

State of New Mexico

Silver Consolidated School District No. 1
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT THEREON

For The Fiscal Year Ended June 30, 2014

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Silver Consolidated School District No. 1
DIRECTORY OF OFFICIALS
June 30, 2014

BOARD OF EDUCATION

Trent Petty	President
Arnold Torres	Vice-President
Tony Egan	Secretary
Chris Arvidson	Member
Deborah Eggleston	Member

SCHOOL OFFICIALS

Lon Streib	Superintendent
Candy Milam	Associated Superintendent of Finance

MIKE STONE, C.P.A.
LINDA STONE MCGEE, C.P.A.
KAY STONE, C.P.A.
JARROD MASON, C.P.A.
KELLEY WYATT, C.P.A.

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INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas, State Auditor
And
Board of Education
Silver Consolidated School District No. 1
Silver City, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Silver Consolidated School District No. 1, as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the Silver Consolidated School District No. 1's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Silver Consolidated School District No. 1's nonmajor governmental funds, the components of the General Fund and the budgetary comparisons for the components of the general fund, the nonmajor special revenue funds, the debt service fund, and the capital projects funds presented as other supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Silver Consolidated School District No. 1, as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund and components of the general fund of the Silver Consolidated School District No. 1 as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparisons for the components of the general fund, the nonmajor special revenue funds, the debt service fund, and the capital projects funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the Silver Consolidated School District No. 1's financial statements that collectively comprise the District's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by the Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and the other schedules presented as other supplemental data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and the other supplemental data are the responsibility of management and were derived from and related 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. In our opinion, the Schedule of Expenditures of Federal Awards and the other supplemental data are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2014, on our consideration of the Silver Consolidated School District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Silver Consolidated School District No. 1's internal control over financial reporting and compliance.

Stone, McGee & Co., CPAs

Silver City, New Mexico
October 17, 2014

Stone, McGee & Co.
Certified Public Accountants

Silver Consolidated School District No. 1
STATEMENT OF NET POSITION
June 30, 2014

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 2,448,664
Property taxes receivable	901,579
Due from other governments	1,130,701
Inventory	46,763
Capital assets:	
Land and improvements	4,081,518
Buildings and improvements	48,140,816
Equipment	5,749,794
Less accumulated depreciation	(35,418,447)
Total capital assets, net of depreciation	\$ 22,553,681
Total assets	\$ 27,081,388
Liabilities	
Cash overdraft	\$ -
Accounts payable	279,029
Long-term liabilities:	
Portion due or payable within one year:	
Bonds payable	1,280,000
Accrued interest payable	84,661
Portion due or payable after one year:	
Bonds payable	4,115,000
Compensated absences	60,446
Total liabilities	\$ 5,819,136
Deferred Inflows of Resources	
Unavailable revenue	\$ 4,727
Total deferred inflows of resources	\$ 4,727
Net Position	
Net investment in capital assets	\$ 17,158,681
Restricted for:	
Capital projects	277,773
Debt service	1,862,555
Other purposes	1,570,237
Unrestricted	388,279
Total net position	\$ 21,257,525

The accompanying notes are an integral part of these financial statements

Silver Consolidated School District No. 1
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Charges for Services</u>
Governmental activities:		
Instruction	\$ 17,106,945	\$ 275,005
Support services - Students	3,464,778	
Support services - Instruction	1,010,541	
General administration	578,228	50,644
School administration	1,788,189	
Central services	869,631	
Operation of plant	4,759,571	
Food services	1,319,942	155,243
Transportation	1,268,535	
Other support services	57,637	
Interest on long-term debt	207,060	
	<u>\$ 32,431,057</u>	<u>\$ 480,892</u>
Total governmental activities		
General revenues:		
Property taxes:		
Levied for general purposes		
Levied for debt service		
Levied for capital improvements		
State aid - formula grants		
Recoveries and refunds		
Unrestricted investment earnings		
Loss on disposition of assets		
Total general revenues and special items		
Change in net position		
Net position - beginning of year		
Net position - end of year		

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

Revenues		Net (Expense) Revenue and Changes in Net Position
Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
\$ 2,295,123	\$ -	\$ (14,536,817)
420,084		(3,044,694)
238,497		(772,044)
50,724		(476,860)
984		(1,787,205)
		(869,631)
122,706	184,797	(4,452,068)
1,134,948		(29,751)
1,144,570		(123,965)
		(57,637)
		(207,060)
<u>\$ 5,407,636</u>	<u>\$ 184,797</u>	<u>\$ (26,357,732)</u>
		\$ 189,978
		1,633,124
		2,085,078
		22,951,015
		15,445
		1,119
		-
		<u>\$ 26,875,759</u>
		\$ 518,027
		<u>20,739,498</u>
		<u><u>\$ 21,257,525</u></u>

Silver Consolidated School District No. 1
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2014

	General Fund	Title I	Entitlement
Assets			
Cash and investments	\$ -	\$ -	\$ -
Property taxes receivable	72,672		
Inventory			
Due from other governments		304,847	336,173
Interfund receivable	481,388	604	647
Total assets	\$ 554,060	\$ 305,451	\$ 336,820
 Liabilities			
Accounts payable	\$ 103,855	\$ -	\$ -
Interfund payable	1,480	305,451	336,820
Total liabilities	\$ 105,335	\$ 305,451	\$ 336,820
 Deferred Inflows of Resources			
Unavailable revenue	\$ 67,084	\$ -	\$ -
Total deferred inflows of resources	\$ 67,084	\$ -	\$ -
 Fund balance:			
Nonspendable:			
Inventories	\$ -	\$ -	\$ -
Restricted for:			
Education			
Food service			
Social services			
Capital projects			
Debt service			
Unassigned	381,641		
Total fund balances	\$ 381,641	\$ -	\$ -
Total liabilities, deferred inflows of resources and fund balances	\$ 554,060	\$ 305,451	\$ 336,820

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

<u>Medicaid</u>	<u>SB-9</u>	<u>Debt Service</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 437,945 281,616	\$ 1,492,235 443,272	\$ 518,484 104,019 46,763 445,138	\$ 2,448,664 901,579 46,763 1,130,701
44,543 <u>539,261</u>	<u>39,442</u>	<u>11,709</u>	<u>229</u>	<u>1,073,280</u>
<u>\$ 583,804</u>	<u>\$ 759,003</u>	<u>\$ 1,947,216</u>	<u>\$ 1,114,633</u>	<u>\$ 5,600,987</u>
\$ 947	\$ 39,629 11,709	\$ -	\$ 134,598 417,820	\$ 279,029 1,073,280
<u>\$ 947</u>	<u>\$ 51,338</u>	<u>\$ -</u>	<u>\$ 552,418</u>	<u>\$ 1,352,309</u>
\$ -	\$ 245,981	\$ 391,477	\$ 82,122	\$ 786,664
<u>\$ -</u>	<u>\$ 245,981</u>	<u>\$ 391,477</u>	<u>\$ 82,122</u>	<u>\$ 786,664</u>
\$ -	\$ -	\$ -	\$ 46,763	\$ 46,763
582,857	461,684	1,555,739	40,115 192,837 200,378	40,115 192,837 582,857 662,062 1,555,739 381,641
<u>\$ 582,857</u>	<u>\$ 461,684</u>	<u>\$ 1,555,739</u>	<u>\$ 480,093</u>	<u>\$ 3,462,014</u>
<u>\$ 583,804</u>	<u>\$ 759,003</u>	<u>\$ 1,947,216</u>	<u>\$ 1,114,633</u>	<u>\$ 5,600,987</u>

Silver Consolidated School District No. 1
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
 TO NET POSITION OF GOVERNMENTAL ACTIVITIES**
 June 30, 2014

Total governmental fund balances	\$	3,462,014
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		22,553,681
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds: Property taxes subject to the 60 day availability period		781,937
Long-term liabilities, including bonds payable, compensated absences, lease-purchases payable and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds: Bonds payable Accrued interest payable Compensated absences payable		(5,395,000) (84,661) (60,446)
<i>Net Position of Governmental Activities</i>	<u>\$</u>	<u>21,257,525</u>

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

Silver Consolidated School District No. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2014

	General	Title I	Entitlement
Revenues:			
Property taxes	\$ 173,954	\$ -	\$ -
Fees and charges	194,153		
State aid	24,420,914		
Federal aid	306,907	762,419	829,942
Earnings on investments	1,119		
Miscellaneous	13,197		
	\$ 25,110,244	\$ 762,419	\$ 829,942
Expenditures:			
Current:			
Instruction	\$ 14,465,442	\$ 662,879	\$ 537,924
Support services - Students	3,009,333		149,399
Support services - Instruction	723,360	78,836	120,077
General administration	463,912	20,704	22,542
School administration	1,783,148		
Central services	707,353		
Operation of plant	3,030,992		
Food service			
Transportation	1,155,595		
Other support services	57,637		
Debt service:			
Principal			
Interest			
Capital outlay	5,320		
	\$ 25,402,092	\$ 762,419	\$ 829,942
Revenues over (under) expenditures	\$ (291,848)	\$ -	\$ -
Other financing sources (uses):			
Transfers in			
Transfers out			
Net change in fund balance	\$ (291,848)	\$ -	\$ -
Fund balance, July 1, 2013	673,489		
Fund balance, June 30, 2014	\$ 381,641	\$ -	\$ -

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

Medicaid	SB-9	Debt Service	Other Funds	Total Governmental Funds
\$ -	\$ 1,199,944	\$ 1,523,658	\$ 728,510	\$ 3,626,066
			236,095	430,248
			586,881	25,007,795
246,150			1,440,879	3,586,297
				1,119
			2,248	15,445
<u>\$ 246,150</u>	<u>\$ 1,199,944</u>	<u>\$ 1,523,658</u>	<u>\$ 2,994,613</u>	<u>\$ 32,666,970</u>
\$ -	\$ -	\$ -	\$ 691,084	\$ 16,357,329
265,283			24,535	3,448,550
			39,584	961,857
	9,846	13,897	14,872	545,773
			984	1,784,132
	789,636		435,880	707,353
			1,319,942	4,256,508
			3,402	1,319,942
				1,158,997
				57,637
		1,240,000		1,240,000
		226,435		226,435
	191,624		417,821	614,765
<u>\$ 265,283</u>	<u>\$ 991,106</u>	<u>\$ 1,480,332</u>	<u>\$ 2,948,104</u>	<u>\$ 32,679,278</u>
\$ (19,133)	\$ 208,838	\$ 43,326	\$ 46,509	\$ (12,308)
				-
				-
<u>\$ (19,133)</u>	<u>\$ 208,838</u>	<u>\$ 43,326</u>	<u>\$ 46,509</u>	<u>\$ (12,308)</u>
601,990	252,846	1,512,413	433,584	3,474,322
<u>\$ 582,857</u>	<u>\$ 461,684</u>	<u>\$ 1,555,739</u>	<u>\$ 480,093</u>	<u>\$ 3,462,014</u>

Silver Consolidated School District No. 1
**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2014

Net change in fund balances- total governmental funds	\$	(12,308)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:

Capital outlay		614,765
Depreciation expense		(1,622,784)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change during the year:

Property taxes subject to the 60 day availability period		282,114
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:

Payment of bond principal		1,240,000
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In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. This is the net change during the year.

19,375

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the basis in the assets disposed of.

-

Some expense reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the net change in compensated absences for the year.

