenance of school building and grounds, exclusive of salary expense of employees. Authority for the creation of this fund is NMSA 22-25-1 to 22-25-10.

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

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

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Notes to the Financial Statements
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

D. Budgets

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

Budgets for the General, Special Revenue, Debt service and Capital Projects Funds are adopted on a basis inconsistent with accounting principles generally accepted in the United States of America (GAAP). These budgets are prepared using the cash basis of accounting. Budgetary comparisons for the various funds in this report are on this non-GAAP budgetary basis. The beginning cash balance is appropriated in the budget of each fund.

Student auxiliary activity funds are not budgeted.

Actual expenditures may not exceed the budget on a line item basis (ie. each budgeted expenditure must be within budgeted amounts). Budgets may be amended in two ways. If a budget transfer is necessary, within a major category called a "series" this may be accomplished with only local Board of Education approval. If a transfer between "series" or a budget increase is required, approval must also be obtained from Public School Finance Division. New Mexico Administrative Code 6.20.2.9 prohibits a school district from exceeding budgetary control at the function level.

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

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

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the state of New Mexico Department of Education.
5. Budget for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

E. Assets, Liabilities and Net Position or Equity

Deposits and Investments – The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

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

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Notes to the Financial Statements
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

E. Assets, Liabilities and Net Position or Equity, Continued

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

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

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

Investments for the District are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

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

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

Inventory – Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

Capital Assets – Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life that exceeds a single reporting period. The District is capitalizing qualifying software and library books as required. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

ASSETS	Years
Buildings and building improvements	50
Furniture and equipment	10

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Notes to the Financial Statements
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

E. Assets, Liabilities and Net Position or Equity, Continued

Capital Assets, Continued

GASB Statement 34 requires the recording and depreciation of infrastructure assets, which include roads, bridges, traffic signals, etc. The District did not own any infrastructure assets as of June 30, 2014.

The District does not capitalize computer software or software developed for internal use (if applicable) unless they exceed the \$5,000 threshold. Also, the District does not capitalize library books unless they exceed the \$5,000 threshold.

Unearned Revenues – Unearned revenues represent liabilities, generally resulting from grant revenues in which the District has received funds in advance of incurring expenditures. Generally, expenditures for the required purpose are required to meet eligibility requirements for reimbursement. Unearned revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

Deferred Inflows/Outflows of Resources - Deferred inflow of resources is the acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflow of resources is the consumption of net assets by the government that is applicable to a future reporting period. For the current year, the District did not have deferred inflows or outflows.

Compensated Absences – It is the School District's policy to permit accumulation of up to 20 days of earned but unused vacation benefits for twelve-month employees, and up to 30 days for the Superintendent. There is no liability for unpaid accumulated sick leave.

Long Term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bonds payable are reported net of the applicable bond premium or discounts. Bond issue costs are reflected as a current period expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Fund Balance of Fund Financial Statements

In the fund financial statements, governmental funds are classified as follows:

Non-spendable – fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes amounts to be held in perpetuity.

Restricted – Fund balance should be reported when constraints placed on the use of resources are either:

- a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. Imposed by law through constitutional provisions or enabling legislation.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Notes to the Financial Statements
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

E. Assets, Liabilities and Net Position or Equity, Continued

Fund Balance of Fund Financial Statements, Continued

- c. Enabling legislation, as the term is used in this Statement, authorizes the government to assess, levy, charge, or otherwise mandate payment of resource (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that a government can be compelled by an external party—such as citizens, public interest groups, or the judiciary—to use resources created by enabling legislation only for the purposes specified by the legislation. No amounts were so restricted in the current year.

Committed - Amounts that are useable only for specific purposes by formal action of the government's highest level of decision-making authority.

Assigned - Amounts that are intended to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the governing body or a subordinate high-level body or official whom the governing body has delegated.

Unassigned – Fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Net Position – Net position represent the difference between assets and liabilities. Net invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted sources (the total of committed, assigned, and unassigned fund balance) are available. In addition, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Salaries and Wages – The School District pays all salaries and wages due to teachers on or before June 30th of each year.

Equity Classification – The government-wide financial statements utilize a net position presentation. Net positions are categorized as follows:

Net investment in capital assets – This category reflects the portion of net position that are associated with capital assets less outstanding capital asset related debt.

Restricted net position – This category reflects the portion of net position that has third party limitations on their use.

Unrestricted net position – This category reflects net position of the District, not restricted for any project or other purpose.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Notes to the Financial Statements
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

E. Assets, Liabilities and Net Position or Equity, Continued

Revenues

State Equalization Guarantee - School districts in New Mexico receive a "state equalization guarantee distribution" for its program costs. The formula, uses, program units, which take into consideration: 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size of district. The District received \$496,269 in state equalization guarantee distributions for the year ended June 30, 2014. In addition, the District received \$760,981 in emergency supplemental funding for the year ended June 30, 2014.

Transportation – New Mexico school districts receive student transportation distributions, allocated to each school district in accordance with the formulas developed by the State Transportation Director and the Director of Public School Finance. Funds are only for the purpose of to-and-from school transportation costs of public school children in the district. For the year ended June 30, 2014, the Roy Municipal Schools received transportation distributions of \$95,496.

Property Tax Levies - The School District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund and SB-9 Capital Improvement Fund. Taxes are payable in two equal installments on November 10 and April 10 following the levy and become delinquent after 30 days. Taxes on real property are liens on the property on January 1 of the year for which the taxes are imposed.

Instructional Materials - The New Mexico State Department of Education (Department) received federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. During the year ended June 30, 2014, the District received \$2,337 in instructional materials allocation.

Use of 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.

2. DEPOSIT AND INVESTMENTS

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2014.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

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

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Notes to the Financial Statements
June 30, 2014

2. DEPOSIT AND INVESTMENTS, CONTINUED

The collateral pledged is listed in the supplemental information of this report. The types of collateral allowed are limited to direct obligations of the United States Government or agency, districts or political subdivisions of the State of New Mexico.

According to the Federal Deposit Insurance Corporation, public unit deposits are owned by the public unit. Time deposits, savings deposits and interest bearing money market accounts at a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the unlimited coverage for non-interest bearing accounts.

A. Deposits:

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or joint safekeeping receipt be issued, to the School District for at least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	Community First Bank Las Vegas Balance per Bank 6/30/14	Community First Bank Las Vegas Reconciled Balance	Farmers and Stockmens Bank Balance per Bank 6/30/14	Farmers and Stockmens Bank Reconciled Balance
Deposits, Interest-bearing	\$ 300,586	\$ 300,343	\$ 47,626	\$ (72,229)
Less: FDIC Coverage	<u>(250,000)</u>		<u>(47,626)</u>	
Total uninsured public funds	50,586		0	
Pledged Collateral held by pledging bank's agent in the pledging bank's name, but not in Roy Municipal Schools name	<u>173,121</u>		<u>157,815</u>	
Uninsured and uncollateralized (Excess Collateral)	<u>\$ (122,535)</u>		<u>\$ (157,815)</u>	
50% Collateral Requirement (as per Section 6-10-17, NMSA, 1978)	\$ 25,293		\$ 0	
Total pledged collateral	<u>(173,121)</u>		<u>(157,815)</u>	
Pledged collateral (over) under the requirement	<u>\$ (147,828)</u>		<u>\$ (157,815)</u>	

Custodial Credit Risk-Deposits- Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The School does not have a deposit policy for custodial credit risk. The District only uses depository institutions that it believes are financially sound. As of June 30, 2014, the District's bank balance was \$348,212 (\$228,114 reconciled balance) and of that amount \$50,586 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's agent, but not in the name of Roy Municipal Schools. The deposits are collateralized in accordance with Section 6-10-17, NMSA, 1978, which requires financial institutions to pledge aggregate securities with a fair value of ½ of uninsured deposits.

Credit and Interest Rate Risk - Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the School District limits the School District's investment portfolio to maturities of less than one year.

B. Investments

Investments held by the New Mexico State Treasurer are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool (LGIP) is not SEC registered. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance in accordance with Sections 6-10-10 I through 6-10-10 P and Sections 6-10-10.1 A and E,

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Notes to the Financial Statements
June 30, 2014

2. DEPOSIT AND INVESTMENTS, CONTINUED

B. Investments, Continued

NMSA, 1978. The pool does not have unit shares. Per Sections 6-10-10.1 F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary.

The State Treasurer monitors pledged collateral related to most state agency bank accounts. Pledged collateral information specific to the District is not available because the bank commingles pledged collateral for all state funds it holds.

LGIP does not have unit shares. Per Section 6-10-10.1 F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in this pool is voluntary. The independent auditors' report, together with the financial statements, the accompanying notes to the financial statements, and the independent auditors' report on compliance and internal controls are available from the State Investment Council, 2055 South Pacheco Street, Suite 100, Santa Fe, New Mexico 87505, upon written request.

At June 30, 2014 the District's investment with the State Treasurer is \$84.

3. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2014, are as follows:

	Due From Other Governments	Property Taxes	Other Receivables	Total
Major Funds				
General	\$ 0	\$ 110	\$ 0	\$ 110
Entitlement	18,499	0	0	18,499
Reads to Lead	15,818	0	0	15,818
Capital Improvements	0	490	0	490
Debt Service	0	1,321	0	1,321
Total Major Funds	<u>34,317</u>	<u>1,921</u>	<u>0</u>	<u>36,238</u>
Non-Major Funds				
2012 G0 Bond Library	6,047	0	0	6,047
Title I - IASA	797	0	0	797
Medicaid	4,975	0	0	4,975
Food Services	0	0	58	58
Total Non-Major Funds	<u>11,819</u>	<u>0</u>	<u>58</u>	<u>11,877</u>
Total	<u>\$ 46,136</u>	<u>\$ 1,921</u>	<u>\$ 58</u>	<u>\$ 48,115</u>

The amount shown as due from other governments represents federal, state and local expenditures in excess of revenues. Most federal, state or local projects earn revenue as expenditures are incurred and are subsequently reimbursed by the grantor.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Notes to the Financial Statements
June 30, 2014

4. INTERFUND RECEIVABLES AND PAYABLES

Receivables and payables from inter-fund transactions as of June 30, 2014 are listed below. All inter-fund receivables and payables represent short-term loans and are expected to be repaid within one year.

