

**COOPERATIVE EDUCATIONAL
SERVICES**

FINANCIAL STATEMENTS

June 30, 2016 and 2015

(With Independent Auditor's Report Thereon)

Prepared by

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7520 Montgomery NE, Building E-17
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COOPERATIVE EDUCATIONAL SERVICES

FINANCIAL REPORT

June 30, 2016 and 2015

COOPERATIVE EDUCATIONAL SERVICES

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COOPERATIVE EDUCATIONAL SERVICES

As of June 30, 2016

OFFICIAL ROSTER

<u>Committee Member</u>	<u>Executive Committee</u> <u>Title</u>	<u>Representing</u>
T.J. Parks	President	Hobbs
Vernon Jaramillo	Past President	Cariño de los Niños
Paul Aguilar	Ex-Officio Member	NMPED
Dr. Gloria Rendon	Ex-Officio Member	NMCEL
	Charter Schools	
Joe Guillen	Ex-Officio Member	NMSBA
	NM Higher Education	
Dr. John Madden	Community Colleges	NMSU-Roswell
Stan Rounds	Past President	Las Cruces
Kirk Carpenter	Region I	Aztec
Darlene Ulibarri	Region II	Peñasco
Richard Perea	Region III	Santa Rosa
Mark Space	Region IV	Grants-Cibola
Steve Barron	Region V, Secretary	Dora
Dwain Haynes	Region VI	Eunice
Brenda Vigil	Region VII, Treasurer	Tularosa
Efren Yturralde	Region VIII	Gadsden

Administrative Officials

<u>Name</u>	<u>Title</u>
David Chavez	Executive Director
Robin D. Strauser	Deputy Executive Director

KATHLEEN R. LANE, P.C.
CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors and Management of
Cooperative Educational Services
and
Mr. Tim Keller,
New Mexico State Auditor
Albuquerque, New Mexico

Report on the Financial Statements

I have audited the accompanying financial statements of the business-type activities of the Cooperative Educational Services (CES) as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements which collectively comprise CES' basic financial statements as listed in the table of contents. I also have audited the schedule of revenues and expenses and changes in net position - budget (GAAP budget basis) and actual presented as supplemental information for the years ended June 30, 2016 and 2015, as listed in the table of contents.

Management's Responsibility

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 responsibility 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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the

entity's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, and accordingly, no such opinion is expressed. 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of CES as of June 30, 2016 and 2015, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in my opinion, the budget comparison schedule referred to above presents fairly, in all material respects, the budget comparison of CES for the year ended June 30, 2016, in conformity with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

My audit was conducted for the purpose of forming opinions on CES's financial statements and the budgetary comparison. The schedule of

pledged collateral by bank listed as "other supplementary information" in the table of contents is presented for purposes of additional analysis and is not a required part of the basis financial statements.

The additional schedule of pledged collateral by bank listed as "other supplemental information" is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In my opinion, the schedule of pledged collateral by bank is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The accompanying Schedule of Vendor Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 20, 2016, on my consideration of CES' internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CES' internal control over financial reporting and compliance.



Kathleen R. Lane, P.C.
Albuquerque, NM
September 20, 2016

**COOPERATIVE EDUCATIONAL SERVICES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended June 30, 2016**

This discussion and analysis of Cooperative Educational Services' (CES') financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2016. CES is the administering agency of the **Restated and Amended Joint Powers Agreement to Establish an Educational Cooperative**, which functions under the jurisdiction of the New Mexico Department of Finance and Administration. CES provides a wide variety of goods and services to its members through contracted vendors and CES' own staff.

Please read this document in conjunction with CES' basic financial statements.

USING THIS ANNUAL REPORT

This Annual Financial Report consists of multiple financial statements. The **Statement of Net Assets**, the **Statement of Revenues, Expenses and Changes in Fund Net Assets**, and the **Statement of Cash Flows** present information about the operation of CES as a whole while providing specific details about the financial condition of CES.

One of the most important and frequently asked questions about CES' financial condition is: "Is CES better off or worse off as a result of this year's operations?" The **Statement of Net Assets**, **Statement of Revenues, Expenses and Changes in Fund Net Assets** and **Statement of Cash Flows** report information in a way that answers, "Yes, CES is better off June 30, 2016 compared to June 30, 2015."

The **Statement of Net Assets** includes all assets and liabilities of CES using the accrual basis of accounting, which is similar to the accounting method used by most private-sector businesses.

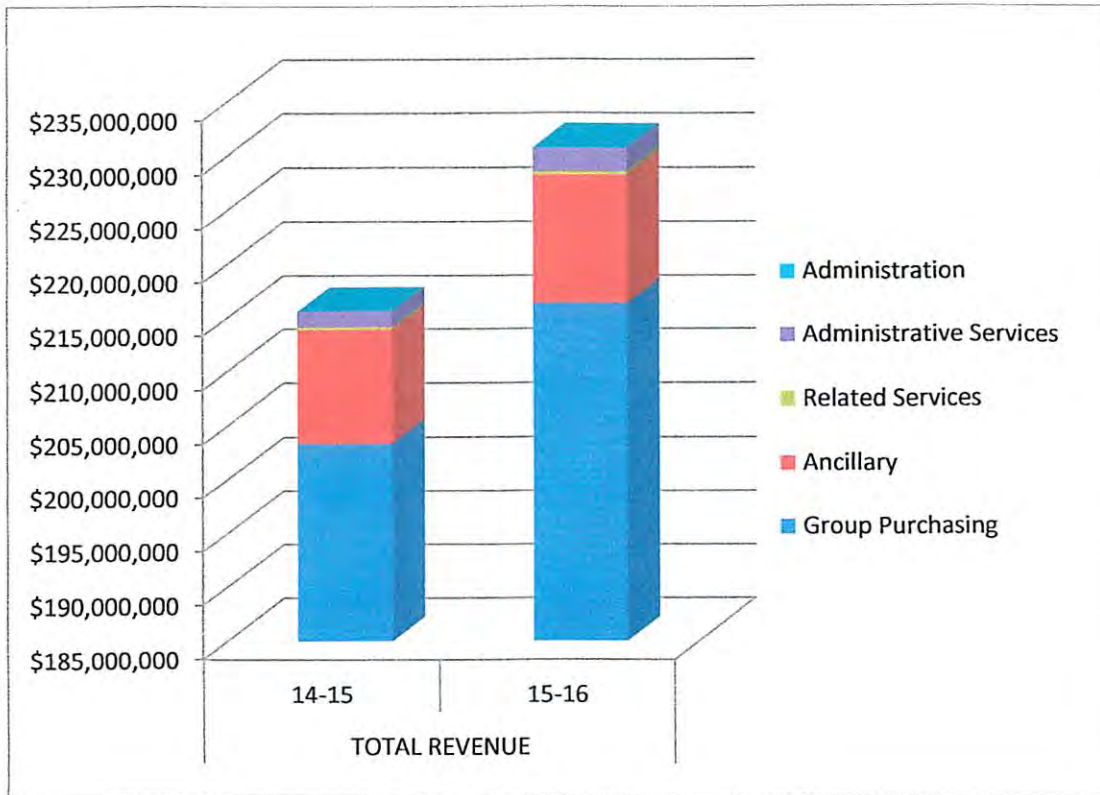
Likewise, the **Statement of Revenues, Expenses and Changes in Fund Net Assets** reports all revenue and expenses using the accrual basis of accounting which accounts for all revenue and expenses regardless of when cash was actually received or expended. Any increase or decrease in net assets is an indicator of whether CES' financial position has improved or deteriorated. The **Statement of Revenues, Expenses and Changes in Fund Net Assets** show how well CES conducted its operations for the current fiscal year. Profit increases and loss decreases CES' net assets. These financial statements report CES' net assets and the change in them as a result of the current fiscal year's operations.

The **Statement of Cash Flows** is also an important document in determining the financial viability of CES. Cash flow is the life-blood of CES, or any entity, and this statement provides insight with regard to the inflows and outflows. This statement could signal an entity's effective cash management or forthcoming problems. A healthy entity should be "providing" cash from its operating activities.

FINANCIAL HIGHLIGHTS

- CES' Total Revenues increased this fiscal year by \$15,145,983, when compared to last fiscal year, and totaled \$230,572,484 including non-operating revenue and net of Member Credit contra revenue. It represents a 7.0% increase over prior year's revenue and a 28.8% increase over original budgeted revenue of \$168,623,000.