(3,135)

Change in Net Position of Governmental Activities

\$ 518,027

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

Silver Consolidated School District No. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30,2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 44,646	\$ 44,646	\$ 297,907	\$ 253,261
State sources	24,312,438	25,460,731	24,420,914	(1,039,817)
Local sources	177,279	177,279	198,326	21,047
Interest income			1,119	1,119
Total revenues	\$ 24,534,363	\$ 25,682,656	\$ 24,918,266	\$ (764,390)
Expenditures:				
Current:				
Instruction	\$ 13,650,954	\$ 14,324,479	\$ 14,295,702	\$ 28,777
Support services - Students	3,054,526	3,044,321	3,016,514	27,807
Support services - Instructi	658,267	733,937	723,360	10,577
General administration	429,019	482,689	467,286	15,403
School administration	1,772,374	1,799,402	1,784,350	15,052
Central services	623,128	743,343	710,208	33,135
Operation of plant	3,227,331	3,334,235	3,022,967	311,268
Transportation	1,024,273	1,156,681	1,155,110	1,571
Other support services	172,669	130,037	112,707	17,330
Capital outlay		11,710	5,320	6,390
Total expenditures	\$ 24,612,541	\$ 25,760,834	\$ 25,293,524	\$ 467,310
Net change in fund balance	\$ (78,178)	\$ (78,178)	\$ (375,258)	\$ (297,080)
Fund balance, July 1, 2013	78,178	78,178	812,358	734,180
Fund balance, June 30, 2014	\$ -	\$ -	\$ 437,100	\$ 437,100
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (291,848)	
Removal of non-budgeted Activity funds			18,473	
Revenue accruals (net)			2,175	
Expenditure accruals (net)			(104,058)	
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (375,258)</u>	

The accompanying notes are an integral part of these financial statements

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - TITLE I
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 701,069	\$ 880,740	\$ 612,389	\$ (268,351)
Expenditures:				
Current:				
Instruction	\$ 607,538	\$ 767,728	\$ 663,040	\$ 104,688
Support services - Instruction	74,584	89,053	78,836	10,217
General administration	17,947	22,959	20,704	2,255
School administration	1,000	1,000		1,000
Total expenditures	<u>\$ 701,069</u>	<u>\$ 880,740</u>	<u>\$ 762,580</u>	<u>\$ 118,160</u>
Net change in fund balance	\$ -	\$ -	\$ (150,191)	\$ (150,191)
Fund balance, July 1, 2013			<u>(155,260)</u>	<u>(155,260)</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (305,451)</u>	<u>\$ (305,451)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(150,030)	
Expenditure accruals (net)			(161)	
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (150,191)</u>	

The accompanying notes are an integral part of these financial statements

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - ENTITLEMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 878,791	\$ 991,956	\$ 113,165
Expenditures:				
Current:				
Instruction	\$ -	\$ 573,843	\$ 538,450	\$ 35,393
Support services - Students		150,905	149,425	1,480
Support services - Instruction		131,180	120,077	11,103
General administration		22,863	22,542	321
Capital outlay				-
Total expenditures	\$ -	\$ 878,791	\$ 830,494	\$ 48,297
Net change in fund balance	\$ -	\$ -	\$ 161,462	\$ 161,462
Fund balance, July 1, 2013	-	-	(498,282)	(498,282)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (336,820)	\$ (336,820)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			162,014	
Expenditure accruals (net)			(552)	
Other financing sources (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 161,462	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - MEDICAID
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 16,221	\$ 266,221	\$ 252,895	\$ (13,326)
Expenditures:				
Current:				
Support services - Students	\$ 16,221	\$ 266,221	\$ 266,218	\$ 3
Other support services	-	-	-	-
Total expenditures	\$ 16,221	\$ 266,221	\$ 266,218	\$ 3
Net change in fund balance	\$ -	\$ -	\$ (13,323)	\$ (13,323)
Fund balance, July 1, 2013	-	-	552,584	552,584
Fund balance, June 30, 2014	\$ -	\$ -	\$ 539,261	\$ 539,261
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (19,133)	
Revenue accruals (net)			6,745	
Expenditure accruals (net)			(935)	
Other financing sources (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (13,323)	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - SENATE BILL 9
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Local sources	<u>1,087,954</u>	<u>1,163,263</u>	<u>1,311,912</u>	<u>148,649</u>
Total revenues	<u>\$ 1,087,954</u>	<u>\$ 1,163,263</u>	<u>\$ 1,311,912</u>	<u>\$ 148,649</u>
Expenditures:				
Current:				
General administration	\$ 10,000	\$ 10,000	\$ 9,846	\$ 154
Operation of plant	957,954	966,576	767,571	199,005
Capital outlay	<u>120,000</u>	<u>186,687</u>	<u>177,886</u>	<u>8,801</u>
Total expenditures	<u>\$ 1,087,954</u>	<u>\$ 1,163,263</u>	<u>\$ 955,303</u>	<u>\$ 207,960</u>
Net change in fund balance	\$ -	\$ -	\$ 356,609	\$ 356,609
Fund balance, July 1, 2013	<u> </u>	<u> </u>	<u>120,778</u>	<u>120,778</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 477,387</u>	<u>\$ 477,387</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 208,838	
Revenue accruals (net)			111,968	
Expenditure accruals (net)			<u>35,803</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 356,609</u>	

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

Silver Consolidated School District No. 1
**STATEMENT OF FIDUCIARY
NET POSITIONS**
June 30, 2014

	Private Purpose Trust Funds	Agency
Assets		
Cash and investments	\$ 29,361	\$ 581,485
Total assets	\$ 29,361	\$ 581,485
 Liabilities		
Deposits held for others		\$ 581,485
Total liabilities		\$ 581,485
 Net Positions		
Endowments held in trust for scholarships and other purposes	\$ 29,361	

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

Silver Consolidated School District No. 1
STATEMENT OF CHANGES IN FIDUCIARY NET POSITIONS
 For the Fical Year Ended June 30, 2014

	Private Purpose Trust Funds
Additions	
Gifts and contributions	\$ 5,721
Deductions	
Scholarships awarded	4,500
Change in net position	\$ 1,221
Net Positions July 1, 2013	28,140
Net positions June 30, 2014	\$ 29,361

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

Silver Consolidated School District No. 1
NOTES TO FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2014

Note 1

Summary of Significant Accounting Policies

Silver Consolidated School District No. 1, organized under the laws of the State of New Mexico, operates under the school board-superintendent form of government. The System provides public education opportunities for children from first through twelfth grade, including but not limited to classroom and vocational studies; as well as school oriented social and athletic activities.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

A. REPORTING ENTITY

These financial statements present the District (the primary government). Component units are legally separate entities that are included in the District's reporting entity because of the significance of their operating or financial relations with the District. Based on that criteria, the District had no component units. The District's component unit in prior years, Aldo Leopold Charter School, became a state chartered school July 1, 2010, and is no longer a component unit of the District.

B. BASIS OF PRESENTATION

Government-wide Financial Statements:

The Statement of Net Positions and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into two major categories: governmental, and fiduciary. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. Included in the General Fund are sub-funds; Operational, the Unrestricted District Fund; Transportation, which accounts for State source revenue used to transport students; Instructional Materials, which accounts for State Source Funds used to purchase textbooks; and Non-instructional Support, which accounts for various student extracurricular activities.

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Project Fund

The Capital project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principle on the general long-term debt of the District.

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

Agency Funds account for assets held in a purely custodial capacity. Since agency funds are custodial in nature (i.e.) assets equal liabilities, they do not involve the measurements of results of operations. Typically these funds are owned by club, athletic teams and/or student organizations.

The emphasis in fund financial statements is on the major funds in the governmental category. Non-major funds are summarized into a single column.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated in to the government-wide statements.

Major Fund Descriptions

General – See above description.

Title I – Fund used to account for federal resources administered by the New Mexico State Department of Education to provide assistance to educationally deprived students in low-income areas of the District. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 103-382).

SB9 - Created by State law to account for the District tax levy restricted solely for use in improvements to the physical plant (NMSA 1978 22-25-1), and is a special revenue fund.

Entitlement Fund - Entitlement funds are used to account for federal resources administered by the New Mexico State Department of Education to provide for the special education needs of handicapped children three to five years old. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 94-142 and P.L. 99-457).

Medicaid – to account for the federal assistance to improve primary health care and increase health education (P.L. 105-33), and is a Special Revenue Fund.

Debt Service – See above description.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item “b” below.

In the fund financial statements, the “current financial resources” measurement focus is used.

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets, liabilities, and deferred inflows of resources, are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statements utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activities, are reported. Revenues,

expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized when the earnings progress is complete.

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

The government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Substantially all governmental fund revenues are accrued. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as deferred outflows of resources by the provider and deferred inflows of resources by the recipient. Grant revenues not collected within 60 days of year end are recorded as receivables and deferred inflows of resources. Such amounts are recorded net of estimated uncollectible amounts.

Property tax receivables are recognized net of estimated refunds and uncollectible amounts in the period for which the taxes are levied, even if they are not available. Property taxes not collected within 60 days of year end are reported as deferred inflows of resources. Property taxes are considered fully collectible.

In the government –wide Statement of Net Position, the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a fully accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital asset; restricted net position; and unrestricted net position. The District first utilizes restricted resources when an expense is incurred and for purposes for which both restricted and unrestricted net position are available.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by generally government revenues (property taxes, certain intergovernmental revenues, and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related

program revenues, operating and capital grants. Program revenues must be directly associated with the function. Charges for services include revenues based on exchange or exchange-like transactions. These revenues arise from charges to customers or applicants who purchase use or directly benefit from the goods, services or privileges provided. Revenues in this category include fees charged for specific services, such as attendance at athletic events, food service, copies and auxiliary services. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net positions resulting from the current year's activities.

D. BUDGETS

Budgets for the General, Special Revenue, Debt Service and Capital Projects funds are prepared by management and approved by the local school board and the Public Finance School Division of the Department of Education. The District has one Capital Project Fund, PSFA Funding, where vendors are paid directly by the State of New Mexico. No budget statements are presented for this fund. Included in the General Fund are activity funds which, although not budgeted by the District are considered District funds. Therefore, these non-budgeted activity accounts are excluded from the budgetary comparison statement.

These budgets are prepared on the NON-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

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

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

E. CASH AND INVESTMENTS

Cash includes amounts in demand deposits as well as short-term investments with a maturity of six months from the date acquired by the government. State statutes authorize the government to invest in obligations of the U.S. Treasury, interest-bearing accounts with local financial institutions and the State Treasurer Pool.

New Mexico Statutes require that financial institutions with public monies on deposit pledge collateral, to the owners of such monies, in an amount not less than 50% of the

public monies held on deposit. Collateral pledged is held in safekeeping by other financial institutions, with safekeeping receipts held by the District. The pledged securities remain in the name of the financial institution. Repurchase agreements are required to be collateralized 102%.

F. INVENTORIES

Except for U.S.D.A. commodities, which are shown at estimated value, inventories are valued at cost (first-in, first-out). Inventory in the Cafeteria Fund consists mainly of food items. Inventories, in other governmental fund types, consist primarily of supply-type assets.

G. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$5,000.00 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Software and library resources	3-5 years
Machinery and equipment	5-10 years
Improvements	10-20 years

The accounting treatment over property, plant and equipment depends on whether they are reported in the government-wide financial statements or fund financial statements. In the government-wide financial statements, fixed assets are accounted for as capital assets. In the fund financial statements, fixed assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

H. LONG-TERM DEBT

The accounting treatment of long-term debt depends on whether the assets are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures.

I. COMPENSATED ABSENCES

The District’s policies, regarding vacation time, permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources. These liabilities have typically been liquidated from general fund resources.

J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period, and so will not be recognized as an outflow or resource (expenses/expenditures) until then. The Government had no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Government has two types of items, one of which arises under the full accrual basis of accounting, and both of which arise under the modified accrual basis of accounting, that qualifies for reporting under this category. Accordingly, the items, unavailable revenue, are reported in both the statement of net position and the governmental funds balance sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Government reports unavailable revenue from the following sources:

	<u>Governmental Funds Balance Sheet</u>					
	<u>Statement of Net Position</u>	<u>General Fund</u>	<u>SB-9</u>	<u>Debt Service</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Advances received Under expenditure Driven grants	\$ 4,727	\$	\$	\$	\$ 4,727	\$ 4,727
Property taxes	<u> </u>	<u>67,084</u>	<u>245,981</u>	<u>391,477</u>	<u>77,395</u>	<u>781,937</u>
Total	<u>\$ 4,727</u>	<u>\$ 67,084</u>	<u>\$245,981</u>	<u>\$391,477</u>	<u>\$ 82,122</u>	<u>\$786,664</u>

K. EQUITY CLASSIFICATIONS

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of net positions with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net positions that do not meet the definition of “restricted” or “invested in capital assets”.