Governmental Activities:	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General Fund	\$ 52,468	\$ 0
Entitlement	0	22,468
Teacher/Principal Training and Recruiting	0	5,459
Reads to Lead	0	15,817
Capital Improvements	4,558	0
Non Major Funds:		
Title I	0	797
Medicaid	0	5,648
2010 GO Bond Library	0	1
2012 GO Bond Library	0	6,047
Sun Safety	<u>0</u>	<u>789</u>
 Total Governmental Activities	 <u>\$ 57,026</u>	 <u>\$ 57,026</u>

5. CAPITAL ASSETS

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

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2014</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 16,200	\$ 0	\$ 0	\$ 16,200
Capital assets being depreciated:				
Buildings and building improvements	3,891,182	0	0	3,891,182
Furniture & equipment	<u>807,281</u>	<u>0</u>	<u>0</u>	<u>807,281</u>
Total capital assets being depreciated	<u>4,698,463</u>	<u>0</u>	<u>0</u>	<u>4,698,463</u>
Less accumulated depreciation for:				
Buildings and building improvements	1,796,093	40,177	0	1,836,270
Furniture & equipment	<u>804,908</u>	<u>0</u>	<u>0</u>	<u>804,908</u>
Total accumulated depreciation	<u>2,601,001</u>	<u>40,177</u>	<u>0</u>	<u>2,641,178</u>
Total capital assets being depreciated, net	<u>2,097,462</u>	<u>(40,177)</u>	<u>0</u>	<u>2,057,285</u>
Governmental activities capital assets, net	<u>\$ 2,113,662</u>	<u>\$ (40,177)</u>	<u>\$ 0</u>	<u>\$ 2,073,485</u>

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Notes to the Financial Statements
June 30, 2014

5. CAPITAL ASSETS, CONTINUED

Depreciation expense for the year was \$40,177. Depreciation has not been allocated to functions in the statement of activities.

6. LONG TERM OBLIGATIONS

The following is a summary of the long-term debt and the activity for the year ended June 30, 2014:

The school district has two issues of general obligation bonds as follows:

Issue	Original Issue Date	Original Borrowing	Maturity Fiscal Year	Interest Rate
Series 2005	July 15, 2015	\$ 160,000	2018	4-4.25%
Series 2006	October 1, 2006	<u>\$ 175,000</u>	2020	4%
Total		<u>\$ 335,000</u>		

Changes in the school district's long-term liabilities for the year ended June 30, 2014 are as follows:

Issue	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due in One Year
Series 2005	\$ 100,000	\$ 0	\$ 20,000	\$ 80,000	\$ 20,000
Series 2006	<u>100,000</u>	<u>0</u>	<u>15,000</u>	<u>85,000</u>	<u>15,000</u>
Total	<u>\$ 200,000</u>	<u>\$ 0</u>	<u>\$ 35,000</u>	<u>\$ 165,000</u>	<u>\$ 35,000</u>

The general obligation bonds will be paid from taxes against property owners living within the School District boundaries. The annual requirements to retire general obligation bonds as of June 30, 2014 are as follows:

Years Ending June 30	Principal	Interest	Total
2015	\$ 35,000	\$ 5,925	\$ 40,925
2016	35,000	4,500	39,500
2017	35,000	3,100	38,100
2018	35,000	1,700	36,700
2019	15,000	700	15,700
2020	<u>10,000</u>	<u>200</u>	<u>10,200</u>
Total	<u>\$ 165,000</u>	<u>\$ 16,125</u>	<u>\$ 181,125</u>

Payments on the general obligation bonds are made by the debt service funds.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Notes to the Financial Statements
June 30, 2014

7. CONTINGENT LIABILITIES

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

8. COMPENSATED ABSENCES

The District pays 12 month employees at time of termination of employment for accrued vacation time not taken in the past 12 months. Total amount due for compensated absences at June 30, 2014, was \$8,058.

9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMPSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico.

The District is one of more than 190 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, which for the year ended June 30, 2014, was \$35,000. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retention by line of coverage and procures insurance of 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.

Claims are subject to the Tort Claims Act, which generally limits the liability of the government. Coverages are broad and include substantially all of the District's property to include buildings, equipment, vehicles, general liability, auto liability, worker's compensation insurance and employee dishonesty.

For the year ended June 30, 2014, the District received an insurance claim in the amount of \$12,089.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Notes to the Financial Statements
June 30, 2014

10. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURE

Generally accepted accounting principles require disclosures as part of the Combined Statement of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds** - The following funds reported a deficit fund balance at June 30, 2014:

Major Funds

Entitlement	\$ 3,969
Teacher/Principal Training and Recruitment	5,459
Total Major Funds	9,428

Non-Major Funds

Medicaid	673
REAP	427
Sun Safety	1,693
Total Non -Major Funds	17,680

Total Governmental Funds	\$ 27,108
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- B. Excess of expenditures over appropriations** - The following funds exceeded budgeted appropriations:

Major Funds

General Funds

Transportation - Student Transportation	\$ 2,861
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11. ERA PENSION PLAN

Plan Description - Substantially all of Roy Municipal Schools full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11 NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost sharing multiple employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers and other employees of state public school districts, colleges and universities and some state agency employees) and beneficiaries. ERA 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 ERA, PO Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERA's website at 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 gross salary for fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Notes to the Financial Statements
June 30, 2014

11. ERA PENSION PLAN. Continued

Funding Policy, Continued

Employer Contributions - Roy Municipal Schools contributed 13.15% of gross covered salary in fiscal year 2104. In fiscal year 2015 Roy Municipal Schools will contribute 13.9% of gross covered salary.

The contribution requirements of plan members and the Roy Municipal Schools are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. Roy Municipal Schools contribution to ERB for fiscal years ended June 30, 2014, 2013, and 2012 were \$98,409 \$78,912 and \$65,998 respectively, which equal the required contributions for each fiscal year.

12. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

Plan Description - Roy Municipal Schools 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 provided health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouse, dependents and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date , in which event the time period required for employee and employer contributions shall become the period of time between the employers 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 serve at least four years.

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

Funding Policy - The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorized 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 for the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmchca.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.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Notes to the Financial Statements
June 30, 2014

12. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN, CONTINUED

Funding Policy, Continued

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 employers to contribute 2.0% of each participating employee's annual salary, each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the Legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

Roy Municipal Schools contributions to the RHCA for the years ended June 30, 2014, 2013 and 2012 were \$14,919, \$21,390 and \$19,245, respectively, which equal the required contributions each year.

13. PRIOR PERIOD ADJUSTMENTS

The following schedule reflects prior period adjustments as of June 30, 2014:

Description	Statement of Activities	Governmental Funds	
		Debt Service Major Fund	Bond Building Fund Nonmajor Fund
Statement Net Positon as previously reported , June 30, 2013	\$ 2,118,889	\$ 20,953	\$ 2,897
Fund Balance as previously reported, June 30, 2013			
Adjustment for Bond Issue Costs, erroneously carried as an asset	(28,804)		
Adjustment for erroneous accrual of debt service requirements of the subsequent year	20,738	20,738	
Adjustment of Investments in LGIP, investment account, liquidated in prior years	(2,897)	0	(2,897)
Total Adjustments	(10,963)	20,738	(2,897)
Statement of Net Position at June 30, 2013 as adjusted	\$ 2,107,926		
Fund Balance at June 30, 2013 as adjusted		\$ 41,691	\$ 0

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Notes to the Financial Statements
June 30, 2014

13. PRIOR PERIOD ADJUSTMENTS, CONTINUED

Adjustments were required to the Statement of Activities to adjust for debt issuance costs, previously capitalized. Governmental Accounting Standards (GASB 65) provide that such costs are not assets and should be expensed in the year incurred. Adjustments were also required to the Debt Service Fund and the Bond Building Fund for accounting errors in prior years.

14. INTERFUND TRANSFERS

The composition of interfund transfers for the year ended June 30, 2014 is as follows:

	<u>General Fund</u>	<u>Title I</u>	<u>Pre School IDEA-B</u>
Transfers In:		\$ 7,449	\$ 378
Transfers Out:	<u>\$ (7,827)</u>		
	<u>\$ (7,827)</u>	<u>\$ 7,449</u>	<u>\$ 378</u>

Transfers were made from the general fund to Special Revenue Funds for expenditures not expected to be reimbursed by grantors.

15. NEW ACCOUNTING PRONOUCEMENTS

GASB 68, effective for fiscal year 2015, requires the disclosure of liabilities associated with pension liabilities and expenses that have not been previously recognized. Such liabilities may be material to the financial statements.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014**

	Special Revenue	Capital Projects	Total
ASSETS			
Cash	\$ 27,717	\$ 5,134	\$ 32,851
Taxes receivable	0	0	0
Other receivables	58	0	58
Inventory, at cost	454	0	454
Due from other governments	11,819	0	11,819
Due from other funds	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 40,048</u>	<u>\$ 5,134</u>	<u>\$ 45,182</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 0	\$ 0	\$ 0
Due to other funds	13,282	0	13,282
Unearned revenue	<u>16,412</u>	<u>0</u>	<u>16,412</u>
Total Liabilities	<u>29,694</u>	<u>0</u>	<u>29,694</u>
Fund Balances:			
Nonspendable - inventory	0	0	0
Restricted, reported in:			
Special Revenue Fund	10,354	0	10,354
Capital Projects Fund	0	5,134	5,134
Debt Service Fund	0	0	0
Unassigned, reported in:			
General fund	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>10,354</u>	<u>5,134</u>	<u>15,488</u>
Total Liabilities and Fund Balances	<u>\$ 40,048</u>	<u>\$ 5,134</u>	<u>\$ 45,182</u>

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR
GOVERNMENTAL FUNDS
June 30, 2014**

	Special Revenue	Capital Projects	Total
REVENUES			
Taxes	\$ 0	\$ 0	\$ 0
Charges for services	11,022	0	11,022
State sources	18,642	0	18,642
Federal sources	60,962	0	60,962
Earnings from investments	82	0	82
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>
 Total Revenues	 <u>90,708</u>	 <u>0</u>	 <u>90,708</u>
 EXPENDITURES			
Current:			
Direct instruction	39,319	0	39,319
Support service - students	3,421	0	3,421
Support service - general administration	0	0	0
Central services	0	0	0
Operation and maintenance of plant	0	0	0
Medicaid	0	0	0
Food services	21,811	0	21,811
Student transportation	13,268	0	13,268
Capital outlay		0	0
Debt services:			
Bonds	0	0	0
Interest	<u>0</u>	<u>0</u>	<u>0</u>
 Total Expenditures	 <u>77,819</u>	 <u>0</u>	 <u>77,819</u>
 Excess (deficiency) of revenues over expenditures	 12,889	 0	 12,889
 OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>7,827</u>	<u>0</u>	<u>7,827</u>
Total other financing sources (uses)	7,827	0	7,827
 Net change in fund balances	 <u>20,716</u>	 <u>0</u>	 <u>20,716</u>
 Fund balances - beginning of year	 (10,362)	 8,031	 (2,331)
Prior period adjustment	<u>0</u>	<u>(2,897)</u>	<u>(2,897)</u>
Net position - beginning of year as adjusted	<u>(10,362)</u>	<u>5,134</u>	<u>(5,228)</u>
 Fund balances - end of year	 <u>\$ 10,354</u>	 <u>\$ 5,134</u>	 <u>\$ 15,488</u>

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

DESCRIPTION OF NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2014

NONMAJOR 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 education tasks. Grants accounted for in the Special Revenue Funds include:

FOOD SERVICES (21000) – This program provides financing for school hot lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-12, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 stat. 889, as amended; 84 Stat.270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 Stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 Stat. 3341; Public Law 100-71, 101 Stat. 430. Also State Law NMSA 22-13-13.