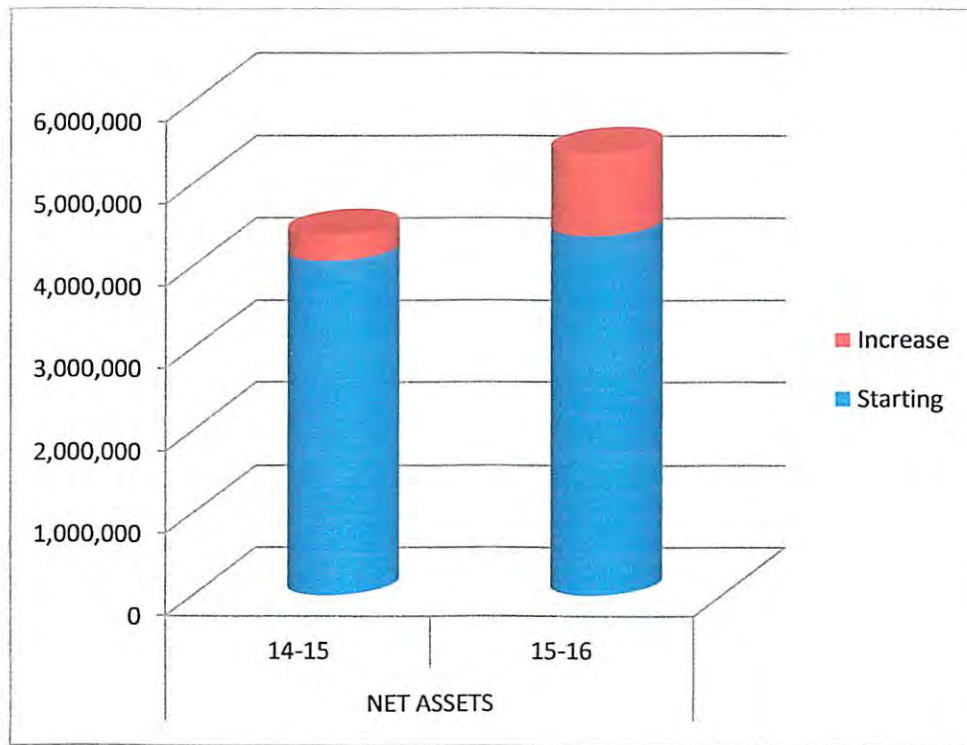
TOTAL REVENUES COMPARISON 2014-2015 and 2015-2016



- CES' Fund Net Assets increased by \$867,032 as a result of this year's operations. This represents a 19.9% increase in Fund Net Assets. Total Fund Net Assets on June 30, 2016, are \$5,231,700.

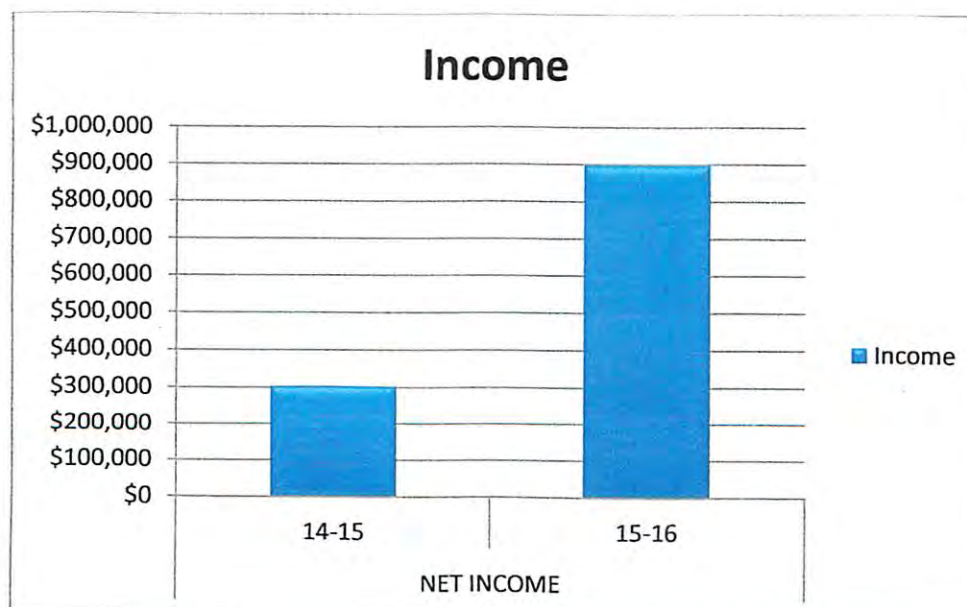
Management's Discussion and Analysis - Continued

FUND NET ASSETS COMPARISON 2014-2015 and 2015-2016



➤ CES' Change in Net Assets or Increase of Revenues over Expenses for the fiscal year ending June 30, 2016, is \$867,032. This is \$562,832 more than last fiscal year's and represents a 185.0% increase over last year's Change in Net Assets or Increase of Revenues over Expenses. CES issued \$200,000 in Member Credits this year. This is the same credit amount that was given last year by CES.

NET INCOME COMPARISON 2014-2015 and 2015-2016



Management's Discussion and Analysis - Continued

- According to CES' Board Policy, any item costing \$5,000 or more and having a useful life of more than one year is added to Fixed Assets and depreciated over its useful life. Items costing less than \$5,000 are expensed. CES had a custom software program created that allows for the online entry of the ancillary staff's time and integrates the invoicing and ancillary staff payroll data into CES' financial software. The software program was enhanced this year for a total cost of \$50,204. CES also commissioned the creation of a custom solicitation and contract management system this year. The program is not complete so no depreciation was taken on the \$18,222 spent on this system. Although CES purchased \$97,096 of Ancillary testing materials and supplies, there were no Ancillary Fixed Assets purchased. There were no Ancillary Fixed Asset deletions. The purchase of Ancillary items is shown as an expense, in accordance with CES' Fixed Asset Policy, because each item costs less than \$5,000.

CES did a building improvement project this fiscal year that had to be capitalized. CES had the offices painted, replaced the carpet and had an additional procurement office space created. The total cost of these improvements was \$71,972 which will be capitalized.

- Working Capital is the amount by which Current Assets exceed Current Liabilities. Stated differently, Working Capital is the amount of cash that would remain after all current assets were liquidated and all current liabilities were immediately paid. This provides an assessment of CES' ability to pay its obligations. As of June 30, 2016, CES' Working Capital is \$4,414,803; an \$813,669 increase over the June 30, 2015, Working Capital of \$3,601,134. This is a 22.5% increase in Working Capital and indicates an increase in the financial position for CES.
- CES has no debt other than its current liabilities and long-term portion of compensated absences, which are more than offset by Cash and Accounts Receivable. CES has no long term portion of Compensated Absences. Current assets exceed current liabilities by \$4,414,803.
- The Current Ratio compares current assets to current liabilities and is also an indicator of CES' ability to pay its obligations. A Current Ratio greater than 1 to 1 means that the entity can pay all current obligations from its current assets and have a residual of assets. CES' Current Ratio, as of June 30, 2016, is 1.12, assets over liabilities. This is a 2.7% increase over last year's Current Ratio of 1.10. The Current Ratio indicates a healthy financial position.
- CES' Total Revenues for the fiscal year ended June 30, 2016, are \$230,572,484. \$200,000 in Member Credits was issued this fiscal year per the Executive Committee directive. CES' Operating Revenues were \$230,565,551 for fiscal year ended June 30, 2016. CES experienced an increase in revenue as a result of providing a greater usage of contracts in the Group Purchasing Procurement area and an increase in Ancillary Services. The cooperative procurement area that showed the most significant revenue increase was CES' Group Purchasing Procurement program, with an increase of \$12,946,884. This accounted for 6.4% of CES' increase in revenue. Ancillary revenue increased by \$1,387,759. CES' interest income decreased \$9,483 to a total for the year of \$6,933. The decrease is due to CES changing banks. The new bank,

Management's Discussion and Analysis - Continued

Wells Fargo, gives CES "credits" for the amount it has on deposit and then uses these credits to offset the banking fees associated with CES' account.

- Factors affecting CES' profit in fiscal year 2015-2016 are discussed in this paragraph. CES' Group Purchasing area experienced a \$12,846,884, (6.4%), increase in revenue, which means that CES' profit was increased by the 1% administrative fee CES receives from Procurement amounting to a \$128,509 increase. CES experienced an increase in Related Services by \$97,197, (49.1%), an increase in Ancillary Services of \$1,387,759, (13.2%), and an increase in Administrative Services of \$637,096, (42.2%). Because CES is not in the business to make large profits, the Executive Committee decided to pledge a large portion of CES' profit to fund certain initiatives. These initiatives and their amounts are: School Improvement Technical Expertise (SITE) \$600,000, Future Educators of America, \$25,000, Member Credits, \$200,000. These total \$825,000 that CES is giving back to public education in New Mexico. The \$600,000 for SITE will be expended in Fiscal Year 2016-2017 and will be taken from the excess Net Position created this Fiscal Year. With funding the Future Educators of America and Member Credit initiatives, CES still had a net profit for fiscal year 2015-2016 of \$867,032.
- Other areas in which CES offers services to its members include filing of Medicaid in the schools' reimbursements, participation in the supplemental benefits program and on-line purchasing by its members where they can purchase directly from selected CES vendors. These programs allow CES' members to deal directly with selected vendors apart from the customary procurement process. In these instances, CES does not process the transactions through its financial system. Rather, members pay the vendors directly and CES is rebated its administrative fee from the selected vendors involved in these programs. The resultant Enabled Revenue, as CES refers to it, for these programs for the fiscal year ended June 30, 2016, was approximately \$46,899,494. This is an increase of \$6,590,173 (16.3%) over last year's Enabled Revenue of \$40,309,321. The Enabled Revenue amount is not reflected anywhere in CES' financial reports; however, the administrative fees CES received are included in CES' financial statements presented here.