Fund Statements

During the year ended June 30, 2011, the District implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to remain intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change its constraints.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the government body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Education establishes (and modifies or rescinds) fund balance commitments by adoption of a resolution or a vote of the Board. This is typically done through the adoption and amendment of the budget. Assigned fund balance is established by the Board of Education through adoption or amendment of the budget as intended for a specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes). Expenditures incurred are normally paid from the most highly constrained fund balance.

L. PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1. Property tax rates for the year are set no later than September 1 each year by the Secretary of Finance and Administration. The rates of tax are then used by County Assessors to develop the property tax schedule by October 1. Taxes are payable in equal semiannual installments by November 10 and April 10 of the subsequent year and become delinquent 30 days later. Taxes are collected on behalf of the District by the County Treasurer, and are remitted to the District in the month following collection. Because the Treasurer of the County in which the District is located is statutorily required to collect taxes as an intermediary agency for all forms of government, distribution of taxes are made through the applicable County to the District.

The District is permitted to levy taxes for general operating purposes up to \$.50 per \$1,000 of taxable value for both residential and nonresidential property, taxable value being defined as one third of the fully assessed value. In addition, the district is allowed to levy taxes for payments of bond principal and interest in amounts approved by voters of the District, as well as a Two Mill Levy for District improvements. The District's total tax rate to finance general government services for the year ended June 30, 2014 was \$.362 per \$1,000 for non-residential property and \$.260 for residential property. The District's tax rate for debt service was \$2.739 per \$1,000 for both residential and nonresidential property. The District's tax rate for District improvements was \$1.961 per \$1,000 for residential and \$2.00 for nonresidential property.

M. INTERFUND ACTIVITY

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

N. USE OF ESTIMATES

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

Note 2 Custodial Credit Risk

Custodial credit risk is the risk in the event of a bank failure the government's deposits may not be returned to it. The District does not have a deposit policy for credit risk

beyond that disclosed in Note 1. As of June 30, 2014, \$2,984,865 of the governments bank balance of \$6,879,869 was exposed to custodial credit risk as follows:

Uninsured and collateralized		<u>\$2,984,865</u>
Total		<u>\$2,984,865</u>
	<u>Bank Balance</u>	<u>Carrying Amount</u>
Deposits by custodial risk category:		
Insured	\$ 250,000	\$ 250,000
Collateral held by the pledging bank's agent in the District's name	3,645,004	2,809,511
Uninsured and collateralized	<u>2,984,865</u>	<u>-0-</u>
	<u>\$ 6,879,869</u>	<u>\$ 3,059,511</u>

The District does not have a risk policy beyond that required by State Statute.

Note 3 Capital Assets

Capital asset activity for the year ended June 30, 2014, was as follows:

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
Capital assets not being depreciated:				
Land	\$ 270,563	\$ -0-	\$ -0-	\$ 270,563
Construction progress	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets not being depreciated	<u>\$ 270,563</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 270,563</u>
Other capital assets:				
Building & improvements	\$ 47,815,365	\$ 325,451	\$	\$ 48,140,816
Land improvements	5,684,669	65,125		5,749,794
Furniture and equipment	<u>3,586,766</u>	<u>224,189</u>		<u>3,810,955</u>
Total other capital assets at historical cost	<u>\$ 57,086,800</u>	<u>\$ 614,765</u>	<u>\$ -0-</u>	<u>\$ 57,701,565</u>
Less accumulated depreciation for:				
Building & improvement	\$(26,956,773)	\$ (835,896)	\$ -0-	\$(27,792,669)
Land improvements	(2,760,505)	(563,263)	-0-	(3,323,768)

Furniture & equipment	<u>(4,078,385)</u>	<u>(223,625)</u>	<u>-0-</u>	<u>(4,302,010)</u>
Total accumulated depreciation	<u>\$(33,795,663)</u>	<u>\$ (1,622,784)</u>	<u>\$ -0-</u>	<u>\$ (35,418,447)</u>
Total capital assets, net	<u>\$ 23,561,700</u>	<u>\$ (1,008,019)</u>	<u>\$ -0-</u>	<u>\$ 22,553,681</u>

Depreciation expense was charged to the governmental activities as follows:

Instruction	\$ 746,481
Student support	16,228
School support	48,684
Administration general	32,455
Administration school	4,057
Central services	162,278
Plant operation	503,063
Transportation	<u>109,538</u>
	<u>\$ 1,622,784</u>

Note 4 Long-term Debt

Changes in long-term debt were as follows during the year end June 30, 2014:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due In</u> <u>One Year</u>
G.O. Bonds, series 2005	\$ 6,635,000	\$ -0-	\$1,240,000	\$ 5,395,000	\$ 1,280,000
Compensated absences Payable	<u>57,311</u>	<u>191,227</u>	<u>188,093</u>	<u>60,445</u>	<u>-0-</u>
	<u>\$ 6,692,311</u>	<u>\$ 191,227</u>	<u>\$1,428,093</u>	<u>\$ 5,455,445</u>	<u>\$ 1,280,000</u>

Annual debt service for bonds payable requirements are as follows:

Due in fiscal year ending June 30:

	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,280,000	\$ 179,825
2016	1,325,000	131,953
2017	1,370,000	81,410
2018	<u>1,420,000</u>	<u>27,690</u>
	<u>\$ 5,395,000</u>	<u>\$ 420,878</u>

No compensated absences are considered due and payable in the next fiscal year.

GENERAL OBLIGATION BONDS

During the year ended June 30, 2005, the District was authorized by voters of the District to issue \$9,000,000 in general obligation bonds to erect, remodel, make additions to and furnish school buildings.

The District issued all of the \$9,000,000 on April 15, 2005, with interest rates from 3.625% to 3.9% maturing serially with final maturity August 1, 2021.

The bonds and bond interest are paid from property tax levies enacted specifically for the debt retirement. The revenues pledged totaled \$5,815,878 at June 30, 2014, and equal 100% of the tax levies enacted to repay the bonded indebtedness. The bonds were sold to erect and furnish facilities for the District. Interest rates range from 3.625% to 2.2% for individually scheduled retirements, and maturity dates range from 2014 through 2018. The property tax levies expire when the related bond indebtedness is repaid.

During the year ended June 30, 2014, the District recognized \$1,523,658 in property taxes pledged to retire the bonded indebtedness, and retired \$1,466,435 in bond principal and interest.

Note 5 Pension Plan – Educational Retirement Board

Plan Description

Substantially all of the Silver Consolidated School District No. 1 full-time employees participate in an educational employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11 NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges, universities and some state agency employees) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERB's website at www.nmerb.org.

Funding Policy

Plan members earning \$20,000 or less annually 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: 10.1% of their gross salary in fiscal year 2014, and 10.7% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions

In the future, Silver Consolidated School District No. 1 will contribute the following percentages of the gross covered salary of employees: 13.15% of gross covered salary in fiscal year 2014; and 13.9% of gross covered salary in fiscal year 2015.

The contribution requirements of plan members and the Silver Consolidated School District No. 1 are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Silver Consolidated School District No. 1's contributions to ERB for the fiscal years ending June 30, 2014, 2013, and 2012, were \$3,915,888, \$3,372,763, and \$3,387,718, respectively, which equal the amount of the required contributions for each fiscal year.

Note 6 Post-Employment Benefits – State Retire Health Care Plan

Plan Description

Silver Consolidated School District No. 1 contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

Funding Policy

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

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

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

The Silver Consolidated School District No. 1's contributions to the RHCA for the years ended June 30, 2014, 2013, and 2012 were \$340,535, \$307,207, and \$277,348, respectively, which equal the required contributions for each year.

Note 7 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; injuries to employees; and natural disasters. Because the District was unable to obtain general liability insurance at a cost it considered to be economically justifiable, it joined together with other school districts in the State and obtained insurance coverage with New Mexico Public Schools Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for member school districts. The District pays an annual premium to New Mexico Public Schools Insurance Authority for its general insurance coverage, and all risk of loss is transferred. No losses exceeding insurance in the past three years.

The New Mexico Public Schools Insurance Authority is self-insured for property and liability losses below \$250,000 and purchases excess insurance above the self-insured retention. The self-insured retention aggregate for property is set at \$2,000,000 with a \$1,000,000 stop loss. The self-insured retention aggregate for liability is \$3,000,000 with a \$1,000,000 stop loss.

Note 8 Contingent Liabilities

Amounts received or receivable from grantor 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 which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

During the year ending June 30, 2015, the District will be required to report a material liability for pension plan participation, due to the adoption of new accounting standards. Currently, the amount is not estimable.

Note 9 Operating Lease

The District entered into a lease for the use of office equipment. The lease, executed in April, 2011, is for a four year term, with monthly payments of \$2,778. Future commitments under the lease are as follows:

Due in the year ending June 30:

2015	<u>\$ 25,002</u>
Total	<u>\$ 25,002</u>

Payments under the lease for the year ended June 30, 2014, totaled \$33,336.

Note 10 Inter-Fund Activity

Inter-fund balances of June 30, 2014, consisted of the following:

<u>Interfund</u> <u>Receivable</u>	<u>Interfund Payables</u>					
	<u>General</u> <u>Fund</u>	<u>Title I</u>	<u>Entitlement</u>	<u>SB-9</u>	<u>Other</u> <u>Funds</u>	<u>Total</u>
General Fund	\$	\$	\$103,010	\$	\$ 378,378	\$ 481,388
Title I	604					604
Entitlement	647					647
Medicaid		305,451	233,810			539,261
SB-9					39,442	39,442
Debt Service				11,709		11,709
Other Funds	<u>229</u>					<u>229</u>
	<u>\$ 1,480</u>	<u>\$ 305,451</u>	<u>\$ 336,820</u>	<u>\$ 11,709</u>	<u>\$ 417,820</u>	<u>\$1,073,280</u>

All amounts are expected to be repaid within one year. The purpose of the loans was to provide cash for operating purposes.

There were no inter-fund transfers during the year ended June 30, 2014.

Note 11 Restricted Net Position

At June 30, 2014, net positions restricted for other purposes included the following balances in special revenue funds:

Medicaid	\$ 82,857
Cafeteria	239,452
PED:	
SB-9	707,665
Other	<u>40,263</u>
	<u>\$ 1,570,237</u>

The District reported \$3,460,565 in restricted positions, of which \$3,451,984 restricted by enabling legislation.

Note 12 Endowments

The District received an endowment from the Estate of Dr. Theodore Draelos. This endowment of \$22,500 is to be used for investment purposes only with the proceeds from such investments restricted to use for scholarship. The corpus is to remain intact for a twenty year period which commenced in 1988. This is in accordance with State law. Net appreciation of \$5,640 is available for expenditure by the governing board. This appreciation is reported in net positions of the private purpose trust fund as a part of "held in trust for scholarships and other purposes".

Note 13 Budgetary Authority

The District exceeded budgeted authority in the following functional categories:

Debt Service:	
Administration	\$ 657

The District has revisited its budget adjustment policy, and believes controls are now in place to alleviate these problems.

Note 14 Evaluation of Subsequent Events

The District has evaluated subsequent events through October 17, 2014, the date which the financial statements were available to be issued.

Note 15 Deficit Fund Balance

The District had no deficit fund balance.

GENERAL FUND

General Fund - To account for resources traditionally associated with governments which are not required to be accounted for in another fund. Revenues and expenditures of the operational, transportation, and auxiliary student activity accounts are accounted for in this fund.