ATHLETICS (22000) – This fund is used to account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC.

TITLE I (24101) – The Title I project provides remedial instruction in language arts for educationally deprived students in low-income areas. The project is funded by the Federal Government through the New Mexico State Department of Education, under the Elementary and Secondary Education Act of 1965, Title I, Chapter I, Part A, 20 U.S.C. 2701 et seq.

DISCRETIONARY IDEA – B (24107) – P.L. 94-142, individuals with Disabilities Education Act – To account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17.

PRESCHOOL IDEA – B (24109), (24209 FEDERAL STIMULUS) – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

TITLE IV-A SAFE & DRUG FREE SCHOOL & COMMUNITY (24157) – To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources. Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 USC 7111-7118.

MEDICAID (25153) – To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children.

RURAL EDUCATIONAL ACHIEVEMENT PROGRAM (REAP) (25233) – To account for monies received to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning. Financing and authority for this program is contained in Title VI, Part B of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by Public Law 107-110.

DUAL CREDIT IM/HB2 (27103) – To account for monies received to purchase course materials for dual credit college classes.

2010 GO BOND (27106), LIBRARIES – To account for monies received from Laws of 2010 to be used to improve the library, acquire library books or library resources that support the library program.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

DESCRIPTION OF NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2014

NONMAJOR SPECIAL REVENUE FUNDS, Continued

2012 GO BOND (27107), LIBRARIES – To account for monies received from Laws of 2012 to be used to improve the library, acquire library books or library resources that support the library program.

TECHNOLOGY FOR EDUCATION – PED (27117) – To account for State funding which is to be used by the District to promote the comprehensive integration of advanced technologies in education settings, through the conduct of technical assistance, professional development, information and resource dissemination, and collaboration activities. Financing and Authority is provided by NMSA 22-15A-1.

PHYSICAL EDUCATION CLASSES – PED (27121) – To account for funds provided by the New Mexico Public Education Department used to provide quality physical education classes in the state's public schools for elementary grade students by providing programs in areas where no classes exist or increasing the amount of time students receive physical education in schools that currently have elementary physical education classes.

INCENTIVES FOR SCHOOL IMPROVEMENT ACT (27138) – To account for monies received to be used as determined by the school principal and teachers in cooperation with other school employees and the community. It shall not be used for salaries, salary increases or bonuses. Financing and authority is provided by NMSA 22-13A-5.

SCHOOL LIBRARY MATERIAL (27549) – To account for funds received from the New Mexico Public Education Department for purchasing library books. Fund and Authority is provided by Senate Bill 471, Laws of 2008.

NM Highway Department (28120) – To account for revenues received from the New Mexico Highway Department to prolong the life of the parking lot.

COORDINATED APPROACH TO CHILD HEALTH (28140) – To account for revenues received to coordinate child health improvements. The authority for the creation of this fund is the State Grant Provision and Hagerman Board of Education.

DWI NM LOCAL GRANT (28145) – To account for funds administered through the New Mexico DWI Coordinators to educate and prevent alcohol abuse and drinking and driving among students.

SUN SAFETY (28146) – To account for funds administered through the NM Department of Health to promote sun safety education to reduce the risk of developing skin cancer.

ENERGY EFFICIENCY MEASURES – NMEMNR – ARRA (28187) – To account for funds received from the state to improve energy efficiency. The fund was created by state a grant provisions.

SCHOOL BASED HEALTH CENTER (29130) – To account for funds administered by the Department of Health and the County of Harding in support of providing Primary Care and Mental Health Service on school campus.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2014**

	Food Services 21000	Athletics 22000	Title I 24101	Discretionary IDEA-B 24107	Preschool IDEA-B 24109 and 24209	Title IV-A Safe and Drug Free School and Community 24157	Medicaid 25153
ASSETS							
Cash	\$ 7,869	\$ 927	\$ 0	\$ 467	\$ 596	\$ 201	\$ 0
Other receivables	58	0	0	0	0	0	0
Inventory, at cost	454	0	0	0	0	0	0
Due from other governments	0	0	797	0	0	0	4,975
Due from other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 8,381</u>	<u>\$ 927</u>	<u>\$ 797</u>	<u>\$ 467</u>	<u>\$ 596</u>	<u>\$ 201</u>	<u>\$ 4,975</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Due to other funds	0	0	797	0	0	0	5,648
Unearned revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>467</u>	<u>218</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>797</u>	<u>467</u>	<u>218</u>	<u>0</u>	<u>5,648</u>
Fund Balances:							
Nonspendable - inventory							
Restricted, reported in:							
Special Revenue Fund	<u>8,381</u>	<u>927</u>	<u>0</u>	<u>0</u>	<u>378</u>	<u>201</u>	<u>(673)</u>
Total Fund Balances	<u>8,381</u>	<u>927</u>	<u>0</u>	<u>0</u>	<u>378</u>	<u>201</u>	<u>(673)</u>
Total Liabilities and Fund Balances	<u>\$ 8,381</u>	<u>\$ 927</u>	<u>\$ 797</u>	<u>\$ 467</u>	<u>\$ 596</u>	<u>\$ 201</u>	<u>\$ 4,975</u>

STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2014

	REAP 25233	Dual Credit Inst Mat/HB2 27103	2010 GO Bond Library 27106	2012 GO Bond Library 27107	Technology for Education - PED 27117	Physical Education Classes - PED 27121	Incentives for School Improvement Act 27138
ASSETS							
Cash	\$ 1,611	\$ 1,245	\$ 1	\$ 0	\$ 365	\$ 3	\$ 4,918
Other receivables	0	0	0	0	0	0	0
Inventory, at cost	0	0	0	0	0	0	0
Due from other governments	0	0	0	6,047	0	0	0
Due from other funds	0	0	0	0	0	0	0
Total Assets	<u>\$ 1,611</u>	<u>\$ 1,245</u>	<u>\$ 1</u>	<u>\$ 6,047</u>	<u>\$ 365</u>	<u>\$ 3</u>	<u>\$ 4,918</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Due to other funds	0	0	1	6,047	0	0	0
Unearned revenue	2,038	1,245	0	0	365	3	4,918
Total Liabilities	<u>2,038</u>	<u>1,245</u>	<u>1</u>	<u>6,047</u>	<u>365</u>	<u>3</u>	<u>4,918</u>
Fund Balances:							
Nonspendable - inventory							
Restricted, reported in:							
Special Revenue Fund	(427)	0	0	0	0	0	0
Total Fund Balances	<u>(427)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 1,611</u>	<u>\$ 1,245</u>	<u>\$ 1</u>	<u>\$ 6,047</u>	<u>\$ 365</u>	<u>\$ 3</u>	<u>\$ 4,918</u>

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2014**

	School Library Material 27549	New Mexico Highway Department 28120	Coordinate Approach to Child Health 28140	DWI New Mexico Local Grant 28145	Sun Safety 28146	Energy Efficiency Measures NMENMR - ARRA 28187	School Based Health Center 29130	Total
ASSETS								
Cash	\$ 176	\$ 0	\$ 2,791	\$ 88	\$ 0	\$ 2,500	\$ 3,959	\$ 27,717
Other receivables	0	0	0	0	0	0	0	58
Inventory, at cost	0	0	0	0	0	0	0	454
Due from other governments	0	0	0	0	0	0	0	11,819
Due from other funds	0	0	0	0	0	0	0	0
Total Assets	<u>\$ 176</u>	<u>\$ 0</u>	<u>\$ 2,791</u>	<u>\$ 88</u>	<u>\$ 0</u>	<u>\$ 2,500</u>	<u>\$ 3,959</u>	<u>\$ 40,048</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Due to other funds	0	0	0	0	789	0	0	13,282
Unearned revenue	176	0	2,031	88	904	0	3,959	16,412
Total Liabilities	<u>176</u>	<u>0</u>	<u>2,031</u>	<u>88</u>	<u>1,693</u>	<u>0</u>	<u>3,959</u>	<u>29,694</u>
Fund balances:								
Nonspendable - inventory								
Restricted, reported in:								
Special Revenue Fund	0	0	760	0	(1,693)	2,500	0	10,354
Total Fund Balances	<u>0</u>	<u>0</u>	<u>760</u>	<u>0</u>	<u>(1,693)</u>	<u>2,500</u>	<u>0</u>	<u>10,354</u>
Total Liabilities and Fund Balances	<u>\$ 176</u>	<u>\$ 0</u>	<u>\$ 2,791</u>	<u>\$ 88</u>	<u>\$ 0</u>	<u>\$ 2,500</u>	<u>\$ 3,959</u>	<u>\$ 40,048</u>

STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2014

	Food Services 21000	Athletics 22000	Title I 24101	Discretionary IDEA-B 24107	Preschool IDEA-B 24109 and 24209	Title IV-A Safe and Drug Free School and Community 24157	Medicaid 25153
REVENUES							
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Charges for services	7,508	3,514	0	0	0	0	0
State sources	0	0	0	0	0	0	(673)
Federal sources	13,472	0	17,114	0	0	0	4,975
Earnings from investments	82	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0
	<u>21,062</u>	<u>3,514</u>	<u>17,114</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,302</u>
Total Revenues							
EXPENDITURES							
Current:							
Direct instruction	0	3,827	797	0	0	0	3,247
Support service - students	0	0	0	0	0	0	1,728
Support service - general administration	0	0	0	0	0	0	0
Central services	0	0	0	0	0	0	0
Operation and maintenance of plant	0	0	0	0	0	0	0
Food services	21,811	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
	<u>21,811</u>	<u>3,827</u>	<u>797</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,975</u>
Total Expenditures							
Excess (deficiency) of revenues over expenditures	<u>(749)</u>	<u>(313)</u>	<u>16,317</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(673)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in (out)	0	0	7,449	0	378	0	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>7,449</u>	<u>0</u>	<u>378</u>	<u>0</u>	<u>0</u>
Net change in fund balances	<u>(749)</u>	<u>(313)</u>	<u>23,766</u>	<u>0</u>	<u>378</u>	<u>0</u>	<u>(673)</u>
Fund balances - beginning of year	9,130	1,240	(23,766)	0	0	201	0
Prior period adjustment	0	0	0	0	0	0	0
Net position - beginning of year as adjusted	<u>9,130</u>	<u>1,240</u>	<u>(23,766)</u>	<u>0</u>	<u>0</u>	<u>201</u>	<u>0</u>
Fund balances - end of year	<u>\$ 8,381</u>	<u>\$ 927</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 378</u>	<u>\$ 201</u>	<u>\$ (673)</u>

STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2014

	REAP 25233	Dual Credit Inst Mat/HB2 27103	2010 GO Bond Library 27106	2012 GO Bond Library 27107	Technology for Education - PED 27117	Physical Education Classes - PED 27121	Incentives for School Improvement Act 27138
REVENUES							
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Charges for services	0	0	0	0	0	0	0
State sources	0	0	0	6,047	0	0	0
Federal sources	25,401	0	0	0	0	0	0
Earnings from investments	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0
Total Revenues	<u>25,401</u>	<u>0</u>	<u>0</u>	<u>6,047</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES							
Current:							
Direct instruction	25,401	0	0	6,047	0	0	0
Support service - students	0	0	0	0	0	0	0
Support service - general administration	0	0	0	0	0	0	0
Central services	0	0	0	0	0	0	0
Operation and maintenance of plant	0	0	0	0	0	0	0
Food services	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
Total Expenditures	<u>25,401</u>	<u>0</u>	<u>0</u>	<u>6,047</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)							
Transfers in (out)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	0	0	0	0	0	0	0
Net change in fund balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - beginning of year	(427)	0	0	0	0	0	0
Prior period adjustment	0	0	0	0	0	0	0
Net position - beginning of year as adjusted	<u>(427)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - end of year	<u>\$ (427)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2014

	School Library Material 27549	New Mexico Highway Department 28120	Coordinate Approach to Child Health 28140	DWI New Mexico Local Grant 28145	Sun Safety 28146	Energy Efficiency Measures NMENMR - ARRA 28187	School Based Health Center 29130	Total
REVENUES								
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Charges for services	0	0	0	0	0	0	0	11,022
State sources	0	13,268	0	0	0	0	0	18,642
Federal sources	0	0	0	0	0	0	0	60,962
Earnings from investments	0	0	0	0	0	0	0	82
Miscellaneous	0	0	0	0	0	0	0	0
Total Revenues	<u>0</u>	<u>13,268</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>90,708</u>
EXPENDITURES								
Current:								
Direct instruction	0	0	0	0	0	0	0	39,319
Support service - students	0	0	0	0	1,693	0	0	3,421
Support service - general administration	0	0	0	0	0	0	0	0
Central services	0	0	0	0	0	0	0	0
Operation and maintenance of plant	0	0	0	0	0	0	0	0
Food services	0	0	0	0	0	0	0	21,811
Capital outlay	0	13,268	0	0	0	0	0	13,268
Total Expenditures	<u>0</u>	<u>13,268</u>	<u>0</u>	<u>0</u>	<u>1,693</u>	<u>0</u>	<u>0</u>	<u>77,819</u>
Excess (deficiency) of revenues over expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,693)</u>	<u>0</u>	<u>0</u>	<u>12,889</u>
OTHER FINANCING SOURCES (USES)								
Transfers in (out)	0	0	0	0	0	0	0	7,827
Total other financing sources (uses)	0	0	0	0	0	0	0	7,827
Net change in fund balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,693)</u>	<u>0</u>	<u>0</u>	<u>20,716</u>
Fund balances - beginning of year	0	0	760	0	0	2,500	0	(10,362)
Prior period adjustment	0	0	0	0	0	0	0	0
Net position - beginning of year as adjusted	<u>0</u>	<u>0</u>	<u>760</u>	<u>0</u>	<u>0</u>	<u>2,500</u>	<u>0</u>	<u>(10,362)</u>
Fund balances - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 760</u>	<u>\$ 0</u>	<u>\$ (1,693)</u>	<u>\$ 2,500</u>	<u>\$ 0</u>	<u>\$ 10,354</u>

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**FOOD SERVICES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Charge for services	\$ 5,908	\$ 5,908	\$ 7,450	\$ 1,542
Federal sources	9,528	9,528	13,472	3,944
Earnings from investments	<u>0</u>	<u>0</u>	<u>82</u>	<u>82</u>
Total Revenues	<u>15,436</u>	<u>15,436</u>	<u>21,004</u>	<u>5,568</u>
EXPENDITURES				
Current:				
Food service	<u>23,642</u>	<u>24,233</u>	<u>21,349</u>	<u>2,884</u>
Total Expenditures	<u>23,642</u>	<u>24,233</u>	<u>21,349</u>	<u>2,884</u>
Net change in fund balance	(8,206)	(8,797)	(345)	8,452
Fund balance - beginning of year	<u>8,214</u>	<u>8,214</u>	<u>8,214</u>	<u>0</u>
Fund balance - end of year	<u>\$ 8</u>	<u>\$ (583)</u>	<u>\$ 7,869</u>	<u>\$ 8,452</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (345)	
Net revenue accruals			58	
Net inventory accruals			<u>(462)</u>	
Net changes in fund balance GAAP basis			<u>\$ (749)</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

ATHLETICS SPECIAL REVENUE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**

June 30, 2014

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Charge for services	\$ 3,120	\$ 3,120	\$ 3,514	\$ 394
Earnings from investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>3,120</u>	<u>3,120</u>	<u>3,514</u>	<u>394</u>
EXPENDITURES				
Current:				
Direct instruction	<u>4,987</u>	<u>4,987</u>	<u>3,827</u>	<u>1,160</u>
Total Expenditures	<u>4,987</u>	<u>4,987</u>	<u>3,827</u>	<u>1,160</u>
Net change in fund balance	(1,867)	(1,867)	(313)	1,554
Fund balance - beginning of year	<u>1,240</u>	<u>1,240</u>	<u>1,240</u>	<u>0</u>
Fund balance - end of year	<u><u>\$ (627)</u></u>	<u><u>\$ (627)</u></u>	<u><u>\$ 927</u></u>	<u><u>\$ 1,554</u></u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (313)	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u><u>\$ (313)</u></u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**TITLE I IASA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 1,239	\$ 1,238	\$ 21,519	\$ 20,281
Total Revenues	<u>1,239</u>	<u>1,238</u>	<u>21,519</u>	<u>20,281</u>
EXPENDITURES				
Current:				
Direct instruction	1,239	1,238	797	441
Support services - students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>1,239</u>	<u>1,238</u>	<u>797</u>	<u>441</u>
Excess (deficiency) of revenues over expenditures	<u>0</u>	<u>0</u>	<u>20,722</u>	<u>20,722</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>0</u>	<u>7,449</u>	<u>7,449</u>	<u>0</u>
Total other financing sources (uses)	0	7,449	7,449	0
Net change in fund balances	<u>0</u>	<u>7,449</u>	<u>28,171</u>	<u>20,722</u>
Fund balances - beginning of year	<u>6,106</u>	<u>6,106</u>	<u>6,106</u>	<u>0</u>
Fund balances - end of year	<u>\$ 6,106</u>	<u>\$ 13,555</u>	<u>\$ 34,277</u>	<u>\$ 20,722</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 28,171	
Net revenue accruals			(4,405)	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 23,766</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**DISCRETIONARY IDEA-B SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Federal Sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Direct instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - beginning of year	<u>467</u>	<u>467</u>	<u>467</u>	<u>0</u>
Fund balance - end of year	<u>\$ 467</u>	<u>\$ 467</u>	<u>\$ 467</u>	<u>\$ 0</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**PRESCHOOL IDEA-B SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Federal Sources	\$ 0	\$ 3	\$ 0	\$ (3)
Total Revenues	<u>0</u>	<u>3</u>	<u>0</u>	<u>(3)</u>
EXPENDITURES				
Current:				
Direct instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	<u>0</u>	<u>3</u>	<u>0</u>	<u>(3)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>0</u>	<u>378</u>	<u>378</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>378</u>	<u>378</u>	<u>0</u>
Net change in fund balances	0	381	378	(3)
Fund balances - beginning of year	<u>596</u>	<u>596</u>	<u>596</u>	<u>0</u>
Fund balances - end of year	<u>\$ 596</u>	<u>\$ 977</u>	<u>\$ 974</u>	<u>\$ (3)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 378	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 378</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**TITLE IV-A SAFE AND DRUG FREE SCHOOL AND COMMUNITY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Direct instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - beginning of year	<u>201</u>	<u>201</u>	<u>201</u>	<u>0</u>
Fund balance - end of year	<u>\$ 201</u>	<u>\$ 201</u>	<u>\$ 201</u>	<u>\$ 0</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

MEDICAID SPECIAL REVENUE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**

June 30, 2014

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 27,422	\$ 27,422	\$ 0	\$ (27,422)
Total Revenues	27,422	27,422	0	(27,422)
EXPENDITURES				
Current:				
Direct instruction	0	0	3,247	(3,247)
Support services - students	27,422	27,422	1,728	25,694
Food service	0	0	0	0
Total Expenditures	27,422	27,422	4,975	22,447
Net change in fund balance	0	0	(4,975)	(4,975)
Fund balance - beginning of year	673	673	673	0
Fund balance - end of year	\$ 673	\$ 673	\$ (4,302)	\$ (4,975)
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (4,975)	
Net revenue accruals			4,975	
Net due from other funds			(673)	
Net changes in fund balance GAAP basis			\$ (673)	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