ECONOMIC FACTORS

- CES is the administering agency for the Restated and Amended Joint Powers Agreement to Establish an Educational Cooperative and receives no state or federal governmental funding. CES' only sources of revenue result from one time new member fees, interest on its deposits, an administrative fee amount included in the hourly ancillary rate charged, an administrative amount included in Professional Service billing, profit from In-service events and the assessment of a 1% administrative fee that is imbedded in the amount quoted by CES' vendors for procured services, construction and items of tangible personal property. CES is a purely entrepreneurial agency with the special purpose of providing cooperative procurement, ancillary staff, administrative support and related services to its members. Its budget is for planning purposes and does not carry the force of law. From a financial perspective, CES acts like a buyer and reseller of goods and

Management's Discussion and Analysis - Continued

services for its members. CES utilizes full accrual, enterprise accounting for its operations.

- CES' management has no knowledge of any factors, actual or contingent, that will have any effect on the financial position or results of operations of CES for the fiscal year ended June 30, 2016.

INFRASTRUCTURE

- CES has no infrastructure.

This Annual Financial Report is designed to give readers a general overview of CES' finances and show CES' accountability for its activities. If there are any questions about this report or additional information is needed, contact CES' office at 4216 Balloon Park Road NE, Albuquerque, New Mexico 87109.

COOPERATIVE EDUCATIONAL SERVICES

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

For the Year Ended June 30, 2016

with Comparative Totals for 2015

	Assets	<u>2016</u>	<u>2015</u>
Current Assets:			
Cash (Note 2)	\$	6,821,444	\$ 11,080,771
Accounts receivable, trade		30,303,823	25,811,739
Receivable - other		<u>1,394</u>	<u>2,625</u>
Total current assets		<u>37,126,661</u>	<u>36,895,135</u>
Capital assets, net of accumulated depreciation (Note 3)		<u>820,244</u>	<u>763,534</u>
Total assets	\$	<u>37,946,905</u>	\$ <u>37,658,669</u>
Liabilities and Net Position			
Current Liabilities:			
Accounts payable, trade	\$	31,671,522	\$ 32,268,851
Accrued payroll and benefits (Note 9)		664,114	559,866
Unearned revenue		91,390	195,583
Member credit liability (Note 8)		200,000	200,000
Compensated absences (Note 10)		<u>84,832</u>	<u>69,701</u>
Total current liabilities		<u>32,711,858</u>	<u>33,294,001</u>
Long-Term Liabilities:			
Compensated absences (Note 10)		<u>3,347</u>	<u>-</u>
Total long-term liabilities		<u>3,347</u>	<u>-</u>
Total liabilities		<u>32,715,205</u>	<u>33,294,001</u>
Net Position:			
Net investment in capital assets		820,244	763,534
Unrestricted		<u>4,411,456</u>	<u>3,601,134</u>
Total net position		<u>5,231,700</u>	<u>4,364,668</u>
Total liabilities and net position	\$	<u>37,946,905</u>	\$ <u>37,658,669</u>

SEE INDEPENDENT AUDITOR'S REPORT

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

COOPERATIVE EDUCATIONAL SERVICES

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS**

For the Year Ended June 30, 2016

with Comparative Totals for 2015

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Administrative services	\$ 2,146,263	\$ 1,509,176
Group purchasing	216,389,442	203,442,558
Ancillary services	11,909,095	10,521,336
Related services	295,318	198,121
Administration	6,985	21,454
Adjustment for member credit (Note 6)	(181,552)	(182,560)
Total operating revenues	<u>230,565,551</u>	<u>215,510,085</u>
Operating expenses:		
Cost of goods sold		
Administrative services	1,921,881	1,279,200
Group purchasing	214,815,727	201,982,012
Ancillary services	11,196,275	9,959,885
Related services	529,917	295,886
Total cost of goods sold	<u>228,463,800</u>	<u>213,516,983</u>
Gross profit	<u>2,101,751</u>	<u>1,993,102</u>
Administration expenses:		
Salaries and wages	591,518	514,972
Employee benefits	119,160	95,059
Payroll taxes	46,590	40,938
Retirement expense	49,570	46,513
Travel and member expense	27,410	21,863
Vehicle expense	11,413	11,600
Insurance-property and liability	8,215	21,951
Advertising and marketing	15,472	7,750
Board and meeting costs	29,110	17,443
Postage and freight	1,742	1,364
Telephone	8,094	9,422
Copier expense	7,963	4,849
Printing	732	1,151
Facilities and repairs	41,881	44,165
Depreciation	83,688	76,233
General materials and supplies	70,803	86,876
Contract services	62,963	51,930
Technology - software	1,743	58,750
Professional dev. program	37,910	571,050
Legal/accounting services	25,675	21,439
Total expenses	<u>1,241,652</u>	<u>1,705,318</u>
Operating income/(loss)	<u>860,099</u>	<u>287,784</u>
Non-operating revenues:		
Interest income	<u>6,933</u>	<u>16,416</u>
Total non-operating revenues	<u>6,933</u>	<u>16,416</u>
Change in net position	867,032	304,200
Net position, beginning of year	<u>4,364,668</u>	<u>4,060,468</u>
Net position, end of year	\$ <u>5,231,700</u>	\$ <u>4,364,668</u>

SEE INDEPENDENT AUDITOR'S REPORT

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

COOPERATIVE EDUCATIONAL SERVICES

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2016
with Comparative Totals for 2015**

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash received from members	\$ 225,969,274	\$ 210,334,921
Less:		
Cash payment to or for suppliers	(216,688,493)	(194,481,354)
Cash payment to or for employees	<u>(13,406,643)</u>	<u>(11,316,296)</u>
Net cash provided (used) by operating activities	<u>(4,125,862)</u>	<u>4,537,271</u>
Cash flows from capital and related financing activities:		
Interest income	6,933	16,416
Purchase of improvements and equipment	<u>(140,398)</u>	<u>(130,969)</u>
Net cash (used) provided by capital and related financing activities	<u>(133,465)</u>	<u>(114,553)</u>
Net increase (decrease) in cash and cash equivalents	(4,259,327)	4,422,718
Cash and cash equivalent, beginning of year	<u>11,080,771</u>	<u>6,658,053</u>
Cash and cash equivalent, ending of year	\$ <u>6,821,444</u>	\$ <u>11,080,771</u>
 Reconciliation of operating income to cash provided (used) by operating activities:		
Operating income (loss)	\$ 860,099	\$ 287,784
Adjustment for loss on disposition of software technology	-	58,750
Depreciation expense	83,688	76,233
Decrease (increase) in:		
Accounts receivable	(4,492,084)	(5,440,904)
Accounts receivable - other	1,231	475
Prepaid expenses	-	35,060
Increase (decrease) in:		
Deferred revenue	(104,193)	83,180
Accounts payable	(597,329)	9,256,305
Accrued payroll and expenses	104,248	62,653
Member credit liabilities	-	100,000
Compensated absences	<u>18,478</u>	<u>17,735</u>
Net cash provided (used) by operating activities	\$ <u>(4,125,862)</u>	\$ <u>4,537,271</u>

SEE INDEPENDENT AUDITOR'S REPORT

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

COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1: Organization and summary of significant accounting policies

Nature of Operations - Purpose

Organization/Joint Power Agreement

Cooperative Educational Services (CES) was formed in December 1986, by member school districts by entering into a Joint Powers Agreement to Establish an Educational Cooperative, as approved by the New Mexico Department of Finance and Administration (DFA). In August 1999, DFA approved an amendment permitting any public educational institution to become a party to the Agreement. As of June 30, 2016, there were 236 Members, which included public schools, universities, community colleges, vocational schools, Bureau of Indian Affairs schools, public state schools, and charter schools. CES provides a wide range of educational services including state-wide supplemental insurance programs, cooperative purchasing, ancillary services (occupational therapists, physical therapists, speech and language pathologists, educational diagnosticians, recreational therapists, rehabilitation counselor, mobility and orientation trainer, and psychologists), and general consulting. The Board of Directors consists of the executive officers of the member institutions.

CES now allows cities, counties and other Local Public Bodies to purchase off its contracts. These entities are referred to as Participating Entities by CES. Unlike members, Participating Entities are not a party to the Joint Powers Agreement and have no governing or financial interests in CES. As of June 30, 2016, there were 215 participating entities registered with CES.

COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1: Organization and summary of significant accounting policies (continued)

Membership

CES is an organization comprised of New Mexico school districts plus other public education institutions, including charter schools, two and four-year post-secondary institutions, BIA schools and state schools. CES is a membership organization that is open to governmental units, which means the state of New Mexico, counties, municipalities of New Mexico, Indian Nations, tribes, and/or pueblos located within the boundaries of Los Alamos, Rio Arriba or Santa Fe Counties in New Mexico may join. Members may be added or deleted pursuant to Article VIII of CES' bylaws and State Statute Section 73-25-17. The Board of Directors consists of Executive Officers of Member Institutions.

CES' financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP and used by CES are discussed below.