SPECIAL REVENUE FUNDS

Cafeteria – Fund used to account for revenues generated by the District as well as the federal assistance received and the related expenditures necessary to provide food services for the district. Required by the New Mexico Department of Education Manual of procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue funds (PSAB, Supplement 17).

Athletics – To account for the revenues received, and the related expenditures incurred, by the District related to athletic functions (PSAB, Supplement 3).

Pre-School/Discretionary/Entitlement – Fund used to account for federal resources administered by the New Mexico State Department of Education to provide for the special education needs of handicapped children. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 94-142 and P.L. 99-457).

Education of Homeless – fund used to account for federal resources administered by the New Mexico State Department of Education to provide comprehensive services to homeless children and youth and their families, and expedited evaluations of homeless children’s needs to help facilitate enrollment, attendance, and success in school (Stewart B. McKinney Homeless Assistance Act of 1987).

Learn and Serve – To support the implementation, operation, or expansion of programs that advance service-learning as a teaching, learning, and youth development strategy. Authorized by the National and Community Service Act of 1990, as amended.

Partners in Education – To support the planning, development, and initial implementation of charter schools. Authorized by the Elementary and Secondary Education Act of 1965, as amended, Title V Part B, Subpart 1.20 U.S.C. 8061-8067.

Library SB301 G.O. Bonds, Library Bonds, and REC Operating – to account for funds to upgrade libraries, books and equipment (NMPED), Laws of 2004).

Safe Routes to School – to account for the federal resources to develop safe routes to school for students within the District. Authorization SAFETEA-LU (P.L. 109-59).

State Equalization Preschool Stimulus – to support and restore funding for the District programs and services in states and local education agencies.

English Language – Created to improve the education of limited English proficient children and youths by helping them learn English. (ESEA as amended by the No Child Left Behind Act P.L. No. 107-110).

Teacher Training – Created by P.L. 107-110 to improve teacher and principal quality and ensure that all teachers are highly qualified.

Safe and Drug Free Schools – Fund used to account for federal resources administered by the New Mexico State Department of Education to provide an integrated approach in the school curriculum to aid in drug abuse education and prevention. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 103-382).

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

Fruits and Vegetables – To account for the resources granted to insure that children get an adequate diet of fruits and vegetables with meals. (NMPED regulations).

Competitive Title II – Fund used to account for federal resources administered by the New Mexico State Department of Education to provide for the special education needs of handicapped children three to five years old. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 94-142 and P.L. 99-457).

Kindergarten 3 Plus Pre-K Initiative – Fund used to account for federal resources administered by the New Mexico State Department of Education to provide for the special education needs of handicapped children three to five years old. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 94-142 and P.L. 99-457).

TANF Kindergarten – The purpose of this grant is to assist the District to develop and implement a full day kindergarten program. (NMPED regulations).

PED Technology for Education – The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounts for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10.

School Improvement/School Improvement Framework/Schools in Need of Improvement – to account for monies received from the Award for High Improving Schools provided by the State of New Mexico for the purpose of identifying special needs at awarded locations and to purchase items to improve those schools. (NMPED regulations).

Family Resources – To account for monies received to develop family interaction as an education tool. (NMPED regulations).

Teacher Mentoring – To account for the federal resources intended to improve teacher quality. (No Child Left Behind Act).

Community Health – To account for revenues received for a counselor for health counseling and sexuality education and for high risk students who do not qualify for special education services and standardized school based health assessments.

Elementary Breakfast/Breakfast for Elementary – To account for funds to provide breakfast for elementary students (PED).

NMEMNRD – To account for the federal grant from the Department of Energy to implement and monitor energy efficiency in school buildings. (Title V, subtitle E of Energy Independence and Security Act, P.L. 110-140).

2009 Dual Credit Instruction – To account for state grant received to provide college credits to high school students, authority, State Grant PED.

DEBT SERVICE FUND

Interest and Principal – To account for the resources restricted for the payment of interest obligations on general long-term debt and for the retirement of general obligation bonds as they mature.

CAPITAL PROJECTS FUNDS

Special Capital Outlay – State – To account for the state resources to be used for specific construction projects.

AGENCY FUNDS

Agency Fund – To account for monies held in a custodial account (assets equal liabilities) for the benefit of others. Individual accounts are identified by name in the supporting schedule section of this report.

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2014

	Special Revenue Funds			
	Cafeteria	Athletics	Discretionary	Preschool
Assets				
Cash and investments	\$ 171,594	\$ 27,775	\$ -	\$ -
Inventory	46,763			
Property taxes receivable				
Interfund receivable				
Due from other governments	25,546	_____	1,474	5,900
Total assets	\$ 243,903	\$ 27,775	\$ 1,474	\$ 5,900
Liabilities				
Accounts payable	\$ 4,451	\$ 19,194	\$ -	\$ -
Interfund payable			1,474	5,900
Total liabilities	\$ 4,451	\$ 19,194	\$ 1,474	\$ 5,900
Deferred Inflows of Resources				
Unavailable revenue	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	\$ -	\$ -	\$ -	\$ -
Fund balance:				
Nonspendable:				
Inventories	\$ 46,763	\$ -	\$ -	\$ -
Restricted for:				
Education		8,581		
Food service	192,689			
Capital projects				
Unassigned	_____	_____	_____	_____
Total fund balances	\$ 239,452	\$ 8,581	\$ -	\$ -
Total liabilities, deferred inflows of resources, and fund balances	\$ 243,903	\$ 27,775	\$ 1,474	\$ 5,900

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

Special Revenue Funds

<u>Education of Homeless</u>	<u>Fresh Fruits and Vegetables</u>	<u>Idea B Risk Pool</u>	<u>Learn and Serve</u>	<u>Partners in Education</u>	<u>NM Autism</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>13,621</u>	<u>24,108</u>	<u>11,394</u>	<u>14,636</u>	<u>3,474</u>	<u>4,280</u>
<u>\$ 13,621</u>	<u>\$ 24,108</u>	<u>\$ 11,394</u>	<u>\$ 14,636</u>	<u>\$ 3,474</u>	<u>\$ 4,280</u>
\$ 1,826	\$ -	\$ -	\$ -	\$ -	\$ -
<u>11,795</u>	<u>24,108</u>	<u>11,394</u>	<u>14,636</u>	<u>3,474</u>	<u>4,280</u>
<u>\$ 13,621</u>	<u>\$ 24,108</u>	<u>\$ 11,394</u>	<u>\$ 14,636</u>	<u>\$ 3,474</u>	<u>\$ 4,280</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 13,621</u>	<u>\$ 24,108</u>	<u>\$ 11,394</u>	<u>\$ 14,636</u>	<u>\$ 3,474</u>	<u>\$ 4,280</u>

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2014

	Special Revenue Funds			
	Competitive Title II	English Language	Teacher Training	Drug Free
Assets				
Cash and investments	\$ 1,576	\$ -	\$ -	\$ -
Inventory				
Property taxes receivable				
Interfund receivable			201	
Due from other governments		39	111,935	1,226
Total assets	\$ 1,576	\$ 39	\$ 112,136	\$ 1,226
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Interfund payable		39	112,136	1,226
Total liabilities	\$ -	\$ 39	\$ 112,136	\$ 1,226
Deferred Inflows of Resources				
Unavailable revenue	\$ 1,576	\$ -	\$ -	\$ -
Total deferred inflows of resources	\$ 1,576	\$ -	\$ -	\$ -
Fund balance:				
Nonspendable:				
Inventories	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Education				
Food service				
Capital projects				
Unassigned				
Total fund balances	\$ -	\$ -	\$ -	\$ -
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,576	\$ 39	\$ 112,136	\$ 1,226

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

Special Revenue Funds

<u>Rural Education</u>	<u>Preschool Stimulus</u>	<u>Safe Routes</u>	<u>State Equalization Stimulus</u>	<u>TANF Kindergarden</u>	<u>Community Health</u>
\$ -	\$ 38	\$ 1,318	\$ 1,795	\$ 441	\$ 1,483
28 12,666					
<u>\$ 12,694</u>	<u>\$ 38</u>	<u>\$ 1,318</u>	<u>\$ 1,795</u>	<u>\$ 441</u>	<u>\$ 1,483</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,694					
<u>\$ 12,694</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 38	\$ 1,318	\$ 1,795	\$ -	\$ -
<u>\$ -</u>	<u>\$ 38</u>	<u>\$ 1,318</u>	<u>\$ 1,795</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				441	1,483
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 441</u>	<u>\$ 1,483</u>
<u>\$ 12,694</u>	<u>\$ 38</u>	<u>\$ 1,318</u>	<u>\$ 1,795</u>	<u>\$ 441</u>	<u>\$ 1,483</u>

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2014

	Special Revenue Funds			
	REC Operating	Dual Credit	2008 GO Bonds	2010 GO Bon Library
Assets				
Cash and investments	\$ -	\$ -	\$ 11,166	\$ -
Inventory				
Property taxes receivable				
Interfund receivable				
Due from other governments	11,190	872		13,246
Total assets	\$ 11,190	\$ 872	\$ 11,166	\$ 13,246
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Interfund payable	11,190	872		13,246
Total liabilities	\$ 11,190	\$ 872	\$ -	\$ 13,246
Deferred Inflows of Resources				
Unavailable revenue	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	\$ -	\$ -	\$ -	\$ -
Fund balance:				
Nonspendable:				
Inventories	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Education			11,166	
Food service				
Capital projects				
Unassigned				
Total fund balances	\$ -	\$ -	\$ 11,166	\$ -
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,190	\$ 872	\$ 11,166	\$ 13,246

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

Special Revenue Funds

<u>PED Tech For Education</u>	<u>School Improvement</u>	<u>2012 GO Bond Student Library</u>	<u>Library Bonds</u>	<u>Teacher Mentoring</u>	<u>Pre-K Initiative</u>
\$ 11,825	\$ -	\$ -	\$ -	\$ 6,428	\$ -
	<u>24,637</u>	<u>13,196</u>	<u>1,944</u>		<u>78,373</u>
<u>\$ 11,825</u>	<u>\$ 24,637</u>	<u>\$ 13,196</u>	<u>\$ 1,944</u>	<u>\$ 6,428</u>	<u>\$ 78,373</u>
\$ -	\$ -	\$ 175	\$ -	\$ -	\$ -
	<u>24,637</u>	<u>13,021</u>	<u>1,944</u>		<u>78,373</u>
<u>\$ -</u>	<u>\$ 24,637</u>	<u>\$ 13,196</u>	<u>\$ 1,944</u>	<u>\$ -</u>	<u>\$ 78,373</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11,825				6,428	
<u>\$ 11,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,428</u>	<u>\$ -</u>
<u>\$ 11,825</u>	<u>\$ 24,637</u>	<u>\$ 13,196</u>	<u>\$ 1,944</u>	<u>\$ 6,428</u>	<u>\$ 78,373</u>

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (concluded)
June 30, 2014

	Special Revenue Funds			
	Family Resource	Elementary Breakfast	Kindergarten 3+	Library GO Bonds
Assets				
Cash and investments	\$ -	\$ 148	\$ -	\$ -
Inventory				
Property taxes receivable				
Interfund receivable				
Due from other governments	13,368		46,550	10,116
Total assets	\$ 13,368	\$ 148	\$ 46,550	\$ 10,116
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Interfund payable	13,368		46,550	10,116
Total liabilities	\$ 13,368	\$ -	\$ 46,550	\$ 10,116
Deferred Inflows of Resources				
Unavailable revenue	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	\$ -	\$ -	\$ -	\$ -
Fund balance:				
Nonspendable:				
Inventories	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Education				
Food service		148		
Capital projects				
Unassigned				
Total fund balances	\$ -	\$ 148	\$ -	\$ -
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,368	\$ 148	\$ 46,550	\$ 10,116