REAP SPECIAL REVENUE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**

June 30, 2014

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 16,233	\$ 107	\$ 25,401	\$ 25,294
Total Revenues	<u>16,233</u>	<u>107</u>	<u>25,401</u>	<u>25,294</u>
EXPENDITURES				
Current:				
Direct instruction	<u>16,233</u>	<u>32,573</u>	<u>25,401</u>	<u>7,172</u>
Total Expenditures	<u>16,233</u>	<u>32,573</u>	<u>25,401</u>	<u>7,172</u>
Net change in fund balance	<u>0</u>	<u>(32,466)</u>	<u>0</u>	<u>32,466</u>
Fund balance - beginning of year	<u>1,611</u>	<u>1,611</u>	<u>1,611</u>	<u>0</u>
Fund balance - end of year	<u>\$ 1,611</u>	<u>\$ (30,855)</u>	<u>\$ 1,611</u>	<u>\$ 32,466</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**DUAL CREDIT IM/HB2 SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Support services - students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - beginning of year	<u>1,245</u>	<u>1,245</u>	<u>1,245</u>	<u>0</u>
Fund balance - end of year	<u>\$ 1,245</u>	<u>\$ 1,245</u>	<u>\$ 1,245</u>	<u>\$ 0</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**2010 GO BOND LIBRARY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Support services - students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**2012 GO BOND LIBRARY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 6,047	\$ 6,047	\$ 0	\$ (6,047)
Total Revenues	6,047	6,047	0	(6,047)
EXPENDITURES				
Current:				
Direct instruction	6,047	6,047	6,047	0
Support services - students	0	0	0	0
Total Expenditures	6,047	6,047	6,047	0
Net change in fund balance	0	0	(6,047)	(6,047)
Fund balance - beginning of year	0	0	0	0
Fund balance - end of year	0	0	(6,047)	(6,047)
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (6,047)	
Net revenue accruals			6,047	
Net expenditure accruals			0	
Net changes in fund balance GAAP basis			\$ 0	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**TECHNOLOGY FOR EDUCATION - PED SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Support services - students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - beginning of year	<u>365</u>	<u>365</u>	<u>365</u>	<u>0</u>
Fund balance - end of year	<u>\$ 365</u>	<u>\$ 365</u>	<u>\$ 365</u>	<u>\$ 0</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**PHYSICAL EDUCATION CLASSES - PED SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Support services - students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - beginning of year	<u>3</u>	<u>3</u>	<u>3</u>	<u>0</u>
Fund balance - end of year	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 0</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**INCENTIVES FOR SCHOOL IMPROVEMENT ACT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Support services - students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - beginning of year	<u>4,918</u>	<u>4,918</u>	<u>4,918</u>	<u>0</u>
Fund balance - end of year	<u>\$ 4,918</u>	<u>\$ 4,918</u>	<u>\$ 4,918</u>	<u>\$ 0</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**SCHOOL LIBRARY MATERIAL SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Support services - students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - beginning of year	<u>176</u>	<u>176</u>	<u>176</u>	<u>0</u>
Fund balance - end of year	<u>\$ 176</u>	<u>\$ 176</u>	<u>\$ 176</u>	<u>\$ 0</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**NEW MEXICO HIGHWAY DEPARTMENT RESOURCES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 0	\$ 13,268	\$ 13,268	\$ 0
Total Revenues	<u>0</u>	<u>13,268</u>	<u>13,268</u>	<u>0</u>
EXPENDITURES				
Capital outlay	<u>0</u>	<u>13,268</u>	<u>13,268</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>13,268</u>	<u>13,268</u>	<u>0</u>
Net change in fund balance	0	0	0	0
Fund balance - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**COORDINATED APPROACH TO CHILD HEALTH SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Support services - students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - beginning of year	<u>2,791</u>	<u>2,791</u>	<u>2,791</u>	<u>0</u>
Fund balance - end of year	<u>\$ 2,791</u>	<u>\$ 2,791</u>	<u>\$ 2,791</u>	<u>\$ 0</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**DWI LOCAL GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Support services - students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - beginning of year	<u>88</u>	<u>88</u>	<u>88</u>	<u>0</u>
Fund balance - end of year	<u>\$ 88</u>	<u>\$ 88</u>	<u>\$ 88</u>	<u>\$ 0</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

SUN SAFE SPECIAL REVENUE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**

June 30, 2014

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 1,740	\$ 1,740	\$ 0	\$ (1,740)
Total Revenues	1,740	1,740	0	(1,740)
EXPENDITURES				
Current:				
Support services - students	0	1,740	1,693	47
Total Expenditures	0	1,740	1,693	47
Net change in fund balance	1,740	0	(1,693)	(1,693)
Fund balance - beginning of year	904	904	904	0
Fund balance - end of year	\$ 2,644	\$ 904	\$ (789)	\$ (1,693)
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (1,693)	
Net revenue accruals			0	
Net expenditure accruals			0	
Net changes in fund balance GAAP basis			\$ (1,693)	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**ENERGY EFFICIENCY MEASURES - NMENMR - ARRA SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 591	\$ 591	\$ 0	\$ (591)
Total Revenues	591	591	0	(591)
EXPENDITURES				
Current:				
Direct instruction	0	0	0	0
Operation and maintenance of plant	0	0	0	0
Total Expenditures	0	0	0	0
Net change in fund balance	591	591	0	(591)
Fund balance - beginning of year	2,500	2,500	2,500	0
Fund balance - end of year	\$ 3,091	\$ 3,091	\$ 2,500	\$ (591)
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			0	
Net changes in fund balance GAAP basis			\$ 0	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**SCHOOL BASED HEALTH CENTER SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Support services - students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - beginning of year	<u>88</u>	<u>88</u>	<u>88</u>	<u>0</u>
Fund balance - end of year	<u>\$ 88</u>	<u>\$ 88</u>	<u>\$ 88</u>	<u>\$ 0</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Taxes	\$ 16,582	\$ 16,582	\$ 15,689	\$ (893)
State sources	5,653	5,653	0	(5,653)
Miscellaneous	<u>12,089</u>	<u>12,089</u>	<u>12,089</u>	<u>0</u>
Total Revenues	<u>34,324</u>	<u>34,324</u>	<u>27,778</u>	<u>(6,546)</u>
EXPENDITURES				
Current:				
Support services - general administration	133	133	123	10
Operation and maintenance of plant	0	0	260	(260)
Capital outlay	<u>96,267</u>	<u>96,267</u>	<u>39,207</u>	<u>57,060</u>
Total Expenditures	<u>96,400</u>	<u>96,400</u>	<u>39,590</u>	<u>56,810</u>
Net change in fund balance	<u>(62,076)</u>	<u>(62,076)</u>	<u>(11,812)</u>	<u>50,264</u>
Fund balance - beginning of year	<u>70,730</u>	<u>70,730</u>	<u>70,730</u>	<u>0</u>
Fund balance - end of year	<u>\$ 8,654</u>	<u>\$ 8,654</u>	<u>\$ 58,918</u>	<u>\$ 50,264</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (11,812)	
Net revenue accruals			(235)	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ (12,047)</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

DEBT SERVICE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**

June 30, 2014

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Taxes	\$ 42,375	\$ 42,375	\$ 42,458	\$ 83
Total Revenues	<u>42,375</u>	<u>42,375</u>	<u>42,458</u>	<u>83</u>
EXPENDITURES				
Current:				
Support service - general administration	424	424	1,357	(933)
Debt service:				
Reserve	26,297	26,297	0	26,297
Bond	35,000	35,000	35,000	0
Interest	<u>7,375</u>	<u>7,375</u>	<u>7,375</u>	<u>0</u>
Total Expenditures	<u>69,096</u>	<u>69,096</u>	<u>43,732</u>	<u>25,364</u>
Net change in fund balance	(26,721)	(26,721)	(1,274)	25,447
Fund balance - beginning of year	<u>40,020</u>	<u>40,020</u>	<u>40,020</u>	<u>0</u>
Fund balance - end of year	<u>\$ 13,299</u>	<u>\$ 13,299</u>	<u>\$ 38,746</u>	<u>\$ 25,447</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (1,274)	
Net revenue accruals			(350)	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ (1,624)</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**DESCRIPTION OF CAPITAL PROJECTS FUNDS
June 30, 2014**

BOND BUILDING CAPITAL FUND (31100) – This fund accounts for the revenue received from bonds sold by the school to be used for improvements and additions to school owned property.

PUBLIC SCHOOL CAPITAL OUTLAY (31200) The Fund is used to account for capital projects funded from awards made by the Public School Capital Outlay Council.

PUBLIC SCHOOL CAPITAL OUTLAY 20% (32100) – To account for monies to be set aside out of Impact Aid, Forest Revenue, and local taxes for capital improvements in public schools. Authority for the creation of this fund is Section 22-8-5 NMSA 7978.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2014**

	Capital Projects Fund				Total
	Bond Building 31100	Public School Capital Outlay 31200	Public School Capital Outlay 20% 32100		
ASSETS					
Cash	\$ 0	\$ 5,107	\$ 27	\$	5,134
Taxes receivable	0	0	0	\$	0
Inventory, at cost	0	0	0	\$	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$</u>	<u>0</u>
Total Assets	<u>\$ 0</u>	<u>\$ 5,107</u>	<u>\$ 27</u>	<u>\$</u>	<u>5,134</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 0	\$ 0	\$ 0	\$	0
Due to other funds	0	0	0	\$	0
Unearned revenue	0	0	0	\$	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$</u>	<u>0</u>
Fund Balances:					
Unassigned, reported in:					
Capital Projects Fund	0	5,107	27	\$	5,134
	<u>0</u>	<u>5,107</u>	<u>27</u>	<u>\$</u>	<u>5,134</u>
Total Fund Balances	<u>0</u>	<u>5,107</u>	<u>27</u>	<u>\$</u>	<u>5,134</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 5,107</u>	<u>\$ 27</u>	<u>\$</u>	<u>5,134</u>