Financial Reporting Entity

The financial reporting entity as defined by GASB 14 consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. This definition of the reporting entity is based primarily on the notion of financial accountability as the cornerstone of all reporting in governments.

COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1: Organization and summary of significant accounting policies (continued)

Financial Reporting Entity (continued)

A primary government is any state or general-purpose local government consisting of all the organizations that make up its legal entity. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are, for financial reporting purposes, part of the primary government. The CES is a local government unit and is the primary government for the financial presentation.

CES does not have any component units during the year ended June 30, 2016.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units.

Measurement focus, basis of accounting, and financial statement presentation

CES' activities are reported as business-type activities. As a result, the financial statements are comprised solely of proprietary fund financial statements. Proprietary statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows.

COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1: Organization and summary of significant accounting policies (continued)

Measurement focus, basis of accounting, and financial statement presentation (continued)

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows or resources, liabilities deferred inflows of resources (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues and gains) and decreases (expenses and losses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of CES are group purchasing, ancillary services, administrative services and other related services generated from its services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1: Organization and summary of significant accounting policies (continued)

Measurement focus, basis of accounting, and financial statement presentation (continued)

CES operations are accounted for as a proprietary fund (enterprise fund). Proprietary funds are financed and operated in a manner similar to private business. Proprietary funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third-party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. They are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

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

Net Position

Net position is the difference between assets, deferred outflows of resources, liabilities and deferred inflow of resources. Net investment in capital assets - net of related debt, are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by external restrictions by other governments, creditors, or grantors.

COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1: Organization and summary of significant accounting policies (continued)

Accounts Receivable - Trade

All receivables are deemed fully collectible, and an allowance for doubtful accounts has not been established. All amounts are deemed collectible within one year of June 30, 2016.

Property and Equipment

CES has established its capitalization policy at \$5,000. Items with a cost of less than \$5,000 are expensed in the year of acquisition. Repairs and maintenance expenses are charged to operations when incurred and major improvements and replacements are capitalized. If construction is financed, interest during construction is capitalized. CES records assets (such as, furniture and equipment including software, building and improvements, land, and ancillary equipment) purchased at cost or, if contributed, at fair market value at date of donation.

CES is capitalizing and depreciating computer software developed for internal use in compliance with AICPA Statement of Position 98-1. Straight-line depreciation is provided over the estimated lives of the assets.

For depreciation purposes, the CES has identified the following classes of assets and estimated useful lives.

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Furniture, Equipment, and Software	3-8 Year
Building and Improvements	10-40 Year
Ancillary Equipment	3-8 Year

COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1: Organization and summary of significant accounting policies (continued)

Unearned Revenue

CES receives money from members for services and products prior to the member being invoiced. Funds are held until the member receives the full performance on the contract.

Income Taxes

CES is exempt from filing tax returns based on the New Mexico Attorney General's determination that CES is a governmental entity.

Cash and Cash Equivalents

CES considers all short-term securities purchased with maturity of three months or less and not held in trust to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budget

Please see the Statement of Revenues, Expenditures, and Changes in Net Position Budget (GAAP Budgetary Basis) and Actual, page 27, in the supplementary information section of the audit report.

COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1: Organization and summary of significant accounting policies (continued)

Budget (continued)

CES prepares a budget for internal use, but is not required to provide a legally adopted budget with a government agency in New Mexico.

CES' budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), using an estimate of anticipated revenues and expenses. The budget is presented on the accrual basis of accounting, and capitalized fixed capital assets over \$5,000 are not included in the budget.

The Executive Director prepares an overall budget by program for CES which is adopted by the Executive Committee. This budget includes expected receipts and expenditures of the Operating Fund. CES is required to prepare budgets for each program. The budgets, used by CES to monitor each project, are also used for comparisons in the accompanying financial statements. CES approves its budget by total revenue and expenses by program.

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

There was one budget adjustment request by June 30, 2016.

Encumbrances

CES does not use encumbrance accounting.

Revenues

Revenues directly related to the operation are recorded as operating revenues.

COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1: Organization and summary of significant accounting policies (continued)

Compensated Absences Payable

Compensated Absences is reported in Government Wide financial statements as an expense; current and long-term liabilities. In accordance with the provisions of Statement No. 6 of the Government Accounting Standards Board, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Note 2: Cash and Cash Equivalents

In accordance with Section 6-10-17, NMSA 1978 Compilation, bank deposits of public monies are required to be collateralized. Pledged collateral is required in amounts in aggregate to equal one half of the amount of uninsured public money in each account during the fiscal year CES does not have uninsured balance.

Securities which are obligations of the state of New Mexico, its agencies, institutions, counties, or municipalities or other subdivisions are accepted at par value; all other securities are accepted at market value. No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration. CES' cash balances consist of demand deposits

Custodial credit risk is the risk that in the event of a bank failure, CES' deposits may not be returned to it. CES' deposit policy is to collateralize one-half of the uninsured public money in each account. As of June 30, 2016, \$0 of CES' bank balance of \$13,544,112 was exposed to custodial credit risk. Custodial

COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 2: Cash and Cash Equivalents-continued

credit risk is defined as the risk that the government's deposits may not be returned to it in the event of a bank failure.

CES' bank balance was collateralized in compliance with state of New Mexico requirements as follows:

<u>Name of depository</u>	<u>Account name</u>	<u>Type of account</u>	<u>Bank balance as of 6/30/16</u>	<u>Reconciled balance as of 6/30/16</u>
Bank of America	Operating	Checking	\$ 0	\$ 0
Wells Fargo	Operating	Checking	13,544,112	\$ <u>6,821,244</u>
Less: FDIC insurance			<u>(250,000)</u>	
Uninsured public funds			13,294,112	
Pledged collateral held by the pledging bank's trust department in agency's name			<u>14,170,449</u>	
Over insured and collateralized			\$ <u>876,337</u>	
50% collateral requirement (Section 6-10-17 NMSA 1978)			6,772,056	
Total pledged collateral			<u>14,170,449</u>	
Pledged collateral (over) the requirement			<u>(7,398,393)</u>	
Total deposits:				
Category 1-Insured with securities			\$ 13,544,112	
Less outstanding checks			<u>(6,722,868)</u>	
Reconciled bank balance			6,821,244	
Cash on hand			<u>200</u>	
Total cash and cash equivalents			\$ <u>6,821,444</u>	

See Schedule of Pledged Collateral by Bank on page 28.

COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 3: Property, Equipment and Depreciation

Property and equipment are summarized as follows:

	<u>Balance</u> <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2016</u>
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 152,000	\$ _____	\$ _____	\$ 152,000
Capital assets being depreciated:				
Buildings and improvements	895,358	71,972		967,330
Furniture and equipment	454,200	68,426		522,626
Ancillary equipment	<u>9,398</u>	<u> </u>	<u> </u>	<u>9,398</u>
Total capital assets being depreciated	<u>1,358,956</u>	<u>140,398</u>	<u> </u>	<u>1,499,354</u>
Less accumulated depreciation for:				
Buildings and improvements	(410,713)		38,134	(448,847)
Furniture and equipment	(327,311)		45,554	(372,865)
Ancillary equipment	<u>(9,398)</u>		<u> </u>	<u>(9,398)</u>
Total accumulated depreciation	<u>(747,422)</u>		<u>83,688</u>	<u>(831,110)</u>
Net property and equipment	\$ <u>763,534</u>	\$ <u>140,398</u>	\$ <u>83,688</u>	\$ <u>820,244</u>

For the years ended June 30, 2016 and 2015, depreciation expense was \$83,688 and \$76,233, respectively.

As of the year ended June 30, 2016, CES had no idle equipment.

Note 4: Retirement Plan

All employees are eligible to participate in an IRS Section 403(b) and/or 457(b) pension plan, sponsored by CES and administered by outside investment companies. CES contributes 1.56962 percent of employee's contribution up to 7.9 percent, the maximum amount matched by CES, of annual salary for non-ancillary full-time employees.

CES' contributions for the years ended June 30, 2016 and 2015 were \$127,157 and \$115,520, respectively.

COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 5: Cafeteria Plan

CES provides an IRS Section 125 cafeteria plan wherein certain employee deductions are before taxes. CES has no cost other than bookkeeping for administering the plan.

Note 6: PERA and State Retiree Health Care Plan

CES does not participate in New Mexico Public Employees Retirement Association (PERA) and does not contribute to the New Mexico Retiree Health Care Plan (RHCP).

Note 7: Risk Management

CES is insured through purchase of commercial insurance policies for general liability and purchases Worker's Compensation Insurance from the New Mexico Self Insurer's Fund. Worker's Compensation claims are handled by the New Mexico Self Insurer's Fund.

Note 8: Member Credit Liabilities

At June 30, 2016, \$200,000 in member credits were given out which could be used against the members' purchases in the years 2016-2017.