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

Special Revenue Funds		Capital Projects Funds		Total
2008 Library Bonds	NMERD	Capital Outlay State	Capital Imp HB 33	
\$ 191	\$ -	\$ 24,935	\$ 257,771	\$ 518,484
				46,763
			104,019	104,019
				229
	1,347			445,138
<u>\$ 191</u>	<u>\$ 1,347</u>	<u>\$ 24,935</u>	<u>\$ 361,790</u>	<u>\$ 1,114,633</u>
\$ -	\$ -	\$ -	\$ 108,952	\$ 134,598
	1,347			417,820
<u>\$ -</u>	<u>\$ 1,347</u>	<u>\$ -</u>	<u>\$ 108,952</u>	<u>\$ 552,418</u>
\$ -	\$ -	\$ -	\$ 77,395	\$ 82,122
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,395</u>	<u>\$ 82,122</u>
\$ -	\$ -	\$ -	\$ -	\$ 46,763
191				40,115
				192,837
		24,935	175,443	200,378
				-
<u>\$ 191</u>	<u>\$ -</u>	<u>\$ 24,935</u>	<u>\$ 175,443</u>	<u>\$ 480,093</u>
<u>\$ 191</u>	<u>\$ 1,347</u>	<u>\$ 24,935</u>	<u>\$ 361,790</u>	<u>\$ 1,114,633</u>

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds			
	Cafeteria	Athletics	Preschool	Education of Homeless
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fees and charges	155,243	80,852		
State aid				
Federal aid	1,079,507		24,967	18,840
Miscellaneous				
Total revenues	\$ 1,234,750	\$ 80,852	\$ 24,967	\$ 18,840
Expenditures:				
Current:				
Instruction	\$ -	\$ 59,052	\$ 23,761	\$ 18,760
Support services - Students			528	
Support services - Instruction				
General administration			678	80
School administration				
Central services				
Operation of plant				
Food services	1,264,501			
Transportation				
Capital outlay				
Total expenditures	\$ 1,264,501	\$ 59,052	\$ 24,967	\$ 18,840
Revenues over (under) expenditures	\$ (29,751)	\$ 21,800	\$ -	\$ -
Other financing sources (uses):				
Transfers out	-	-	-	
Net change in fund balance	\$ (29,751)	\$ 21,800	\$ -	\$ -
Fund balance, July 1, 2013	269,203	(13,219)		
Fund balance, June 30, 2014	<u>\$ 239,452</u>	<u>\$ 8,581</u>	<u>\$ -</u>	<u>\$ -</u>

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

Special Revenue Funds

<u>Fresh Fruits and Vegetables</u>	<u>Idea B Risk Pool</u>	<u>NM Autism</u>	<u>Teacher Training</u>	<u>Rural Education</u>	<u>Kindergarden 3+</u>	<u>TANF Kindergarden</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55,441	6,426	5,025	196,185	54,488	97,461	
<u>\$ 55,441</u>	<u>\$ 6,426</u>	<u>\$ 5,025</u>	<u>\$ 196,185</u>	<u>\$ 54,488</u>	<u>\$ 97,461</u>	<u>\$ -</u>
\$ -	\$ 6,426	\$ 4,889	\$ 191,080	\$ 34,589 18,420	\$ 93,075	\$ -
		136	5,105	1,479	984	
55,441					3,402	
<u>\$ 55,441</u>	<u>\$ 6,426</u>	<u>\$ 5,025</u>	<u>\$ 196,185</u>	<u>\$ 54,488</u>	<u>\$ 97,461</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
						441
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 441</u>

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (continued)
For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds			
	Community Health	Dual Credit	2008 GO Bond	PED Tech For Educator
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fees and charges				
State aid		6,133		
Federal aid				
Miscellaneous				
Total revenues	\$ -	\$ 6,133	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ 6,133	\$ -	\$ -
Support services - Students				
Support services - Instruction				
General administration				
School administration				
Central services				
Operation of plant				
Food services				
Transportation				
Capital outlay				
Total expenditures	\$ -	\$ 6,133	\$ -	\$ -
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Transfers out				
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	1,483		11,166	11,825
Fund balance, June 30, 2014	\$ 1,483	\$ -	\$ 11,166	\$ 11,825

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

Special Revenue Funds

2012 GO Bond Student Library	Teacher Mentoring	Reads to Leads	Pre-K Initiative	Next Generation Assessments	Elementary Breakfast	2008 Library Bonds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13,196		89,776	174,718	20,800		
<u>\$ 13,196</u>	<u>\$ -</u>	<u>\$ 89,776</u>	<u>\$ 174,718</u>	<u>\$ 20,800</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 89,776	\$ 163,543 5,587	\$ -	\$ -	\$ -
13,196			5,588	20,800		
<u>\$ 13,196</u>	<u>\$ -</u>	<u>\$ 89,776</u>	<u>\$ 174,718</u>	<u>\$ 20,800</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	6,428				148	191
<u>\$ -</u>	<u>\$ 6,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148</u>	<u>\$ 191</u>

Silver Consolidated School District NO. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (concluded)
For the Fiscal Year Ended June 30, 2014

	Capital Projects Funds			Total
	Capital Outlay State	Capital Imp HB 33	PSFA	
Revenues:				
Property taxes	\$ -	\$ 728,510	\$ -	\$ 728,510
Fees and charges				236,095
State aid		15,963	168,834	586,881
Federal aid				1,440,879
Miscellaneous		2,248		2,248
Total revenues	\$ -	\$ 746,721	\$ 168,834	\$ 2,994,613
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ 691,084
Support services - Students				24,535
Support services - Instruction				39,584
General administration		7,394		14,872
School administration				984
Central services				-
Operation of plant		435,880		435,880
Food services				1,319,942
Transportation				3,402
Capital outlay		248,987	168,834	417,821
Total expenditures	\$ -	\$ 692,261	\$ 168,834	\$ 2,948,104
Revenues over (under) expenditures	\$ -	\$ 54,460	\$ -	\$ 46,509
Other financing sources (uses):				
Tranfers out				-
Net change in fund balance	\$ -	\$ 54,460	\$ -	\$ 46,509
Fund balance, July 1, 2013	24,935	120,983	-	433,584
Fund balance, June 30, 2014	<u>\$ 24,935</u>	<u>\$ 175,443</u>	<u>\$ -</u>	<u>\$ 480,093</u>

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

Silver Consolidated School District No. 1
GENERAL FUND
COMBINING BALANCE SHEET
June 30, 2014

	Operational	Transportation	Instructional Materials
Assets			
Cash and investments	\$ -	\$ -	\$ -
Taxes receivable	72,672		
Due from other governments	377,600		59,500
Interfund receivable			
	<u>\$ 450,272</u>	<u>\$ -</u>	<u>\$ 59,500</u>
Liabilities			
Accounts payable	\$ 103,855	\$ -	\$ -
Interfund payable	1,480		
	<u>\$ 105,335</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred Inflows of Resources			
Unavailable revenue	\$ 67,084		
	<u>\$ 67,084</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:			
Unassigned	\$ 277,853		\$ 59,500
	<u>\$ 277,853</u>	<u>\$ -</u>	<u>\$ 59,500</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 450,272</u>	<u>\$ -</u>	<u>\$ 59,500</u>

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

Silver Consolidated School District No. 1
GENERAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Fiscal Year Ended June 30, 2014

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>
Revenues:			
Property taxes	\$ 173,954	\$ -	\$ -
Fees and charges			
State aid	23,073,721	1,141,168	206,025
Federal aid	306,907		
Earnings on investments	1,119		
Miscellaneous	13,197		
	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>\$ 23,568,898</u>	<u>\$ 1,141,168</u>	<u>\$ 206,025</u>
Expenditures:			
Current:			
Instruction	\$ 14,073,355	\$ -	\$ 179,461
Support services - Students	3,009,333		
Support services - Instruction	723,360		
General administration	463,912		
School administration	1,783,148		
Central services	707,353		
Operation of plant	3,030,992		
Food services			
Transportation	14,340	1,141,255	
Other support services	57,637		
Capital outlay	5,320		
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 23,868,750</u>	<u>\$ 1,141,255</u>	<u>\$ 179,461</u>
Revenues over (under) expenditures	\$ (299,852)	\$ (87)	\$ 26,564
Other financing sources:			
Transfers in			
	<u> </u>	<u> </u>	<u> </u>
Net change in fund balance	\$ (299,852)	\$ (87)	\$ 26,564
Fund balance, July 1, 2013	<u>577,705</u>	<u>87</u>	<u>32,936</u>
Fund balance, June 30, 2014	<u>\$ 277,853</u>	<u>\$ -</u>	<u>\$ 59,500</u>

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

<u>Non-Instructional Support</u>	<u>Total</u>
\$ -	\$ 173,954
194,153	194,153
	24,420,914
	306,907
	1,119
	13,197
<u>\$ 194,153</u>	<u>\$ 25,110,244</u>
\$ 212,626	\$ 14,465,442
	3,009,333
	723,360
	463,912
	1,783,148
	707,353
	3,030,992
	-
	1,155,595
	57,637
	5,320
<u>\$ 212,626</u>	<u>\$ 25,402,092</u>
\$ (18,473)	\$ (291,848)
	-
<u>\$ (18,473)</u>	<u>\$ (291,848)</u>
62,761	673,489
<u>\$ 44,288</u>	<u>\$ 381,641</u>

Silver Consolidated School District No. 1
GENERAL FUND/OPERATIONAL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 44,646	\$ 44,646	\$ 297,907	\$ 253,261
State sources	23,136,144	24,125,908	23,073,721	(1,052,187)
Local sources	177,279	177,279	198,326	21,047
Interest income			1,119	1,119
	\$ 23,358,069	\$ 24,347,833	\$ 23,571,073	\$ (776,760)
Expenditures:				
Current:				
Instruction	\$ 13,490,733	\$ 14,131,322	\$ 14,116,241	\$ 15,081
Support services - Students	3,054,526	3,044,321	3,016,514	27,807
Support services - Instructio	658,267	733,937	723,360	10,577
General administration	429,019	482,689	467,286	15,403
School administration	1,772,374	1,799,402	1,784,350	15,052
Central services	623,128	743,343	710,208	33,135
Operation of plant	3,227,331	3,334,235	3,022,967	311,268
Transportation	8,200	15,015	13,855	1,160
Other support services	172,669	130,037	112,707	17,330
Capital outlay		11,710	5,320	6,390
	\$ 23,436,247	\$ 24,426,011	\$ 23,972,808	\$ 453,203
Net change in fund balance	\$ (78,178)	\$ (78,178)	\$ (401,735)	\$ (323,557)
Fund balance, July 1, 2013	78,178	78,178	779,335	701,157
Fund balance, June 30, 2014	\$ -	\$ -	\$ 377,600	\$ 377,600
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (299,852)	
Revenue accruals (net)			2,175	
Expenditure accruals (net)			(104,058)	
Other financing sources (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (401,735)	

The accompanying notes are an integral part of these financial statements

Silver Consolidated School District No. 1
GENERAL FUND/INSTRUCTIONAL MATERIALS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	<u>\$ 160,221</u>	<u>\$ 193,157</u>	<u>\$ 206,025</u>	<u>\$ 12,868</u>
Expenditures:				
Current:				
Instruction	<u>\$ 160,221</u>	<u>\$ 193,157</u>	<u>\$ 179,461</u>	<u>\$ 13,696</u>
Support services - Instruction				<u>-</u>
Total expenditures	<u>\$ 160,221</u>	<u>\$ 193,157</u>	<u>\$ 179,461</u>	<u>\$ 13,696</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,564</u>	<u>\$ 26,564</u>
Fund balance, July 1, 2013			<u>32,936</u>	<u>32,936</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 59,500</u></u>	<u><u>\$ 59,500</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			<u>\$ 26,564</u>	
Revenue accruals (net)			<u>-</u>	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 26,564</u></u>	