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR
GOVERNMENTAL FUNDS**

June 30, 2014

	<u>Capital Projects Fund</u>			Total
	Bond Building 31100	Public School Capital Outlay 31200	Public School Capital Outlay 20% 32100	
REVENUES				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Charges for services	0	0	0	0
State sources	0	0	0	0
Federal sources	0	0	0	0
Earnings from investments	0	0	0	0
Miscellaneous	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Direct instruction	0	0	0	0
Support service - students	0	0	0	0
Support service - general administration	0	0	0	0
Central services	0	0	0	0
Operation and maintenance of plant	0	0	0	0
Medicaid	0	0	0	0
Food services	0	0	0	0
Student transportation	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net changes in fund balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - beginning of year	2,897	5,107	27	8,031
Prior period adjustment	(2,897)	0	0	(2,897)
Net position - beginning of year as adjusted	<u>0</u>	<u>5,107</u>	<u>27</u>	<u>5,134</u>
Fund balances - end of year	<u>\$ 0</u>	<u>\$ 5,107</u>	<u>\$ 27</u>	<u>\$ 5,134</u>

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**BOND BUILDING CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	0	0	0	0
Fund balance - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**PUBLIC SCHOOL OUTLAY CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Operation and maintenance of plant	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - beginning of year	<u>5,107</u>	<u>5,107</u>	<u>5,107</u>	<u>0</u>
Fund balance - end of year	<u>\$ 5,107</u>	<u>\$ 5,107</u>	<u>\$ 5,107</u>	<u>\$ 0</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**PUBLIC SCHOOL OUTLAY 20% CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Operation and maintenance of plant	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - beginning of year	<u>27</u>	<u>27</u>	<u>27</u>	<u>0</u>
Fund balance - end of year	<u>\$ 27</u>	<u>\$ 27</u>	<u>\$ 27</u>	<u>\$ 0</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 0	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ 0</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**COMBINING BALANCE SHEET - GENERAL FUND
June 30, 2014**

	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Material 14000	Total
ASSETS					
Cash	\$ (21,207)	\$ 10,670	\$ 7,521	\$ 3,016	\$ 0
Taxes receivable	110	0	0	0	110
Other receivable	0	0	0	0	0
Inventory, at cost	0	0	0	0	0
Due from other funds	<u>52,468</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>52,468</u>
Total Assets	<u>\$ 31,371</u>	<u>\$ 10,670</u>	<u>\$ 7,521</u>	<u>\$ 3,016</u>	<u>\$ 52,578</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,498	\$ 0	\$ 0	\$ 317	\$ 1,815
Due to other funds	0	0	0	0	0
Unearned revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>1,498</u>	<u>0</u>	<u>0</u>	<u>317</u>	<u>1,815</u>
Fund Balances:					
Unassigned, reported in:					
General fund	<u>29,873</u>	<u>10,670</u>	<u>7,521</u>	<u>2,699</u>	<u>50,763</u>
Total Fund Balances	<u>29,873</u>	<u>10,670</u>	<u>7,521</u>	<u>2,699</u>	<u>50,763</u>
Total Liabilities and Fund Balances	<u>\$ 31,371</u>	<u>\$ 10,670</u>	<u>\$ 7,521</u>	<u>\$ 3,016</u>	<u>\$ 52,578</u>

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GENERAL FUNDS
June 30, 2014**

	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Material 14000	Total
REVENUES					
Taxes	\$ 3,581	\$ 0	\$ 0	\$ 0	\$ 3,581
Charges for services	3,046	0	0	2,337	5,383
State sources	1,257,790	0	95,496	0	1,353,286
Federal sources	0	0	0	0	0
Earnings from investments	1,323	0	0	0	1,323
Miscellaneous	3,710	0	0	0	3,710
	<u>1,269,450</u>	<u>0</u>	<u>95,496</u>	<u>2,337</u>	<u>1,367,283</u>
Total Revenues					
EXPENDITURES					
Current:					
Direct instruction	787,547	0	0	317	787,864
Support service - students	74,758	0	0	0	74,758
Support service - general administration	108,859	0	0	0	108,859
Central services	82,833	0	0	0	82,833
Operation and maintenance of plant	206,355	844	0	0	207,199
Medicaid	140	0	0	0	140
Food services	38,347	0	0	0	38,347
Student transportation	0	0	108,739	0	108,739
	<u>1,298,839</u>	<u>844</u>	<u>108,739</u>	<u>317</u>	<u>1,408,739</u>
Total Expenditures					
Excess (deficiency) of revenues over expenditures	<u>(29,389)</u>	<u>(844)</u>	<u>(13,243)</u>	<u>2,020</u>	<u>(41,456)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	<u>(7,827)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(7,827)</u>
Total other financing sources (uses)	<u>(7,827)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(7,827)</u>
Net change in fund balances	<u>(37,216)</u>	<u>(844)</u>	<u>(13,243)</u>	<u>2,020</u>	<u>(49,283)</u>
Fund balances - beginning of year	67,089	11,514	20,764	679	100,046
Prior period adjustment	0	0	0	0	0
Net position - beginning of year as adjusted	<u>67,089</u>	<u>11,514</u>	<u>20,764</u>	<u>679</u>	<u>100,046</u>
Fund balances - end of year	<u>\$ 29,873</u>	<u>\$ 10,670</u>	<u>\$ 7,521</u>	<u>\$ 2,699</u>	<u>\$ 50,763</u>

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**OPERATIONAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
June 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Taxes	\$ 3,763	\$ 3,763	\$ 3,632	\$ (131)
Charges for services	600	600	3,046	2,446
State sources	1,206,705	1,258,022	1,257,790	(232)
Federal sources	0	0	0	0
Earnings from investments	3,600	3,600	1,323	(2,277)
Miscellaneous	<u>0</u>	<u>0</u>	<u>3,710</u>	<u>3,710</u>
 Total Revenues	 <u>1,214,668</u>	 <u>1,265,985</u>	 <u>1,269,501</u>	 <u>3,516</u>
 EXPENDITURES				
Current:				
Direct instruction	708,802	792,526	786,384	6,142
Support service - students	85,411	74,762	74,758	4
Support service - general administration	135,753	107,269	108,634	(1,365)
Central services	86,906	83,015	82,833	182
Operation and maintenance of plant	221,436	209,369	206,560	2,809
Medicaid	644	1,134	140	994
Food services	35,075	43,075	38,347	4,728
Student transportation	<u>330</u>	<u>122</u>	<u>0</u>	<u>122</u>
 Total Expenditures	 <u>1,274,357</u>	 <u>1,311,272</u>	 <u>1,297,656</u>	 <u>13,616</u>
 Excess (deficiency) of revenues over expenditures	 (59,689)	 (45,287)	 (28,155)	 (10,100)
 OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>0</u>	<u>(7,857)</u>	<u>(7,857)</u>	<u>0</u>
Total other financing sources (uses)	0	(7,857)	(7,857)	0
 Net change in fund balances	 (59,689)	 (53,144)	 (36,012)	 (10,100)
 Fund balance - beginning of year	 <u>63,164</u>	 <u>63,164</u>	 <u>63,164</u>	 <u>0</u>
 Fund balance - end of year	 <u>\$ 3,475</u>	 <u>\$ 10,020</u>	 <u>\$ 27,152</u>	 <u>\$ (10,100)</u>
 Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (36,012)	
Net revenue accruals			(74)	
Net expenditure accruals			<u>(1,130)</u>	
Net changes in fund balance GAAP basis			<u>\$ (37,216)</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

TEACHERAGE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**

June 30, 2014

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Charges for services	\$ 1,100	\$ 1,100	\$ 0	\$ (1,100)
Total Revenues	<u>1,100</u>	<u>1,100</u>	<u>0</u>	<u>(1,100)</u>
EXPENDITURES				
Current:				
Operation and maintenance of plant	<u>10,461</u>	<u>10,461</u>	<u>844</u>	<u>9,617</u>
Total Expenditures	<u>10,461</u>	<u>10,461</u>	<u>844</u>	<u>9,617</u>
Net change in fund balance	<u>(9,361)</u>	<u>(9,361)</u>	<u>(844)</u>	<u>8,517</u>
Fund balance - beginning of year	<u>11,514</u>	<u>11,514</u>	<u>11,514</u>	<u>0</u>
Fund balance - end of year	<u><u>\$ 2,153</u></u>	<u><u>\$ 2,153</u></u>	<u><u>\$ 10,670</u></u>	<u><u>\$ 8,517</u></u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (844)	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u><u>\$ (844)</u></u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

TRANSPORTATION FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**

June 30, 2014

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State sources	\$ 88,673	\$ 95,496	\$ 95,496	\$ 0
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>88,673</u>	<u>95,496</u>	<u>95,496</u>	<u>0</u>
EXPENDITURES				
Current:				
Student transportation	<u>88,673</u>	<u>105,878</u>	<u>108,739</u>	<u>(2,861)</u>
Total Expenditures	<u>88,673</u>	<u>105,878</u>	<u>108,739</u>	<u>(2,861)</u>
Net change in fund balance	0	(10,382)	(13,243)	(2,861)
Fund balance - beginning of year	<u>20,764</u>	<u>20,764</u>	<u>20,764</u>	<u>0</u>
Fund balance - end of year	<u>\$ 20,764</u>	<u>\$ 10,382</u>	<u>\$ 7,521</u>	<u>\$ (2,861)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			(13,243)	
Net revenue accruals			0	
Net expenditure accruals			<u>0</u>	
Net changes in fund balance GAAP basis			<u>\$ (13,243)</u>	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

INSTRUCTIONAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**

June 30, 2014

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Charges for services	\$ 2,024	\$ 2,024	\$ 2,337	\$ 313
Total Revenues	2,024	2,024	2,337	313
EXPENDITURES				
Current:				
Direct instruction	2,024	2,024	0	2,024
Total Expenditures	2,024	2,024	0	2,024
Net change in fund balance	0	0	2,337	2,337
Fund balance - beginning of year	679	679	679	0
Fund balance - end of year	\$ 679	\$ 679	\$ 3,016	\$ 2,337
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 2,337	
Net revenue accruals			0	
Net expenditure accruals			(317)	
Net changes in fund balance GAAP basis			\$ 2,020	

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
Assets				
Cash	\$ 70,675	\$ 92,843	\$ 60,719	\$ 102,799
Total Assets	<u>\$ 70,675</u>	<u>\$ 92,843</u>	<u>\$ 60,719</u>	<u>\$ 102,799</u>
Liabilities				
Deposits held for others	\$ 70,675	\$ 92,843	\$ 60,719	\$ 102,799
Total Liabilities	<u>\$ 70,675</u>	<u>\$ 92,843</u>	<u>\$ 60,719</u>	<u>\$ 102,799</u>

STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS

SCHEDULE OF PLEDGED COLLATERAL
June 30, 2014

Community 1st Bank - Las Vegas

<u>Description of Pledge Collateral</u>	<u>Cusip</u>	<u>Maturity</u>	<u>Market Value</u>
FNMA Pool 254179	31371KJY8	12/1/2021	\$ 16,718
FHLMC Pool E01377	31294KQ65	5/1/2018	82,434
GNMA Poll 005201	36202FX68	10/20/2041	<u>73,969</u>
		Total	<u>\$ 173,121</u>

Farmers and Stockmens Bank

<u>Description of Pledge Collateral</u>	<u>Cusip</u>	<u>Maturity</u>	<u>Market Value</u>
Carlsbad NM	3128P7Q63	6/1/2031	<u>\$ 157,815</u>

Total \$ 330,936

STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS

SCHEDULE OF DEPOSITS AND INVESTMENT ACCOUNTS
June 30, 2013

Bank Account Type/Name	Total
Community 1st Bank	\$ 300,586
Farmers and Stockmens Bank	<u>47,626</u>
Total on Demand	348,212
Reconciling Items	<u>(120,098)</u>
Reconciled Balance June 30, 2014	228,114
Athletic Fund	58
Plus: LGIP	84
Less: Fiduciary Funds Cash in Bank	<u>(102,299)</u>
Balance Sheet Total June 30, 2014	125,957
Fiduciary Cash in Bank	\$ 102,299
Fiduciary Cash on Hand	<u>500</u>
Total Fiduciary Cash	<u>\$ 102,799</u>

STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS

CASH RECONCILIATION
June 30, 2014

	Operational 11000	Teacherage 12000	Student Transportation 13000	Instructional Materials 14000	Food Services 21000	Athletics 22000	Federal Passthrough 24000	Federal Direct 25000	State Flowthrough 27000
Cash, June 30, 2013	\$ 67,297	\$ 11,514	\$ 20,763	\$ 679	\$ 8,214	\$ 1,240	\$ (48,762)	\$ 939	\$ 6,706
Prior year audit adjustment	1,580								
Cash Per June 30, 2013 Audit	68,877	11,514	20,763	679	8,214	1,240	(48,762)	939	6,706
Cash receipts 2013-2014	1,265,791	0	95,496	2,337	21,004	3,514	50,505	25,401	36,735
Cash Disbursements, 2013-2014	(1,301,773)	(844)	(108,739)	0	(21,349)	(3,827)	(29,203)	(30,376)	(58,599)
Cash Balance June 30, 2014	32,895	10,670	7,520	3,016	7,869	927	(27,460)	(4,036)	(15,158)
Auditor's Adjustments	2,015.00								
Unreconciled Differences	(3,648.00)								
Reconciled Balance June 30, 2014	\$ 31,262	\$ 10,670	\$ 7,520	\$ 3,016	\$ 7,869	\$ 927	\$ (27,460)	\$ (4,036)	\$ (15,158)

	State Direct 28000	Local/State 29000	Bond Building 31100	Public School Capital Outlay 31200	Cap Impor. SB9 31700	Public School Cap. Outlay 20% 32100	Debt Service 41000	Total Governmental Funds	Student Activities 23000	Total Cash
Cash, June 30, 2013	\$ 6,283	\$ 3,959	\$ 2,894	\$ 5,108	\$ 70,729	27	\$ 40,020	\$ 197,609.77	\$ 70,675	\$ 268,284.77
Prior year audit adjustment								1,580.00		1,580.00
Cash Per June 30, 2013 Audit	6,283	3,959	2,894	5,108	70,729	27	40,020	199,190	70,675	269,865
Cash receipts 2013-2014	13,268	0			27,778	-	42,458	1,584,287	92,843	1,677,130
Cash Disbursements, 2013-2014	(14,961)	0			(39,590)	0	(43,732)	(1,652,993)	(58,553)	(1,711,546)
Cash Balance June 30, 2014	4,590	3,959	2,894	5,108	58,917	27	38,746	130,484	104,965	235,449
Auditor's Adjustments			(2,894)					(879.00)	(2,166)	(3,045.00)
Unreconciled differences								(3,648.00)		(3,648.00)
Reconciled Balance June 30, 2014	\$ 4,590	\$ 3,959	\$ (0)	\$ 5,108	\$ 58,917	\$ 27	\$ 38,746	\$ 125,957	\$ 102,799	\$ 228,756



R. Kelly McFarland

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A Professional Corporation**

CPA

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Mr. Hector Balderas
New Mexico State Auditor and
Board Members of Roy Municipal Schools
Roy, New Mexico

I was engaged to audit, 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, and the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the Roy Municipal Schools, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Roy Municipal School's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Roy Municipal Schools, presented as supplemental information, and have issued my report, thereon, dated November 12, 2014. My report disclaims an opinion on such financial statements because of inadequacies in capital asset and accounting records.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Roy Municipal Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, and the combining and individual funds and related budgetary comparisons of the Roy Municipal Schools but not for the purpose of expressing an opinion on the effectiveness of Roy Municipal Schools' internal control. Accordingly, I do not express an opinion on the effectiveness of Roy Municipal School District's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs I identified certain deficiencies in internal control that I consider to be material weaknesses and significant deficiencies.

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. I consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. (2005-004 [2005-04], 2014-003).

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. I consider the

deficiencies described in the accompany schedule of findings and responses to be significant deficiencies. (2014-001, 2014-002)

Compliance and Other Matters

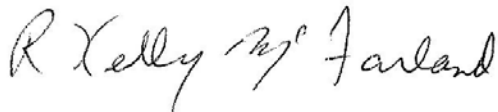
As part of obtaining reasonable assurance about whether Roy Municipal Schools' financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items (2013-001 [2013-01], 2013-004 [2013-04], 2010-002 [2010-02], 2005-004 [2005-04], and 2014-002).

Roy Municipal Schools' Response to Findings

Roy Municipal Schools' response to the findings identified in my audit is described in the accompanying schedule of findings and responses. Roy Municipal Schools' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

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



November 12, 2014

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Schedule of Findings and Response
June 30, 2014

Prior Year Findings

FINDING 2013-001 [2013-01] (Finding that does not rise to the level of a significant deficiency)

Accounting Policies and Procedures for Student Activity (Partially Cleared)

Condition - Prior to the current year, the District did not have written operating procedures regarding managing student activities. During the current year, the District partially addressed this finding through a written policy in the student handbook. The policy provides a broad concept of internal control over student activities, but does not provide specific guidance for authorization for fund raising, fix responsibility or address procedures those responsible should exercise over collection and handling the money collected.

Criteria - Section 6-10-2 NMSA provides that public officials have a duty that to maintain detail records for receipt of money. In order to ensure that all persons who will be responsible for collecting funds for student activities, comply with the record keeping requirements, communication to those persons through a written policy is essential to ensuring compliance.

Effect – Although procedures have been developed to handle student funds, the District could still be at risk for loss funds.

Cause – Although the District has specific procedures for handling cash collected, the procedures have not been reduced to writing, or to fix responsibility for handling the cash.

Recommendation - I commend the District for its response to this finding by developing the general written policy in the Student/Parent Handbook and also for the specific procedures used by the District for handling student activates. However, I recommend that the written policy either specifically provide how and what type of records will be maintained or reference another document or forms to be used which will provide written procedures to be followed, along with the persons who are specifically responsible.

Management's Response - Management will draft written procedures to the sponsors of each club/class of the procedures to be followed when handling student activity revenues. Will also recommend to the Board they adopt a formal policy with the procedures.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Schedule of Findings and Response
June 30, 2014

Prior Year Findings, Continued

FINDING 2013-004 [2013-04] (Finding that does not rise the level of a significant deficiency)

Segregation of Duties

Condition – The District has only one full-time office person and a part-time person to staff the District’s administrative functions. These persons also perform other District duties, such as cafeteria management, in addition to administrative functions.

During the current year, the District has developed processes and procedures addressing the concerns of one person preparing bank reconciliations, recording transactions, requesting and preparing purchase orders and exercising control over the budget. Those procedures include dividing duties among the full and part-time persons in the administrative office and the Superintendent. While these procedures have improved the segregation of duties to a great extent, the elected officials and management, must continue to be aware of the difficulty of achieving proper internal controls with such a limited number of persons.

Criteria – Section 6.20.2.11NMAC requires school districts to develop, establish and maintain a structure of internal accounting controls and written procedures to provide for a segregation of duties. The objective of the segregation of duties is to ensure that the authorization to execute a transaction, record the transactions and asset custody are not performed by the same person.

Effect – The District could still be at risk for losses which could result from unauthorized transactions and not detect the unauthorized transactions on a timely basis.

Cause - The very limited budget of the school district has not permitted a larger office staff to properly segregate duties, among other persons.

Recommendation - I recommend that the procedures developed be reduced to written procedures and approved by the elected officials. I further recommend that individuals who perform other functions, such as review of the bank reconciliation or checking another person’s work, initial the document to document the review. Finally, as a part of the elected officials’ oversight responsibility, review the process of segregation of duties with management on a regular basis and maintain an awareness of this problem.

Management’s Response - Written procedures on the segregation of duties will be drafted for presentation to the Board. Office personnel will ensure that initials are placed once the review of work has been completed.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Schedule of Findings and Response
June 30, 2014

Prior Year Findings, Continued

FINDING 2010-002 [2010-02] (Material noncompliance)

Budgeted Expenses Exceed Budgeted Revenue and Beginning Cash

Condition - The following funds budgeted a deficit for the year in which budgeted expenditures exceeded budgeted revenues, prior year's cash balance and federal receivables:

Athletics Fund	(627)
REAP Fund	(32,855)
Food Service	(583)

Criteria – Section 6-6-6 NMSA 1978 infers that in order to adopt a budget authorization, resources are available for budgeting. Reporting of deficit budgeted fund balances is required by the State Audit Rule, 2.2.2.10 O. Cash is a resource that should be considered in preparing and adopting the budget.

Effect – The budgets for these funds are not in compliance with the referenced statutes. Budget expenditures were adopted in excess of budget resources.