Note 9: Accrued Liabilities

Accrued payroll at June 30, 2016, is as follows:

<u>Type</u>	<u>2016</u>	<u>2015</u>
Accrued payroll and other benefits	\$ <u>664,114</u>	\$ <u>559,866</u>
Total	\$ <u>664,114</u>	\$ <u>559,866</u>

COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 10: Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2016, is as follows:

	Balance <u>2015</u>	Additions	Deletions	Balance <u>2016</u>	Due Within <u>One Year</u>
Compensated absences	\$ <u>69,701</u>	\$ <u>88,179</u>	\$ <u>69,701</u>	\$ <u>88,179</u>	\$ <u>84,832</u>

Prior year compensated absences have been liquidated by the operating fund. No short-term debt was incurred during the fiscal year 2016 or 2015.

Note 11: Operating Lease

CES has a multi-year equipment lease with Pitney Bowes. During the year \$1,536 was paid on the lease. Operating lease due over next five years:

June 30, 2017	\$ 1,536
June 30, 2018	<u>640</u>
	\$ <u>2,176</u>

CES entered into a three year vehicle lease with Tillery Chevrolet. During the year \$8,768 was paid on the lease. Operating lease due over next five years:

June 30, 2017	\$ <u>2,923</u>
	\$ <u>2,923</u>

Note 12: Joint Powers Agreement

Joint Powers Agreement to establish Educational Cooperative was made July 1, 1984 and approved by the Department of Finance and Administration. The JPA has been restated, amended and approved several times by the members.

Participants: Members consist of public educational institutions in New Mexico. Participating entities (nonmembers) consist of cities, counties and other public entities.

COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 12: Joint Powers Agreement (continued)

Party responsible for operations: Cooperative Educational Services

Description: An educational cooperative for the purpose of pooling efforts and resources (group purchasing) in order to bring additional, necessary educational services to their respective institutions at an affordable cost.

Effective: July 1, 1984 until rescinded or terminated by a majority vote of participating members.

Total estimated amount of project and portion applicable to the agency: Total revenue \$230,747,103

Amount the agency contributed in the current year:
None

Audit responsibility: N/A

Name of governing agency where revenues and expenditures are reported: Office of State Auditor

Note 13: Commitments, Contingencies, and Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued. CES recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. CES' financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are available to be issued.

CES has evaluated subsequent events through September 20, 2016, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

COOPERATIVE EDUCATIONAL SERVICES

**STATEMENT OF REVENUE, EXPENSE AND NET POSITION -
BUDGET (GAAP BUDGET BASIS) VERSUS ACTUAL
For the Year Ended June 30, 2016**

	<u>Budget Amount</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenues				
Administrative services	\$ 1,111,000	\$ 2,050,376	\$ 2,146,263	\$ 95,887
Group purchasing	156,080,000	215,633,216	216,389,442	756,226
Ancillary services	11,025,000	11,898,243	11,909,095	10,852
Related services	385,000	385,000	295,318	(89,682)
Administration	22,000	22,000	6,985	(15,015)
Interest income	-	-	6,933	6,933
Member credit	-	(181,552)	(181,552)	-
Total Revenue	<u>168,623,000</u>	<u>229,807,283</u>	<u>230,572,484</u>	<u>765,201</u>
Expenses				
Administrative services	981,870	1,921,246	1,921,881	(635)
Group purchasing	155,339,756	214,892,972	214,815,727	77,245
Ancillary services	10,392,581	11,265,824	11,196,275	69,549
Related services	390,714	641,082	529,917	111,165
Administration expense	<u>1,518,079</u>	<u>1,664,908</u>	<u>1,241,652</u>	<u>423,256</u>
Total Expense	<u>168,623,000</u>	<u>230,386,032</u>	<u>229,705,452</u>	<u>680,580</u>
Excess of Revenue Over (Under) Expenses	<u>0</u>	<u>(578,749)</u>	867,032	<u>1,445,781</u>
Change in Net Position				
Net Position, Beginning of year			<u>4,364,668</u>	
Net Position, End of year			\$ <u>5,231,700</u>	

Budgetary notation -
Cash appropriated from
prior year for current
year expenditures \$ 11,080,771

COOPERATIVE EDUCATIONAL SERVICES

**SCHEDULE OF PLEDGED COLLATERAL BY BANK
For the Year Ended June 30, 2016**

Pledged securities - Held by pledging bank's trust department in the name of Cooperative Educational Services - See note on page 22.

<u>CUSIP</u>	<u>Held by</u>	<u>Rate</u>	<u>Maturity</u>	<u>Par Value</u>	<u>Market Value</u>
3138EHC67	FNMA Federal National Mort Backed Security	3.00	11/01/2026	\$ 976,289	\$ 976,289
31417ETA9	FNMA Federal National Mort Backed Security	3.00	1/01/2043	2,220,327	2,220,327
31417GHX7	FNMA Federal National Mort Backed Security	3.00	5/01/2043	10,973,833	<u>10,973,833</u>
	Total pledged collateral				\$ <u>14,170,449</u>
					\$ 13,544,112
	Wells Fargo Bank - Operating Checking				<u>(250,000)</u>
	Less: FDIC insurance				
	Uninsured public funds				\$ <u>13,294,112</u>

Agency/Agency Name	Agency Type	RFB#/RFPP (if applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for preference?	Did the Vendor provide documentation of preference?	Brief Description of the Scope of Work	Component Unit Name of
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Anchorbilt	Winner	\$1,841,389.57	Albuquerque, NM	Yes	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	B&D Industries	Winner	\$1,670,428.18	Albuquerque, NM	Yes	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Brycon Construction	Winner	\$104,441.82	Albuquerque, NM	Yes	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	CAI Constructors, Inc.	Winner	\$0.00	Carlsbad, NM	Yes	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Cardova Contracting	Loser	\$0.00	Albuquerque, NM	No	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Custom 51Networks	Loser	\$0.00	Silver City, NM	No	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Done Right Construction	Winner	\$0.00	Pecos, NM	No	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	ECSA Construction	Winner	\$103,115,121.88	Albuquerque, NM	Yes	Yes	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Farmington Construction	Winner	\$638,407.91	Farmington, NM	Yes	Yes	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Flintco, Inc.	Winner	\$90.00	Albuquerque, NM	Yes	Yes	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	GWCC Construction	Winner	\$1,501,393.92	Lawton, NM	Yes	Yes	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Hays Plumbing & Heating	Winner	\$888,130.72	Las Vegas, NM	Yes	Yes	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	J3 Systems	Winner	\$1,750,267.29	Bosque Farms, NM	Yes	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	La Mesa/Elia Construction	Winner	\$79,619.02	Albuquerque, NM	Yes	Yes	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	L&S Construction	Winner	\$891,777.91	Hobbs, NM	Yes	Yes	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	LLC Construction	Winner	\$553,081.30	Santa Fe, NM	Yes	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Luma, Inc.	Loser	\$0.00	Moab, NM	No	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Modular Solutions	Winner	\$570,663.19	Phoenix, AZ	Yes	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Murphy Builders	Winner	\$570,525.03	Gallup, NM	Yes	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Phoenix Mechanical	Winner	\$520,977.73	Taos, NM	No	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Prime Builders	Winner	\$0.00	Albuquerque, NM	Yes	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	R&M Construction, Inc.	Winner	\$184,781.87	Alto, NM	Yes	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Roper Construction	Winner	\$30,065.74	Silver City, NM	Yes	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Vegil Contracting	Winner	\$0.00	Albuquerque, NM	Yes	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Wide Construction	Winner	\$92,015.95	Boswell, NM	No	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Wayne Rutherford	Winner	\$17,243.28	Taos, NM	Yes	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	White Sands Construction	Winner	\$560,144.51	Alamogordo, NM	Yes	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Winters Mechanical	Winner	\$1,413,020.05	Farmington, NM	Yes	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Yearout Mechanical	Winner	\$1,930,242.27	Albuquerque, NM	Yes	No	JOC General Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Bob's Painting	Winner	\$252,766.05	Albuquerque, NM	Yes	No	JOC Painting Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Industrial Commercial Coatings	Winner	\$183,333.11	Albuquerque, NM	Yes	No	JOC Painting Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Arbor Care	Winner	\$0.00	Hobbs, NM	No	No	JOC Landscaping Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Cassidy's Landscaping	Winner	\$769,276.99	Santa Fe, NM	Yes	No	JOC Landscaping Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Landscape Design	Winner	\$1,212,525.67	Las Cruces, NM	Yes	No	JOC Landscaping Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Lone Mountain Landscaping/Window Color	Winner	\$421,167.54	Bosque Farms, NM	Yes	No	JOC Landscaping Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Rio Grande Landscaping/Window Color	Winner	\$421,167.54	Bellevue, NM	Yes	No	JOC Landscaping Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Westwind Landscape Design	Winner	\$0.00	Albuquerque, NM	Yes	No	JOC Landscaping Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	MHA1, LLC	Winner	\$12,077.32	Carlsbad, NM	No	No	JOC Fencing Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	TriWest Fence	Winner	\$10,458.22	Bernalillo, NM	Yes	No	JOC Fencing Contractor	Gordian and/or R5 Means Estimating
Regional Educational Coog 2016-001	CE5		Competitive (RF or RFB)	Alpha Southwest	Winner	\$43,917.10	Albuquerque, NM	Yes	No	JOC Mechanical/HVAC/Plumbing	Gordian and/or R5 Means Estimating