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

Silver Consolidated School District No. 1
GENERAL FUND/TRANSPORTATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 1,016,073	\$ 1,141,666	\$ 1,141,168	\$ (498)
Expenditures:				
Current:				
Transportation	1,016,073	1,141,666	1,141,255	411
Net change in fund balance	\$ -	\$ -	\$ (87)	\$ (87)
Fund balance, July 1, 2013	-	-	87	87
Fund balance, June 30, 2014	\$ -	\$ -	\$ -	\$ -
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (87)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (87)	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - CAFETERIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 1,060,000	\$ 1,060,000	\$ 1,006,566	\$ (53,434)
Local sources	148,000	148,000	155,243	7,243
Earnings on investments				-
Total revenues	<u>\$ 1,208,000</u>	<u>\$ 1,208,000</u>	<u>\$ 1,161,809</u>	<u>\$ (46,191)</u>
Expenditures:				
Current:				
Food services	\$ 1,489,024	\$ 1,389,024	\$ 1,215,595	\$ 173,429
Capital outlay				-
Total expenditures	<u>\$ 1,489,024</u>	<u>\$ 1,389,024</u>	<u>\$ 1,215,595</u>	<u>\$ 173,429</u>
Net change in fund balance	\$ (281,024)	\$ (181,024)	\$ (53,786)	\$ 127,238
Fund balance, July 1, 2013	<u>281,024</u>	<u>181,024</u>	<u>225,380</u>	<u>44,356</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,594</u>	<u>\$ 171,594</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (29,751)	
Revenue accruals (net)			(72,941)	
Expenditure accruals (net)			48,906	
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (53,786)</u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - ATHLETICS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 85,000	\$ 85,000	\$ 80,852	\$ (4,148)
Expenditures:				
Current:				
Instruction	\$ 125,850	\$ 125,850	\$ 95,762	\$ 30,088
Capital outlay				-
Total expenditures	\$ 125,850	\$ 125,850	\$ 95,762	\$ 30,088
Net change in fund balance	\$ (40,850)	\$ (40,850)	\$ (14,910)	\$ 25,940
Fund balance, July 1, 2013	40,850	40,850	42,685	1,835
Fund balance, June 30, 2014	\$ -	\$ -	\$ 27,775	\$ 27,775
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 21,800	
Revenue accruals (net)			(36,710)	
Expenditure accruals (net)				
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ (14,910)	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - NEW MEXICO AUTISM PROJECT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 7,824	\$ 745	\$ (7,079)
Expenditures:				
Current:				
Instruction	\$ -	\$ 7,605	\$ 4,889	\$ 2,716
Support services - Students		219	136	83
General administration				-
Total expenditures	\$ -	\$ 7,824	\$ 5,025	\$ 2,799
Net change in fund balance	\$ -	\$ -	\$ (4,280)	\$ (4,280)
Fund balance, July 1, 2013	-	-	-	-
Fund balance, June 30, 2014	\$ -	\$ -	\$ (4,280)	\$ (4,280)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(4,280)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (4,280)	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - PRESCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	<u>\$ -</u>	<u>\$ 29,827</u>	<u>\$ 33,322</u>	<u>\$ 3,495</u>
Expenditures:				
Current:				
Instruction	\$ -	\$ 27,693	\$ 23,761	\$ 3,932
Support services - Students		1,000	528	472
General administration		<u>1,134</u>	<u>678</u>	<u>456</u>
Total expenditures	<u>\$ -</u>	<u>\$ 29,827</u>	<u>\$ 24,967</u>	<u>\$ 4,860</u>
Net change in fund balance	\$ -	\$ -	\$ 8,355	\$ 8,355
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>(14,255)</u>	<u>(14,255)</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (5,900)</u></u>	<u><u>\$ (5,900)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			8,355	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 8,355</u></u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - PRESCHOOL STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
General administration				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	38	38
Fund balance, June 30, 2014	\$ -	\$ -	\$ 38	\$ 38
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - LEARN AND SERVE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
General administration				-
Capital outlay				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	(14,636)	(14,636)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (14,636)	\$ (14,636)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - PARTNERS IN EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
General administration				-
School administration				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	(3,474)	(3,474)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (3,474)	\$ (3,474)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - EDUCATION OF HOMELESS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 9,000	\$ 20,000	\$ 5,347	\$ (14,653)
Expenditures:				
Current:				
Instruction	\$ 9,000	\$ 19,920	\$ 16,934	\$ 2,986
General administration		80	80	-
Total expenditures	\$ 9,000	\$ 20,000	\$ 17,014	\$ 2,986
Net change in fund balance	\$ -	\$ -	\$ (11,667)	\$ (11,667)
Fund balance, July 1, 2013	-	-	(128)	(128)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (11,795)	\$ (11,795)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(13,493)	
Expenditure accruals (net)			1,826	
Net change in fund balance, NON-GAAP budgetary basis			\$ (11,667)	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - ENGLISH LANGUAGE ACQUISITION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Instructional support				-
Administration				-
Community service				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	(39)	(39)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (39)	\$ (39)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - TEACHER TRAINING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 167,661	\$ 196,801	\$ 209,310	\$ 12,509
Expenditures:				
Current:				
Instruction	\$ 163,369	\$ 191,696	\$ 191,080	\$ 616
General administration	4,292	5,105	5,105	-
Total expenditures	\$ 167,661	\$ 196,801	\$ 196,185	\$ 616
Net change in fund balance	\$ -	\$ -	\$ 13,125	\$ 13,125
Fund balance, July 1, 2013	-	-	(125,261)	(125,261)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (112,136)	\$ (112,136)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			13,125	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 13,125	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - SAFE AND DRUG-FREE SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
General administration				-
Central services				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	(1,226)	(1,226)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (1,226)	\$ (1,226)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - RURAL EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 52,666	\$ 86,156	\$ 56,859	\$ (29,297)
Expenditures:				
Current:				
Instruction	\$ 33,168	\$ 65,437	\$ 34,589	\$ 30,848
Support services - Students	18,150	18,421	18,420	1
Support services - Instruction				-
General administration	1,348	2,298	1,479	819
Total expenditures	\$ 52,666	\$ 86,156	\$ 54,488	\$ 31,668
Net change in fund balance	\$ -	\$ -	\$ 2,371	\$ 2,371
Fund balance, July 1, 2013	-	-	-	-
Fund balance, June 30, 2014	\$ -	\$ -	\$ 2,371	\$ 2,371
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			2,371	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 2,371	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - PED: TECH FOR EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Operation of plant	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	11,825	11,825
Fund balance, June 30, 2014	\$ -	\$ -	\$ 11,825	\$ 11,825
Budgetary reconciliation:				
Net change in fund balance, GAAP basis				
Revenue accruals (net)				
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - FAMILY AND YOUTH RESOURCE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support services - Students	\$ -	\$ -	\$ -	\$ -
General administration	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	<u>(13,368)</u>	<u>(13,368)</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,368)</u>	<u>\$ (13,368)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - FRESH FRUIT AND VEGETABLES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 56,350	\$ 47,496	\$ (8,854)
Expenditures:				
Current:				
Food services	-	56,350	55,441	909
Net change in fund balance	\$ -	\$ -	\$ (7,945)	\$ (7,945)
Fund balance, July 1, 2013	-	-	(16,163)	(16,163)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (24,108)	\$ (24,108)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(7,945)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (7,945)	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - TANF - KINDERGARTEN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support services - Students	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	441	441
Fund balance, June 30, 2014	\$ -	\$ -	\$ 441	\$ 441
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - INCENTIVES FOR SCHOOL IMPROVEMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Capital outlay				-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>(24,637)</u>	<u>(24,637)</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (24,637)</u></u>	<u><u>\$ (24,637)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - LIBRARY SB 301 GO BONDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support services - Instruction	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>(1,944)</u>	<u>(1,944)</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,944)</u></u>	<u><u>\$ (1,944)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - COMPETITIVE TITLE II
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
General administration				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	1,576	1,576
Fund balance, June 30, 2014	\$ -	\$ -	\$ 1,576	\$ 1,576
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - COMMUNITY HEALTH
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support services - Students	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>1,483</u>	<u>1,483</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,483</u></u>	<u><u>\$ 1,483</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - TEACHER MENTORING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	6,428	6,428
Fund balance, June 30, 2014	\$ -	\$ -	\$ 6,428	\$ 6,428
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - NM READS TO LEADS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 95,776	\$ 89,776	\$ (6,000)
Expenditures:				
Current:				
Instruction	\$ -	\$ 95,776	\$ 89,776	\$ 6,000
Support services - Instruction				-
School administration				-
Transportation				-
Total expenditures	<u>\$ -</u>	<u>\$ 95,776</u>	<u>\$ 89,776</u>	<u>\$ 6,000</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - KINDERGARTEN THREE PLUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 148,279	\$ 54,188	\$ (94,091)
Expenditures:				
Current:				
Instruction	\$ -	\$ 128,157	\$ 93,075	\$ 35,082
Support services - Students		3,628		3,628
Support services - Instruction		1,269		1,269
School administration		6,375	984	5,391
Transportation		8,850	3,402	5,448
Total expenditures	<u>\$ -</u>	<u>\$ 148,279</u>	<u>\$ 97,461</u>	<u>\$ 50,818</u>
Net change in fund balance	\$ -	\$ -	\$ (43,273)	\$ (43,273)
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>(3,277)</u>	<u>(3,277)</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (46,550)</u></u>	<u><u>\$ (46,550)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(43,273)	
Expenditure accruals (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (43,273)</u></u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - LIBRARY GO BONDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support services - Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	(10,116)	(10,116)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (10,116)	\$ (10,116)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - SAFE ROUTES TO SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ 7,650	\$ 7,650
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Instruction				-
Pupil transportation				-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ 7,650	\$ 7,650
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>(6,332)</u>	<u>(6,332)</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,318</u></u>	<u><u>\$ 1,318</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			7,650	
Expenditure accruals (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 7,650</u></u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - IDEA B RISK POOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 6,426	\$ -	\$ (6,426)
Expenditures:				
Current:				
Instruction	\$ -	\$ 6,426	\$ 6,426	\$ -
Support services - Students				-
General administration				-
Total expenditures	<u>\$ -</u>	<u>\$ 6,426</u>	<u>\$ 6,426</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ (6,426)	\$ (6,426)
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>(4,968)</u>	<u>(4,968)</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (11,394)</u></u>	<u><u>\$ (11,394)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(6,426)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (6,426)</u></u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - 2008 LIBRARY BOOKS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support services - Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	191	191
Fund balance, June 30, 2014	\$ -	\$ -	\$ 191	\$ 191
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - NMEMNRD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>(1,347)</u>	<u>(1,347)</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,347)</u>	<u>\$ (1,347)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - REC OPERATING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Instruction	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	(11,190)	(11,190)
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,190)</u>	<u>\$ (11,190)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - 2012 GO BOND STUDENT LIBRARY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 30,672	\$ 30,672	\$ -	\$ (30,672)
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students	30,672	30,672	13,021	17,651
General administration				-
Total expenditures	<u>\$ 30,672</u>	<u>\$ 30,672</u>	<u>\$ 13,021</u>	<u>\$ 17,651</u>
Net change in fund balance	\$ -	\$ -	\$ (13,021)	\$ (13,021)
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (13,021)</u></u>	<u><u>\$ (13,021)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(13,196)	
Expenditure accruals (net)			<u>175</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (13,021)</u></u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - STATE EQUALIZATION STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
Support services - Instruction				-
General administration				-
School administration				-
Operation of plant				-
Capital outlay				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	1,795	1,795
Fund balance, June 30, 2014	\$ -	\$ -	\$ 1,795	\$ 1,795
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - STATE BREAKFAST FOR ELEMENTARY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General administration	\$ -	\$ -	\$ -	\$ -
Food services	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>148</u>	<u>148</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 148</u></u>	<u><u>\$ 148</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - 2009 DUAL CREDIT INSTRUCTION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 30	\$ 6,382	\$ 5,261	\$ (1,121)
Expenditures:				
Current:				
Instruction	-	6,382	6,133	249
Net change in fund balance	\$ 30	\$ -	\$ (872)	\$ (872)
Fund balance, July 1, 2013	-	-	-	-
Fund balance, June 30, 2014	\$ 30	\$ -	\$ (872)	\$ (872)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(872)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (872)	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - 2008 GO BOND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support services - Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	11,166	11,166
Fund balance, June 30, 2014	\$ -	\$ -	\$ 11,166	\$ 11,166
Budgetary reconciliation:				
Net change in fund balance, GAAP basis				
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - IDEA B DISCRETIONARY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
General administration				-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>(1,474)</u>	<u>(1,474)</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,474)</u></u>	<u><u>\$ (1,474)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - 2010 GO BONDS STUDENT LIBRARY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support services - Instruction				\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	(13,246)	(13,246)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (13,246)	\$ (13,246)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - PRE-K INITIATIVE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 180,000	\$ 180,000	\$ 96,345	\$ (83,655)
Expenditures:				
Current:				
Instruction	\$ 180,000	\$ 168,822	\$ 163,543	\$ 5,279
Support services - Students		5,589	5,587	2
Support services - Instruction		5,589	5,588	1
Transportation				-
Total expenditures	<u>\$ 180,000</u>	<u>\$ 180,000</u>	<u>\$ 174,718</u>	<u>\$ 5,282</u>
Net change in fund balance	\$ -	\$ -	\$ (78,373)	\$ (78,373)
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (78,373)</u></u>	<u><u>\$ (78,373)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(78,373)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (78,373)</u></u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - NEXT GENERATION ASSESSMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 20,800	\$ 20,800	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ 20,800	\$ 20,800	\$ -
Support services - Instruction				-
School administration				-
Transportation				-
Total expenditures	<u>\$ -</u>	<u>\$ 20,800</u>	<u>\$ 20,800</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Silver Consolidated School District No. 1
CAPITAL PROJECT FUND - STATE SPECIAL CAPITAL OUTLAY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	24,935	24,935
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,935</u>	<u>\$ 24,935</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Silver Consolidated School District No. 1
CAPITAL PROJECTS FUND - CAPITAL IMPROVEMENTS HB 133
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Local sources	825,098	825,098	726,321	(98,777)
Total revenues	<u>\$ 825,098</u>	<u>\$ 825,098</u>	<u>\$ 726,321</u>	<u>\$ (98,777)</u>
Expenditures:				
Current:				
General administration	\$ 8,000	\$ 8,000	\$ 7,394	\$ 606
Operation of plant	787,098	348,143	286,053	62,090
Capital outlay	30,000	468,955	273,899	195,056
Total expenditures	<u>\$ 825,098</u>	<u>\$ 825,098</u>	<u>\$ 567,346</u>	<u>\$ 257,752</u>
Net change in fund balance	\$ -	\$ -	\$ 158,975	\$ 158,975
Fund balance, July 1, 2013	<u> </u>	<u> </u>	<u>98,796</u>	<u>98,796</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,771</u>	<u>\$ 257,771</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 54,460	
Revenue accruals (net)			(20,400)	
Expenditure accruals (net)			<u>124,915</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 158,975</u>	