Cause – Although the budget forms used for budget preparation include a projection of the year end cash balances, the forms are not structured to include cash as a budget resource for purposes of determining total available resources. As the total budget resources are not visually reflected on the budget form, budget preparers are not aware expenditures budgeted exceed available resources.

Additionally, controls are not in place to ensure budget adjustments are properly posted to reflect the desired budget changes. The REAP fund resulted in reflecting a budget deficit as a result of posting the budget adjustment entry backwards.

Recommendation – I recommend the adoption of a budget form, perhaps in a spread sheet, if such a report cannot be generated by the Visions software, which will reflect beginning cash, revenues, expenditures and ending cash. A spread sheet analysis may also be helpful in developing a control for budget adjustments. The control should then be agreed to the adjustments posted to the Visions system and the adjusted budget balance reflected in the general ledger should check to be sure it reflects the desired amount.

Management's Response - Permanent Cash Transfer authority will be requested upon the return of the OSA approved audit to clear the deficit balances from prior years.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Schedule of Findings and Response
June 30, 2014

Prior Year Findings, Continued

FINDING 2005-004 [2005-04] (Material Weakness and Material Noncompliance)

Capital Assets

Condition - The capital asset records of the District have not been accurately maintained. The detail capital asset records do not agree with the control account as reflected in the Government Wide Statement of Net Position.

An inventory of Capital Assets was not taken for the year ended June 30, 2014.

Criteria - NMAC 6.20.20.22 C requires school districts to establish a property control system that complies with generally accepted accounting principles.

Section 12-6-10A NMSA 1978, requires all NM Governments to conduct an annual inventory list at the end of each fiscal year, certified as correct.

Effect – The District is unable to account for all of its capital assets and is therefore, unable to exercise proper stewardship over the District's property or to properly reflect the District's investment in capital assets in the financial statements.

Cause - With the very limited staff of the school district, it has not been possible to conduct the inventory, necessary to identify the existence and condition of the District's property in order to adjust the accounting records.

Recommendation - I recommend the District conduct an inventory of all property, noting the condition or obsolescence. The official inventory should be compared to any records the District may have to determine any missing, unusable or obsolete property. I also recommend the adoption of processes and procedures to ensure the annual inventory is conducted and the accounting records for capital assets are maintained.

Management's Response - A complete inventory of all property will be done this fiscal year so that obsolete, missing and unusable property can be deleted and a true accounting of inventory can be maintained if the appropriate staff can find the time or get the assistance needed.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Schedule of Findings and Response
June 30, 2014

Current Year Findings

FINDING 2014-001 (Significant Deficiency)

Bank Reconciliation Procedures

Condition – The bank reconciliation has not been in agreement with the books of account for some years by an immaterial amount. The bank reconciliation procedures, necessary to accomplish proper segregation of duties (Finding 2013-04) have not been effective in noting the difference on the bank reconciliation and the balance reflected in the books of account. Some of these differences result from attempts to adjust for old outstanding checks.

At June 30, 2014, the District had closed one bank account and opened a new bank account with another bank. Entries had not been posted to reflect all of the transactions in the new bank account at year end. A positive balance of \$548,237 was reflected in one bank account and a negative balance of (\$328,369) was reflected in another bank account. Net adjustments, both positive and negative of \$7,845 were required to properly adjust the bank account at year end.

The cash report to the Public Education Department was not in agreement with the bank reconciliation in the amount of \$2,985.

The bank reconciliation is not initialed by the Superintendent to document his review.

Criteria – An essential and critical element of controlling transactions in the cash basis general ledger and exercising budgetary control over expenditures is the accurate reconciliation of the District's pooled bank account. Section 12-6-5 NMSA 1978 requires agencies to implement "good accounting practices". Section 6-10-2 NMSA 1978 requires cash records to maintain to reflect the public money on hand at the close of each day.

Effect - The District is at risk of material misstatement of the financial statements and regulatory reports as well as possible compliance violation of budgetary expenditures, without proper reconciliation procedures. Immaterial errors were noted in the current year.

Cause - The District's Business Manager has not had adequate training to use the District's complex software, used to reconcile the bank.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Schedule of Findings and Response
June 30, 2014

Current Year Findings, Continued

FINDING 2014-001, Continued

Recommendation – I recommend the Business Manager receive additional formal training in *Visions* software used for the bank reconciliation process. I also recommend the Superintendent initial the bank reconciliation after review. Any differences between the reconciled balance of actual cash and the books of account should be investigated and adjusted on a monthly basis.

Management's Response - The District will obtain training for the Business Manager from Visions for Bank Statement reconciliation as well as the Superintendent verifying the Bank Reconciliation upon completion. Any differences will be investigated and adjusted on a monthly basis.

FINDING 2014-002 (Significant Deficiency and Nonmaterial noncompliance)

Expenditures in Excess of Budget

Condition - The following funds had expenditures in excess of the authorized and approved budget:

Transportation Fund	\$ 2,861
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Criteria - Section 6-6-6 NMSA 1978 provides that no governing authority or official shall allow or approve expenditures in excess of the legally adopted budget.

Adjustments to the accounting records that involve the transfer of fund resources (cash) from one fund to another, will also require a corresponding budget adjustment to authorize the transfer. The budget must therefore be adjusted to reflect the effects on the transfer.

Effect – Expenditures for these funds have exceeded the authorized budget for the funds referenced above.

Cause - Transfers of cash from one fund to another were adjusted through fund balance, rather than through current year transactions as a transfer. Adjustments through fund balance are allowed by generally accepted accounting principles in limited instances, for example, correction of an error. Current year activities must be reported as current year activities. As the books of account did not reflect excess expenditures, a budget adjustment was not prepared. The expenditure caused the funds to exceed their budget authorization.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Schedule of Findings and Response
June 30, 2014

Current Year Findings, Continued

FINDING 2014-002, Continued

Recommendation – I recommend that all transfers of the current year be reflected in current year financial reporting and that budget adjustments be prepared for such transactions.

Management's Response - Current year transactions will be reflected in the current year and budget adjustments will be entered into the accounting system accordingly.

FINDING 2014-003 (Material Weakness)

Grants Received in Advance (Unearned Income) and Grants Receivable

Condition - At June 30, 2013, the District's financial statements reflected liabilities to grantors for advances received in advance for reimbursable grants of \$17,316. I was not able to determine if this amount is a valid liability.

In addition, the financials at June 30, 2013 reflected amounts due from other governments in the amount of \$14,449 for reimbursement of expenditures from reimbursable grants. I noted that not all receivables were subsequently collected in fiscal year 2014 and that amounts that should have been recorded as receivables in fiscal year 2013 were not recorded.

Criteria - The District maintains its bookkeeping system on the cash basis of accounting; however, for financial reporting purposes, the District is required by the State Audit Rule, 2.2.2 NMAC to use the modified accrual method of accounting. As neither the receivables from grantors for reimbursable grant expenditures, nor liabilities to grantors for advance payments are recorded on the District's books of account, the auditor must assist the District in recording the necessary accruals for financial reporting purposes.

Even though the receivables and the liabilities are not recorded on the District's books of account, the District must still maintain a subsidiary ledger to account for the billing of the grantor or the liability to the grantor. In addition, supporting documentation must be maintained of the basis for the receivables and liabilities. These records are necessary to ensure proper recording of the receivables and to establish the validity of the claim as required by Section 12-6-5 to implement "good accounting practices".

Generally, for most reimbursable type grants, grantors do not provide advance funding; therefore, unearned revenue would be a common transaction.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Schedule of Findings and Response
June 30, 2014

Current Year Findings, Continued

FINDING 2014-003, Continued

Effect - The District is uncertain as to the validity of liabilities reflected on the financial statements from prior years. In addition, as receivables may have been improperly recorded in prior years, prior period's revenue and current year's revenue may be misstated.

Cause - The District does not maintain a subsidiary ledger record of receivables and liabilities for its large number of special revenue, reimbursable type grants. The District is therefore not able to follow up on uncollected or unpaid amounts in a timely manner.

Recommendation – I recommend the District establish a subsidiary ledger for all receivable amounts billed to grantors and any liabilities for advances on grants for which eligibility requirements have not yet been met. In addition to serving the District as an essential part of its record keeping system, the subsidiary ledger should serve as the basis for the auditor to assist the District in recording receivables and liabilities for the modified accrual financial statements.

In addition, I recommend the elected officials, based on the recommendations of management, investigate and determine the validity of liabilities to other governments. Based on this investigation, I recommend the elected officials either pay the liabilities, or request authority to liquidate the liabilities by transferring the remaining cash in the special revenue funds to the general fund.

Management's Response - Management will immediately implement procedures to track all grant funding receivables. Spreadsheets will be maintained to ensure all receivables are received in a timely manner.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Schedule of Findings and Response
June 30, 2014

Status of Prior Year's Findings

Finding 2013-001 [2013-01] - Accounting Policies and Procedures for Student Activity
Partially resolved. Repeated and modified in the current year.

Finding 2013-002 [2013-02] – Improper Use and Disbursement of Student Activity
Funds
Resolved.

Finding 2013-003 [2013-03] – Agency Funds with Negative Balance
Resolved.

Finding 2013-004 [2013-04] – Segregation of Duties
Repeated and modified in the current year.

Finding 2012-001 [2012-01] – Budget Adjustment Requests
Resolved.

Finding 2010-002 [2010-02] – Budgeted Expenses Exceed Budgeted Revenue and
Fund Balance
Repeated in current year.

Finding 2005-004 [2005-04] – Capital Assets
Repeated and Modified in the current year.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Financial Statement Preparation
June 30, 2014

The financial statements of Roy Municipal Schools as of, and for the year ended June 30, 2014 were prepared by R. Kelly McFarland, CPA, PC, with the aid of responsible District personnel. Official responsible personnel agree that the presentations are made with their knowledge and agreement.

**STATE OF NEW MEXICO
ROY MUNICIPAL SCHOOLS**

Exit Conference
June 30, 2014

An exit conference was conducted on November 12, 2014 in a meeting of Roy Municipal Schools pursuant to Section 12-6-5 NMSA, 1978 with the following individuals in attendance:

Roy Municipal Schools

Blair Clavel

Edward DeHerrera

Secundino Esquibel Jr.

Sherrita Fluhman

Board Vice President

Secretary

Superintendent

Business Manager

R. Kelly McFarland, CPA, PC

R. Kelly McFarland

Auditor