If the procurement is attributable to a Component Unit, Name of

Agency Agency Name	Agency Type	RRB/RFP (if applicable)	Type of Procurement	Vendor Name	Contract #	Did Vendor Win	\$ Amount of Awarded Contract	\$ Amount of Amend	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-veterns' state preference?	Did the Vendor provide documentation of eligibility for in-veterns' state preference?	Component Unit	If the procurement is attributable to a Component Unit, Name of
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Donner Plumbing	Energy Control	Winner	Yes	\$1,893,564.83		Albuquerque, NM	Yes	No	JOC Mechanical/HVAC/Plumbing	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	General Hydraulics	General Mechanical	Winner	Yes	\$4,000.00		Alamogordo, NM	Yes	No	JOC Mechanical/HVAC/Plumbing	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	GEW Mechanical	General Mechanical	Winner	Yes	\$37,840.00		Albuquerque, NM	Yes	No	JOC Mechanical/HVAC/Plumbing	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Installation Service Heating & Cooling	JB Henderson	Winner	Yes	\$0.00		Albuquerque, NM	Yes	No	JOC Mechanical/HVAC/Plumbing	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Installation Service Heating & Cooling	JB Henderson	Winner	Yes	\$0.00		Albuquerque, NM	Yes	No	JOC Mechanical/HVAC/Plumbing	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Metal Tech	Mechanical Control Solutions	Winner	Yes	\$161,712.27		Albuquerque, NM	Yes	No	JOC Mechanical/HVAC/Plumbing	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	National Heating & Ventilating Co, Inc	National Heating & Ventilating Co, Inc	Winner	Yes	\$210,616.27		Albuquerque, NM	Yes	No	JOC Mechanical/HVAC/Plumbing	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Southwest Air	W. I. Denton	Winner	Yes	\$412,633.75		Alamogordo, NM	Yes	No	JOC Mechanical/HVAC/Plumbing	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	W.W.C., Inc	W.W.C., Inc	Winner	Yes	\$55,087.21		Albuquerque, NM	Yes	No	JOC Mechanical/HVAC/Plumbing	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	APIC Solutions	APIC Solutions	Winner	Yes	\$48,292.66		Albuquerque, NM	Yes	No	JOC Electrical Contractor	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Corbin Service Electric	Corbin Service Electric	Winner	Yes	\$1,550,061.66		Las Cruces, NM	Yes	No	JOC Electrical Contractor	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Lyndco Electric	Lyndco Electric	Winner	Yes	\$0.00		Las Cruces, NM	Yes	No	JOC Electrical Contractor	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	McDade-Woodcock	McDade-Woodcock	Winner	Yes	\$0.00		Albuquerque, NM	Yes	No	JOC Electrical Contractor	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Murill Electric	Murill Electric	Winner	Yes	\$447,491.63		Albuquerque, NM	Yes	No	JOC Electrical Contractor	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Ferrico Electric	Ferrico Electric	Winner	Yes	\$0.00		Carlsbad, NM	Yes	No	JOC Electrical Contractor	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Stellar, Inc	Santoro Corporation	Loser	No	\$0.00		Carlsbad, NM	Yes	No	JOC Electrical Contractor	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Water Electric	Water Electric	Winner	Yes	\$213,448.44		Rio Rancho, NM	No	No	JOC Electrical Contractor	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Zuni Electric	Zuni Electric	Winner	Yes	\$0.00		Alamogordo, NM	Yes	No	JOC Electrical Contractor	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Commercial Roofing, LLC	Commercial Roofing, LLC	Winner	Yes	\$13,366.27		Albuquerque, NM	Yes	No	JOC Roofing Contractor	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	DKG & Associates	DKG & Associates	Winner	Yes	\$3,776,933.03		Albuquerque, NM	Yes	No	JOC Roofing Contractor	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Fix My Roof	Fix My Roof	Winner	No	\$0.00		Santa Fe, NM	No	No	JOC Roofing Contractor	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	DBG Roofing, Inc	DBG Roofing, Inc	Winner	Yes	\$0.00		Hobbs, NM	Yes	No	JOC Roofing Contractor	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	RoofCare	RoofCare	Winner	Yes	\$2,931,150.28		Albuquerque, NM	Yes	No	JOC Roofing Contractor	Gordian and/or R5 Means Estimating
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Ace Asphalt of Arizona	Ace Asphalt of Arizona	Winner	Yes	\$102,579.73		Albuquerque, NM	Yes	No	JOC Paving, Site Work, Excavation	Gordian, R5 Means or Line Item Price
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Burn Construction	Burn Construction	Winner	Yes	\$1,400,639.03		Las Cruces, NM	Yes	No	JOC Paving, Site Work, Excavation	Gordian, R5 Means or Line Item Price
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Century Club Construction	Century Club Construction	Winner	Yes	\$0.00		Albuquerque, NM	Yes	No	JOC Paving, Site Work, Excavation	Gordian, R5 Means or Line Item Price
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Crebris Paving & Maintenance	Crebris Paving & Maintenance	Winner	Yes	\$0.00		Las Vegas, NM	Yes	No	JOC Paving, Site Work, Excavation	Gordian, R5 Means or Line Item Price
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Deming Excavation	Deming Excavation	Winner	Yes	\$618,764.99		Santa Fe, NM	Yes	No	JOC Paving, Site Work, Excavation	Gordian, R5 Means or Line Item Price
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Guardia Construction	Guardia Construction	Winner	Yes	\$0.00		Ruidoso, NM	Yes	No	JOC Paving, Site Work, Excavation	Gordian, R5 Means or Line Item Price
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Highland Enterprises	Highland Enterprises	Winner	Yes	\$0.00		Las Cruces, NM	Yes	No	JOC Paving, Site Work, Excavation	Gordian, R5 Means or Line Item Price
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	James Hamilton Construction	James Hamilton Construction	Winner	Yes	\$0.00		Silver City, NM	Yes	No	JOC Paving, Site Work, Excavation	Gordian, R5 Means or Line Item Price
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Ramirez & Sons	Ramirez & Sons	Winner	Yes	\$550,232.41		Hobbs, NM	Yes	No	JOC Paving, Site Work, Excavation	Gordian, R5 Means or Line Item Price
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Sunland Inc., Asphalt & Sealing	Sunland Inc., Asphalt & Sealing	Winner	Yes	\$2,005,683.66		Albuquerque, NM	Yes	No	JOC Paving, Site Work, Excavation	Gordian, R5 Means or Line Item Price
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	TLC	TLC	Winner	Yes	\$35,026.52		Tucuman, NM	No	No	Landscaping under \$25K	Gordian, R5 Means or Line Item Price
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Pacheco Const & Truiling	Pacheco Const & Truiling	Winner	Yes	\$2,026.25		Santa Rosa, NM	Yes	Yes	Landscaping under \$25K	Gordian, R5 Means or Line Item Price
7098 CES	Regional Educational Coop 2016-000	Competitive (RF or RFB)	Farmington Heating & Metal Co	Farmington Heating & Metal Co	Winner	Yes	\$23,855.71		Farmington, NM	Yes	No	Landscaping under \$25K	Gordian, R5 Means or Line Item Price