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

Silver Consolidated School District No. 1
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ 1,466,435	\$ 1,466,435	\$ 1,609,625	\$ 143,190
Earnings on investments				-
 Total revenues	 <u>\$ 1,466,435</u>	 <u>\$ 1,466,435</u>	 <u>\$ 1,609,625</u>	 <u>\$ 143,190</u>
Expenditures:				
Current:				
Administration	\$ 13,240	\$ 13,240	\$ 13,897	\$ (657)
Principal	1,240,000	1,240,000	1,240,000	-
Interest	226,435	226,435	226,435	-
Special revenue bonds reserve	1,423,868	1,423,868		1,423,868
 Total expenditures	 <u>\$ 2,903,543</u>	 <u>\$ 2,903,543</u>	 <u>\$ 1,480,332</u>	 <u>\$ 1,423,211</u>
Net change in fund balance	\$ (1,437,108)	\$ (1,437,108)	\$ 129,293	\$ 1,566,401
Fund balance, July 1, 2013	<u>1,437,108</u>	<u>1,437,108</u>	<u>1,362,942</u>	<u>(74,166)</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,492,235</u>	<u>\$ 1,492,235</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 43,326	
Revenue accruals (net)			85,967	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 129,293</u>	

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

Silver Consolidated School District No. 1
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Balance</u> <u>June 30, 2014</u>
Assets				
Cash and investments:				
Silver High School	\$ 68,333	\$ 295,695	\$ 297,621	\$ 66,407
Silver Opportunity School	2,410	3,355	2,812	2,953
La Plata Middle School	31,251	103,290	91,579	42,962
GW Stout Elementary	21,311	55,494	54,925	21,880
Harrison Schmitt Elementary	32,019	102,790	101,163	33,646
Sixth Street Elementary	11,696	11,301	11,521	11,476
Jose Barrios Elementary	46,056	27,124	30,331	42,849
Cliff Schools	111,620	118,893	102,551	127,962
Business Office	<u>238,948</u>	<u>3,466,324</u>	<u>3,473,922</u>	<u>231,350</u>
 Total assets	 <u>\$ 563,644</u>	 <u>\$ 4,184,266</u>	 <u>\$ 4,166,425</u>	 <u>\$ 581,485</u>
Liabilities				
Deposits held for others:				
Silver High School	\$ 68,333	\$ 295,695	\$ 297,621	\$ 66,407
Silver Opportunity School	2,410	3,355	2,812	2,953
La Plata Middle School	31,251	103,290	91,579	42,962
GW Stout Elementary	21,311	55,494	54,925	21,880
Harrison Schmitt Elementary	32,019	102,790	101,163	33,646
Sixth Street Elementary	11,696	11,301	11,521	11,476
Jose Barrios Elementary	46,056	27,124	30,331	42,849
Cliff Schools	111,620	118,893	102,551	127,962
Business Office	<u>238,948</u>	<u>3,466,324</u>	<u>3,473,922</u>	<u>231,350</u>
 Total liabilities	 <u>\$ 563,644</u>	 <u>\$ 4,184,266</u>	 <u>\$ 4,166,425</u>	 <u>\$ 581,485</u>

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

Silver Consolidated School District No. 1
SCHEDULE OF DEPOSITORY COLLATERAL
June 30, 2014

	Ambank	Total
Checking and CD's	\$ 6,879,869	\$ 6,879,869
Total on deposit	\$ 6,879,869	\$ 6,879,869
Less: FDIC insurance	(250,000)	(250,000)
Total uninsured public funds	\$ 6,629,869	\$ 6,629,869
50% collateralization requirement (Section 6-10-17 NMSA)	\$ 3,314,935	\$ 3,314,935
Pledged Securities:		
Loving Mun School District 10 547413CH5 1/15/2015	\$ 101,792	\$ 101,792
Alamogordo NM 011446FR7 8/1/18	199,141	199,141
Albuquerque NM 013595QN6 8/1/19	264,428	264,428
Dulce 264430KH1 9/1/16	259,822	259,822
Fannie Mae 3136G0T68 10/24/19	964,791	964,791
Hobbs Schools 433866DA5 4/15/2018	107,984	107,984
FHLB 313371PC4 12/12/14	501,795	501,795
Grants/Cibola Schools 388240CL5 10/1/14	166,315	166,315
Gallup Mckinley 364010NR5 8/1/2016	106,425	106,425
Taos NM GRT 87601RAQ3 6/1/2017	185,000	185,000
Belen NM CNS No2 077581NB8 8/1/2017	200,501	200,501
Chaves Co NM GRT 162634BM0 8/1/2017	107,781	107,781
Alamogordo Schools 01146FQ2 8/1/2019	220,704	220,704
Portales Schools 736151DJ7 1/15/2015	258,525	258,525
Total pledged securities	\$ 3,645,004	\$ 3,645,004
Pledged securities over (under) requirement	\$ 330,070	\$ 330,070

Securities pledged for Ambank are held by the Federal Home Loan Bank in Dallas, TX.

Silver Consolidated School District NO. 1
SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS
 June 30, 2014

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>Ambank</u>			
Operational	Checking	\$ 5,544,308	\$ 2,249,296
Cliff Athletics	Checking	20,089	19,977
Athletics	Checking	9,578	7,798
Food Service	Checking	270,046	171,594
Trust	Checking	634,430	610,846
Payroll	Checking	<u>401,418</u>	<u>-</u>
Total Cash and Investments		<u><u>\$ 6,879,869</u></u>	<u><u>\$ 3,059,511</u></u>

Silver Consolidated School District No. 1
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2014

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Food Services</u>	<u>Athletics</u>
Total cash and investments as of July 1, 2013	\$ 779,335	\$ 87	\$ 32,936	\$ 225,380	\$ 42,605
Add: Current year receipts	23,571,073	1,141,168	206,025	1,161,809	80,852
Voided warrants				10,179	
Refunds					
Less: Current year expenditures	(23,972,807)	(1,141,255)	(179,461)	(1,225,775)	(95,682)
Overdrafts					
Abatements					
Receivables/payables	(893,629)				
Transfers					
Total cash and investments as of June 30, 2014	<u>\$ (516,028)</u>	<u>\$ -</u>	<u>\$ 59,500</u>	<u>\$ 171,593</u>	<u>\$ 27,775</u>

Silver Consolidated School District No. 1
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (continued)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2014

	Non Instructional Support	Federal Flowthrough	Federal Direct	State Flowthrough	State Direct
Total cash and investments as of July 1, 2013	\$ 62,760	\$ (715,451)	\$ 414,882	\$ (46,096)	\$ (1,347)
Add: Current year receipts	194,154	1,957,644	260,545	266,370	
Voided warrants					
Refunds					
Less: Current year expenditures	(212,626)	(1,952,840)	(266,219)	(401,909)	
Overdrafts					
Abatements					
Receivables/payables		710,647		181,635	1,347
Transfers					
Total cash and investments as of June 30, 2014	<u>\$ 44,288</u>	<u>\$ -</u>	<u>\$ 409,208</u>	<u>\$ -</u>	<u>\$ -</u>

Silver Consolidated School District No. 1
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (continued)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2014

	<u>Special Capital Outlay State</u>	<u>Capital Improv. HB 33</u>	<u>SB-9</u>	<u>Debt Service</u>	<u>Agency</u>
Total cash and investments as of July 1, 2013	\$ 24,935	\$ 98,796	\$ 120,778	\$ 1,362,942	\$ 591,784
Add: Current year receipts		726,321	1,311,912	1,609,625	4,193,987
Chargebacks					
Refunds					
Less: Current year expenditures		(567,346)	(955,303)	(1,480,332)	(4,174,924)
Overdrafts					
Abatements					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2014	<u>\$ 24,935</u>	<u>\$ 257,771</u>	<u>\$ 477,387</u>	<u>\$ 1,492,235</u>	<u>\$ 610,847</u>

Silver Consolidated School District No. 1
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (concluded)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2014

	Total
Total cash and investments as of July 1, 2013	\$ 2,994,326
Add: Current year receipts	36,681,485
Chargebacks	10,179
Refunds	-
Less: Current year expenditures	(36,626,479)
Overdrafts	-
Abatements	-
Receivables/payables	-
Transfers	-
	-
Total cash and investments as of June 30, 2014	\$ 3,059,511

Silver Consolidated School District No. 1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2014

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed through N.M. Department of Education:			
Title I Grants to Lea's	84.010	24.101	762,419
Special Education-Grants to States	84.027	24.106	841,393
GRADS	N/A	N/A	9,000
Special Education-Preschool Grants	84.173	24.109	24,967
Education of Homeless	84.196	24.113	18,840
Teacher Quality State Grants	84.367	24.154	196,185
Rural Education	84.358	24.160	<u>54,488</u>
Total U.S. Department of Education			<u>\$ 1,907,292</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Direct Programs:			
Schools and Roads-Grants to States	10.665	N/A	\$ 247,263
Passed through N.M. Department of Education:			
National School Lunch Program	10.555	N/A	603,009
Summer Food Service Program For Children	10.559	N/A	51,113
School Breakfast Program	10.553	N/A	340,522
Fresh Fruits and Vegetables Program	10.582	24.118	55,441
Passed through N.M. Department of Human Svc's:			
Emergency Food Assistance Program	10.569	N/A	<u>84,844</u>
Total U.S. Department of Agriculture			<u>\$ 1,382,192</u>

Silver Consolidated School District No. 1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS(concluded)
 For The Fiscal Year Ended June 30, 2014

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through N.M.Dept. of Transportation: Highway Planning and Construction	20.205	25.146	<u>\$ -</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through N.M. Dept. of Human Services: Medical Assistance Program	93.778	25.153	<u>\$ 246,150</u>
Total expenditures of federal awards			<u><u>\$ 3,535,634</u></u>

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

Silver Consolidated School District No. 1
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2014

Note 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Silver Consolidated School District No. 1 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2 Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. The District received \$84,844 in food commodities during the 2013-2014 fiscal year.

Note 3 The District had the following insurance coverages during the year ended June 30, 2014:

Workers compensation	\$ 1,050,000
Property	500,000,000
Liability	1,000,000
Auto	10,000,000

Silver Consolidated School District No. 1
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2014

Findings – Financial Statement Audit

Current Status

2014-002 (2013-1) Expenditures in Excess of Budgetary Authority

This was a finding indicating that the District had expended amounts in excess of its budgetary authority in certain functions.

Repeated

2014-003 (2013-2) Employee Personnel Files

This was a finding indicating that personnel files were not properly updated.

Repeated

2013-3 Timely Deposit of Receipts

This was a finding indicating that some deposits were not made in a timely fashion.

Resolved

Findings and Questioned Costs – Major Federal Award programs

None

MIKE STONE, C.P.A.
LINDA STONE MCGEE, C.P.A.
KAY STONE, C.P.A.
JARROD MASON, C.P.A.
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**REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas, State Auditor
And
Board of Education
Silver Consolidated School District No. 1
Silver City, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Silver Consolidated School District No. 1 as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Silver Consolidated School District No. 1's basic financial statements, and the combining and individual fund financial statements and related budgetary comparisons of the District presented as other supplementary information, and have issued our report thereon dated October 17, 2014.

Internal Control Over financial Reporting

In planning and performing our audit of the financial statements, we considered Silver Consolidated School District No. 1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Silver Consolidated School District No. 1's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Silver Consolidated School District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as items 2014-001, 2014-002, 2014-003, 2014-004, 2014-005 and 2014-006.

Silver Consolidated School District No. 1's Responses to Findings

Silver Consolidated School District No. 1's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

Stone, McGee & Co., CPAs

Silver City, New Mexico
October 17, 2014

Stone, McGee & Co.
Certified Public Accountants

MIKE STONE, C.P.A.
LINDA STONE MCGEE, C.P.A.
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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas, State Auditor
And
Board of Education
Silver Consolidated School District No. 1
Silver City, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the Silver Consolidated School District No. 1's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Silver Consolidated School District No. 1's major federal programs for the year ended June 30, 2014. The Silver Consolidated School District No. 1's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Silver Consolidated School District No. 1's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Silver Consolidated School District No. 1's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Silver Consolidated School District No. 1's compliance.

Opinion on Each Major Federal Program

In our opinion, the Silver Consolidated School District No. 1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the Silver Consolidated School District No. 1 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Silver Consolidated School District No. 1's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Silver Consolidated School District No. 1's internal control over compliance.

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

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

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

Stone, McGee & Co., CPAs

Silver City, New Mexico
October 17, 2014

Stone, McGee & Co.
Certified Public Accountants

Silver Consolidated School District No. 1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2014

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Silver Consolidated School District No. 1.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Independent Auditor's 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*.
3. One instance of noncompliance material to the financial statements of Silver Consolidated School District No. 1, which is be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. No significant deficiencies related to the audit of the major federal award programs are reported in the *Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for Silver Consolidated School District No. 1 expresses an unmodified opinion on all major programs.
6. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 were noted during the audit.
7. The programs tested as major programs included: Title I Grants to LEAs, CFDA No. 84.010; and the nutrition cluster, consisting of the National School Lunch Program, CFDA No. 10.555, Summer Food Service Program for Children, CFDA No. 10.559, and The School Breakfast Program, CFDA No. 10.553.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Silver Consolidated School District No. 1 was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

2014-001 Maintenance of Cash Balances (Material Noncompliance)

Condition – The District's cash balance at June 30, 2014 is 1.5% of the adjusted budget for 2013-2014.

Criteria – The New Mexico Public Education Department requires a cash balance equal to 4-5% of the prior year's budget.

Effect – There is a possibility that the District will not have enough cash to function in the 2014-2015 fiscal year, and may be forced to request emergency funding from the State of New Mexico.

Cause – The District felt it necessary to upgrade its technology capabilities in order to serve the student base, which created a significant drain on the District’s cash reserves. In addition, The District has issued credit cards to a significant number of school personnel. This credit card usage has risen dramatically in the last year, resulting in the circumvention of the procurement process, since school personnel are not required to obtain prior approval for expenditures, and these expenditures cannot be encumbered prior to receiving the credit card bill.

Recommendation – We recommend that the District rescind credit card authorizations except in rare circumstances, and that school personnel be required to obtain purchase orders for normal operations. We further recommend that the District control credit card use by requiring an approval process, such as checking out the credit card from appropriate supervisory personnel prior to usage. Finally, we recommend that the District evaluate its policies toward non-priority expenditures such as travel and conferences so as to reestablish the required cash balance.

Agency Response – The District has already begun the process of restricting credit card use, and establishing approval procedures before the cards are used. The District will also review the non-priority expenditure procedures to curtail expenditures.

2014-002 Expenditures in Excess of Budgetary Authority (Other)

Condition – The District incurred expenditures in excess of budgetary authority of \$657 in the Administration function of the Debt Service Fund.

Criteria – Sections 6-3-1 through 6-3-25 NMSA 1978 require, in part, that expenditures not exceed budgetary authority. The function is the legal level of control for public schools.

Effect – The internal controls established by adherence to budgets has been compromised, and excess spending could result. In addition, New Mexico statutes have been violated.

Cause – The District’s administration costs in the Debt Service Fund are incurred in direct relation to the property taxes collected by the fund. Property tax collections were in excess of those anticipated, resulting in an expenditure in excess of budgetary authority.

Recommendation – We recommend that the District continue to emphasize its policy of making year-end adjustments to budgets to alleviate excess expenditures.

Agency Response – The District continues to emphasize year-end budget adjustments. This over-expenditure occurred late in the year and was missed when budget adjustments were requested.

2014-003 Employee Personnel Files (Other)

Condition – In a review of 50 employee files, we noted 1 instance where the employee contract was not signed by the Superintendent, and 1 instance where the transcript for certified personnel was missing. Further, in 12 employee files, the required Form I-9 was either missing or incomplete.

Criteria – Employee files must be current and complete to adequately compensate employees and comply with federal regulations.

Effect – There is an increased likelihood that employee compensation will not be calculated correctly, and the District bears the risk of substantial fines in the event that I-9s are not complete and that fact is discovered by the U.S. Department of Labor.

Cause – Human resource personnel had not conducted the appropriate employee file review.

Recommendation – The District should conduct a file review of all appropriate personnel files to ensure that the documentation required by both state and federal regulations is included in each personnel file. This review should be overseen by the appropriate supervisor to insure compliance.

Agency Response – The recommended file review will be undertaken, and steps will be established to ensure continued compliance. Supervisory review will be included in the process.

2014-004 Salary Schedule Compliance (Other)

Condition – Subsequent to the Board of Education’s approval of the Salary Schedule for the 2013-2014 fiscal year, a miscellaneous pay schedule was created, resulting in significant pay increases for some District personnel. The miscellaneous pay schedule was not approved by the Board of Education.

Criteria – Board of Education approval of the salary schedule is an integral part of the budget process, and provides assurance that the District can meet its obligations while maintaining budgetary control.

Effect – The responsibility of the Board to maintain budget oversight has been circumvented. In addition, the District could expose itself to litigation by creating a salary schedule for some employees without addressing all District personnel.

Cause – The miscellaneous salary schedule was created at the request of the Superintendent to recognize the contributions of certain ancillary personnel.

Recommendation – We recommend that the Salary Schedule created as a part of the budget development process and approved by the Board be amended only with Board approval.

Agency Response – The District will require Board approval of both the original salary schedule and any subsequent amendments.

2014-005 Board Minutes (Other)

Condition – Board minutes do not appear to reflect all significant actions or events that the Board takes action on. Details relating to bid awards are omitted from the official Board minutes, and recording of such events such as a Board member resignation have been omitted from the original record.

Criteria – Board of Education minutes are the official transcript of proceedings, and should reflect all significant actions and events.

Effect – If the Board minutes do not reflect all significant actions and events, there is no official record of Board actions, and could result in misunderstanding of events by those who use the minutes.

Cause – District personnel preparing the minutes felt summary information of actions taken were sufficient.

Recommendation – We recommend that the District expand its transcripts of the minutes to include all significant actions and events.

Agency Response – The recommendation will be adopted.

2014-006 Compliance with the Per Diem and Mileage Act (Other)

Condition – In our testing of 32 travel and per diem transactions, we noted the following:

1. 9 instances where reimbursement was made at the incorrect mileage rate.
2. 7 instances where reimbursement was made based on mileage estimates rather than odometer readings.
3. 4 instances where reimbursement was made when the reimbursement request was signed by someone other than the person claiming the reimbursement.
4. 1 instance where reimbursement was made for meals when the person claiming the meals did not meet the travel requirements to be reimbursed.
5. 3 instances where Board members were reimbursed for food purchased for the Board meetings.
6. 1 instance of the expenditure for out-of-state motel rooms, when the motel rooms were in excess of \$215 per night and prior approval was not obtained from either the Superintendent or the Board of Education.
7. 1 instance where expenditure for meals exceeded the daily allowable under the Per Diem and Mileage Act.

Criteria – The Per Diem and Mileage Act, Sections 10-8-1 to 10-8-8 NMSA 1978 requires that reimbursements be made only when the travel is in accordance with specific requirements, such as time away and distance traveled, and is evidenced by a valid, approved reimbursement request. Also, reimbursements may not exceed specific rates established by the Act.

Effect – The District has violated the Per Diem and Mileage Act, and individuals have been reimbursed inappropriate amounts.

Cause – As stated in Finding 2001-001 the District has allowed credit cards to be used in place of valid purchase orders. Because these cards do not need prior approval to be used, violations of the Act have occurred. Additionally, District supervisory personnel have approved travel reimbursement requests that are not in accordance with the provisions of the Act, nor District policy.

Recommendation – We recommend that the District require that all personnel adhere to the Mileage and Per Diem Act and District policy. We further recommend that credit card usage be reduced to the rare occasions when usage is necessary. Finally, we recommend that District supervisory personnel charged with travel approval familiarize themselves with the provisions of the Act.

Agency Response – Travel and per diem expenditure policies will be reviewed and revised to reimburse employees only for authorized travel in accordance with the District’s policy. Supervisory personnel will be required to familiarize themselves with the provisions of the Act and District policy.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None

OTHER – FINANCIAL STATEMENT PREPARATION

The financial statements were prepared by Stone, McGee & Co., C.P.A.’s.

EXIT CONFERENCE

The contents of this report were discussed in a closed meeting on October 14, 2014. Present at this exit conference were:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
Trent Petty	Board President	Silver Consolidated Schools
Arnold Torres	Vice-President	Silver Consolidated Schools
Chris Arvidson	Board Member	Silver Consolidated Schools
Michael McMillan	Board Member	Silver Consolidated Schools
Lon Streib	Superintendent	Silver Consolidated Schools
Candy Milam	Ass. Supt. of Finance	Silver Consolidated Schools
Michele McCain	Comptroller	Silver Consolidated Schools
Mike Stone	Shareholder	Stone, McGee & Co., CPA’s