If the procurement is attributable to a Component Unit, Name of

If the procurement is attributable to a Component Unit, Name of Component Unit

Agency Name	Agency Type	RFB/RFP (if applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work
7098 CES	Regional Educational Coog 2015-0058	Competitive (RFP or RFB)	PC Automated Controls, Inc.	Winner	\$81,313.35	\$0.00	El Paso, TX	No	No	Plumbing, Mechanical under \$25K	
7098 CES	Regional Educational Coog 2015-0059	Competitive (RFP or RFB)	Allied Electric	Winner	\$13,550.87	\$0.00	Santa Fe, NM	Yes	No	Electrical under \$25K	
7098 CES	Regional Educational Coog 2015-0059C	Competitive (RFP or RFB)	Impact Solutions Group	Winner	\$0.00	\$0.00	Albuquerque, NM	Yes	No	Electrical under \$25K	
7098 CES	Regional Educational Coog 2015-0059C	Competitive (RFP or RFB)	Impact Electric Services, LLC	Winner	\$0.00	\$0.00	Las Cruces, NM	No	No	Electrical under \$25K	
7098 CES	Regional Educational Coog 2015-0059C	Competitive (RFP or RFB)	J&G Electric Co., Inc.	Winner	\$157,899.00	\$0.00	Roswell, NM	Yes	No	Electrical under \$25K	
7098 CES	Regional Educational Coog 2015-0059C	Competitive (RFP or RFB)	Philo Corp/A Alarm Service	Winner	\$0.00	\$0.00	Albuquerque, NM	No	No	Electrical under \$25K	
7098 CES	Regional Educational Coog 2015-0059C	Competitive (RFP or RFB)	PVT Networks, Inc.	Winner	\$193,812.44	\$0.00	Artesia, NM	No	No	Electrical under \$25K	
7098 CES	Regional Educational Coog 2015-0059C	Competitive (RFP or RFB)	Roxy/Mes Electrical Services, Inc.	Winner	\$7,174,021.80	\$0.00	Farmington, NM	Yes	No	Carpetry under \$25K	
7098 CES	Regional Educational Coog 2015-0059C	Competitive (RFP or RFB)	FacilityMOLD	Winner	\$0.00	\$0.00	Albuquerque, NM	Yes	No	Carpetry under \$25K	
7098 CES	Regional Educational Coog 2015-0059C	Competitive (RFP or RFB)	Zeck Valley Construction Co., LLC	Winner	\$21,107.19	\$0.00	Carlsbad, NM	No	No	General Maintenance Under \$25K	
7098 CES	Regional Educational Coog 2015-0059D	Competitive (RFP or RFB)	B.C.H. Construction	Winner	\$20,989.00	\$0.00	Corona, NM	Yes	No	General Maintenance Under \$25K	
7098 CES	Regional Educational Coog 2015-0059D	Competitive (RFP or RFB)	Dopports Construction	Winner	\$0.00	\$0.00	Hobbs, NM	No	No	General Maintenance Under \$25K	
7098 CES	Regional Educational Coog 2015-0059F	Competitive (RFP or RFB)	Lahra, Inc.	Winner	\$84,070.50	\$0.00	Deming, NM	No	No	General Maintenance Under \$25K	
7098 CES	Regional Educational Coog 2015-0059F	Competitive (RFP or RFB)	QMI New Mexico	Winner	\$517,256.24	\$0.00	Albuquerque, NM	No	No	Grounds Maintenance Equipment	
7098 CES	Regional Educational Coog 2015-0059F	Competitive (RFP or RFB)	Simpson Norton Corporation	Winner	\$29,274.44	\$0.00	Goodyear, AZ	No	No	Remove/Dispose Hazardous Material	
7098 CES	Regional Educational Coog 2015-010	Competitive (RFP or RFB)	Abestest Consulting	Winner	\$1,634,955.12	\$0.00	Albuquerque, NM	Yes	No	Remove/Dispose Hazardous Material	
7098 CES	Regional Educational Coog 2015-010	Competitive (RFP or RFB)	GranCo Enterprises, Inc.	Winner	\$14,801.79	\$0.00	Albuquerque, NM	No	No	Remove/Dispose Hazardous Material	
7098 CES	Regional Educational Coog 2015-010	Competitive (RFP or RFB)	Havona Environmental Inc	Winner	\$6,059.91	\$0.00	Albuquerque, NM	No	No	Remove/Dispose Hazardous Material	
7098 CES	Regional Educational Coog 2015-010	Competitive (RFP or RFB)	Hudspeth	Winner	\$95,516.66	\$0.00	Albuquerque, NM	Yes	No	Remove/Dispose Hazardous Material	
7098 CES	Regional Educational Coog 2015-010	Competitive (RFP or RFB)	Keets	Winner	\$0.00	\$0.00	Albuquerque, NM	Yes	No	Remove/Dispose Hazardous Material	
7098 CES	Regional Educational Coog 2015-010	Competitive (RFP or RFB)	Southwest Abatement, Inc.	Winner	\$0.00	\$0.00	Albuquerque, NM	Yes	No	Remove/Dispose Hazardous Material	
7098 CES	Regional Educational Coog 2015-010	Competitive (RFP or RFB)	Spray Hazard Control, Inc.	Winner	\$0.00	\$0.00	Albuquerque, NM	Yes	No	Remove/Dispose Hazardous Material	
7098 CES	Regional Educational Coog 2015-010	Competitive (RFP or RFB)	Spray Systems of Arizona, Inc	Winner	\$0.00	\$0.00	Tempe, AZ	No	No	Remove/Dispose Hazardous Material	
7098 CES	Regional Educational Coog 2015-010	Competitive (RFP or RFB)	Young Environmental dba Enviromtech	Winner	\$1,362,472.23	\$0.00	Farmington, NM	Yes	No	Food Service Equip, Install, Remodel	
7098 CES	Regional Educational Coog 2015-011	Competitive (RFP or RFB)	McComas Sales, Inc	Winner	\$1,259,667.44	\$0.00	Albuquerque, NM	Yes	No	Food Service Equip, Install, Remodel	
7098 CES	Regional Educational Coog 2015-011	Competitive (RFP or RFB)	National Restaurant Supply	Winner	\$42,595.35	\$0.00	Albuquerque, NM	No	No	Food Service Equip, Install, Remodel	
7098 CES	Regional Educational Coog 2015-011	Competitive (RFP or RFB)	Standard Restaurant Supply	Winner	\$0.00	\$0.00	Albuquerque, NM	No	No	Food Service Equip, Install, Remodel	
7098 CES	Regional Educational Coog 2015-012A	Competitive (RFP or RFB)	Cactus Janitorial	Loser	\$0.00	\$0.00	Albuquerque, NM	No	No	Janitorial Cleaning, Related Supplies	
7098 CES	Regional Educational Coog 2015-012A	Competitive (RFP or RFB)	Clean Image	Winner	\$0.00	\$0.00	Albuquerque, NM	No	No	Janitorial Cleaning, Related Supplies	
7098 CES	Regional Educational Coog 2015-012A	Competitive (RFP or RFB)	Clean Clean Janitorial	Winner	\$0.00	\$0.00	Albuquerque, NM	Yes	Yes	Janitorial Cleaning, Related Supplies	
7098 CES	Regional Educational Coog 2015-012A	Competitive (RFP or RFB)	Quality Janitorial	Winner	\$0.00	\$0.00	Albuquerque, NM	No	No	Janitorial Cleaning, Related Supplies	
7098 CES	Regional Educational Coog 2015-012A	Competitive (RFP or RFB)	American Restoration	Loser	\$0.00	\$0.00	Albuquerque, NM	No	No	Specialty Cleaning & Related Services	
7098 CES	Regional Educational Coog 2015-012B	Competitive (RFP or RFB)	Mooching Recovery	Winner	\$0.00	\$0.00	Placitas, NM	No	No	Specialty Cleaning & Related Services	
7098 CES	Regional Educational Coog 2015-012B	Competitive (RFP or RFB)	Rockefeller's Cleaning	Loser	\$0.00	\$0.00	Albuquerque, NM	No	No	Specialty Cleaning & Related Services	
7098 CES	Regional Educational Coog 2015-012B	Competitive (RFP or RFB)	STOP Restoration	Winner	\$0.00	\$0.00	Rio Rancho, NM	No	No	Specialty Cleaning & Related Services	
7098 CES	Regional Educational Coog 2015-012C	Competitive (RFP or RFB)	GEA, Inc.	Winner	\$0.00	\$0.00	Albuquerque, NM	Yes	No	HVAC Systems Cleaning, Related Services	
7098 CES	Regional Educational Coog 2015-012C	Competitive (RFP or RFB)	LKCM Distribution	Winner	\$0.00	\$0.00	Albuquerque, NM	No	No	Other Building Supplies, Materials	
7098 CES	Regional Educational Coog 2015-012K	Competitive (RFP or RFB)	REA Enterprises	Winner	\$21,138.68	\$0.00	Alamogosa, CO	No	No	Other Building Supplies, Materials	
7098 CES	Regional Educational Coog 2015-012K	Competitive (RFP or RFB)	Ewing Irrigation	Winner	\$0.00	\$0.00	Alamogosa, CO	No	No	Plumbing/Irrigation/Water Treatment	
7098 CES	Regional Educational Coog 2015-013A	Competitive (RFP or RFB)	RTD Hardware	Winner	\$8,413.67	\$0.00	Phoenix, AZ	No	No	Plumbing/Irrigation/Water Treatment	
7098 CES	Regional Educational Coog 2015-013A	Competitive (RFP or RFB)	DH Pace dba Overhead Doors	Winner	\$15,687.73	\$0.00	Las Cruces, NM	Yes	No	Hardware & Doors, Parts, Accessories	
7098 CES	Regional Educational Coog 2015-013C	Competitive (RFP or RFB)	Highway Supply	Winner	\$0.00	\$0.00	Albuquerque, NM	Yes	No	Hardware & Doors, Parts, Accessories	
7098 CES	Regional Educational Coog 2015-013C	Competitive (RFP or RFB)	Security Hardware	Winner	\$90,010.73	\$0.00	Albuquerque, NM	Yes	No	Hardware & Doors, Parts, Accessories	
7098 CES	Regional Educational Coog 2015-013C	Competitive (RFP or RFB)	Creative Bus Sales	Winner	\$0.00	\$0.00	Albuquerque, NM	Yes	No	Hardware & Doors, Parts, Accessories	
7098 CES	Regional Educational Coog 2015-015A	Competitive (RFP or RFB)	Lonestar Freightliner	Winner	\$0.00	\$0.00	Albuquerque, NM	Yes	No	School and Activity Buses	
7098 CES	Regional Educational Coog 2015-015A	Competitive (RFP or RFB)	Roberts Truck Ctr dba Summk Truck	Winner	\$5,618,929.06	\$0.00	Albuquerque, NM	Yes	No	School and Activity Buses	

If the procurement is attributable to a Component Unit, Name of Component Unit

Agency/Agency Name	Agency Type	RFB/RFP/IF applicable	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for In-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work
7098 CES	Regional Educational Coor	2016-017	Competitive (RFP or RFB)	A-Com Technologies, LLC	Winner	\$499,306.35		Albuquerque, NM	No	No	E-Rate Cat 1 & Cat 2 Products & Services
7098 CES	Regional Educational Coor	2016-017	Competitive (RFP or RFB)	Advanced Network Management, Inc	Winner	\$437,633.55		Albuquerque, NM	No	No	E-Rate Cat 1 & Cat 2 Products & Services
7098 CES	Regional Educational Coor	2016-017	Competitive (RFP or RFB)	AppliaSoft LLC	Loser			Austin, TX	No	No	E-Rate Cat 1 & Cat 2 Products & Services
7098 CES	Regional Educational Coor	2016-017	Competitive (RFP or RFB)	Adham Technologies, Inc	Winner	\$21,477.71		Albuquerque, NM	No	No	E-Rate Cat 1 & Cat 2 Products & Services
7098 CES	Regional Educational Coor	2016-017	Competitive (RFP or RFB)	CONVERGENCE (Formerly MACR)	Winner	\$201,988.94		Albuquerque, NM	No	No	E-Rate Cat 1 & Cat 2 Products & Services
7098 CES	Regional Educational Coor	2016-017	Competitive (RFP or RFB)	Education Technology Services, Inc	Winner	\$1,083,093.67		Albuquerque, NM	No	No	E-Rate Cat 1 & Cat 2 Products & Services
7098 CES	Regional Educational Coor	2016-017	Competitive (RFP or RFB)	Harris Technology Services, Inc	Winner	\$355,536.51		Albuquerque, NM	No	No	E-Rate Cat 1 & Cat 2 Products & Services
7098 CES	Regional Educational Coor	2016-017	Competitive (RFP or RFB)	IT Connect, Inc.	Winner	\$21,326.18		Santa Fe, NM	No	No	E-Rate Cat 1 & Cat 2 Products & Services
7098 CES	Regional Educational Coor	2016-017	Competitive (RFP or RFB)	Live Communications	Winner	\$9,893.48		Orem, UT	No	No	E-Rate Cat 1 & Cat 2 Products & Services
7098 CES	Regional Educational Coor	2016-017	Competitive (RFP or RFB)	Sill Solutions, Inc	Loser	\$0.00		Albuquerque, NM	No	No	E-Rate Cat 1 & Cat 2 Products & Services
7098 CES	Regional Educational Coor	2016-017	Competitive (RFP or RFB)	Valcom, Salt Lake City	Winner	\$1,923,817.69		Rio Rancho, NM	No	No	E-Rate Cat 1 & Cat 2 Products & Services
7098 CES	Regional Educational Coor	2016-018	Competitive (RFP or RFB)	Don Chalmers Ford	Winner	\$4,237,095.31		Albuquerque, NM	Yes	No	Cars, Trucks, Vans, Police, Public Safety
7098 CES	Regional Educational Coor	2016-018	Competitive (RFP or RFB)	Power Ford	Loser			Albuquerque, NM	No	No	Cars, Trucks, Vans, Police, Public Safety
7098 CES	Regional Educational Coor	2016-018	Competitive (RFP or RFB)	Richardson Investments, Inc.	Loser			Albuquerque, NM	Yes	No	Med & HD Trucks, Bodies, Parts & Service
7098 CES	Regional Educational Coor	2016-018	Competitive (RFP or RFB)	Bruckner Truck Sales, Inc	Winner	\$3,117,179.48		Albuquerque, NM	Yes	No	Med & HD Trucks, Bodies, Parts & Service
7098 CES	Regional Educational Coor	2016-019	Competitive (RFP or RFB)	Clark Truck Equipment Co	Winner	\$355,078.13		Albuquerque, NM	Yes	Yes	Med & HD Trucks, Bodies, Parts & Service
7098 CES	Regional Educational Coor	2016-019	Competitive (RFP or RFB)	Inland Kenworth US, Inc	Winner	\$0.00		Albuquerque, NM	Yes	No	Med & HD Trucks, Bodies, Parts & Service
7098 CES	Regional Educational Coor	2016-019	Competitive (RFP or RFB)	MCT Industries, Inc	Winner	\$501,038.78		Albuquerque, NM	Yes	Yes	Med & HD Trucks, Bodies, Parts & Service
7098 CES	Regional Educational Coor	2016-019	Competitive (RFP or RFB)	Pete's Equipment Repair, Inc.	Winner	\$108,737.62		Albuquerque, NM	Yes	No	Light, Med & HD Truck Bodies, Parts, Service
7098 CES	Regional Educational Coor	2016-019	Competitive (RFP or RFB)	Rush Truck Centers of NM	Winner	\$2,202,886.13		Albuquerque, NM	Yes	Yes	Interactive Classroom Technology
7098 CES	Regional Educational Coor	2016-019	Competitive (RFP or RFB)	Construction Truck Equipment, LLC	Winner	\$0.00		Tucson, AZ	No	No	Interactive Classroom Technology
7098 CES	Regional Educational Coor	2016-020	Competitive (RFP or RFB)	Commercial Computer Services	Winner	\$0.00		West Conshohocken, PA	No	No	Interactive Classroom Technology
7098 CES	Regional Educational Coor	2016-023	Competitive (RFP or RFB)	Library Video Co dba Safair Montage	Loser	\$90,136.38		San Diego, CA	No	No	Interactive Classroom Technology
7098 CES	Regional Educational Coor	2016-023	Competitive (RFP or RFB)	PC Specialists, Inc dba TIG	Winner	\$54,330,759.04		Albuquerque, NM	No	No	Interactive Classroom Technology
7098 CES	Regional Educational Coor	2016-023	Competitive (RFP or RFB)	Professional Business Systems	Winner	\$0.00		Las Cruces, NM	No	No	Interactive Classroom Technology
7098 CES	Regional Educational Coor	2016-023	Competitive (RFP or RFB)	Rhodes Research	Winner	\$545,515.47		Albuquerque, NM	No	No	Interactive Classroom Technology
7098 CES	Regional Educational Coor	2016-023	Competitive (RFP or RFB)	Sharp Business Systems	Winner	\$0.00		Albuquerque, NM	No	No	Interactive Classroom Technology
7098 CES	Regional Educational Coor	2016-023	Competitive (RFP or RFB)	SH International Corp	Loser			Somers, NJ	No	No	Interactive Classroom Technology
7098 CES	Regional Educational Coor	2016-023	Competitive (RFP or RFB)	Team 1st Technologies	Winner	\$633,860.16		Albuquerque, NM	Yes	No	Interactive Classroom Technology
7098 CES	Regional Educational Coor	2016-023	Competitive (RFP or RFB)	Troset 1st Communications, Inc.	Winner	\$367,289.38		Albuquerque, NM	No	No	Public Sector Admin Software
7098 CES	Regional Educational Coor	2016-024	Competitive (RFP or RFB)	SchoolAbility	Winner	\$0.00		Albuquerque, NM	No	No	Public Sector Admin Software
7098 CES	Regional Educational Coor	2016-024	Competitive (RFP or RFB)	Tyler Technologies, Inc	Winner	\$1,247,277.34		Olympia, WA	No	No	Student/Senior Nutrition Food/Non Food
7098 CES	Regional Educational Coor	2016-024	Competitive (RFP or RFB)	Labatt Food Service	Winner	\$0.00		Albuquerque, NM	Yes	No	Student/Senior Nutrition Food/Non Food
7098 CES	Regional Educational Coor	2016-025	Competitive (RFP or RFB)	Syco New Mexico	Loser	\$4,430,520.52		Albuquerque, NM	No	No	Food & Nutrition Safety Management Service
7098 CES	Regional Educational Coor	2016-025	Competitive (RFP or RFB)	Southwest Training Systems	Winner	\$313,137.73		Albuquerque, NM	No	No	Emulsified Asphalt Slurry Seal, Micro Slurry
7098 CES	Regional Educational Coor	2016-027	Competitive (RFP or RFB)	Dimuke Construction	Loser			Albuquerque, NM	Yes	No	Emulsified Asphalt Slurry Seal, Micro Slurry
7098 CES	Regional Educational Coor	2016-032A	Competitive (RFP or RFB)	Intermountain	Winner	\$0.00		North Salt Lake, UT	Yes	No	Emulsified Asphalt Slurry Seal, Micro Slurry
7098 CES	Regional Educational Coor	2016-032A	Competitive (RFP or RFB)	IFR, Ltd	Winner	\$0.00		Albuquerque, NM	Yes	No	Truck & Off Road Tires, Repairs, Parts, Service
7098 CES	Regional Educational Coor	2016-032A	Competitive (RFP or RFB)	Redburn Tire Company	Winner	\$0.00		Albuquerque, NM	No	No	Truck & Off Road Tires, Repairs, Parts, Service
7098 CES	Regional Educational Coor	2016-033	Competitive (RFP or RFB)	Public Consulting Group, Inc	Loser			Boston, MA	No	No	Medicaid Billing & Collection Services
7098 CES	Regional Educational Coor	2017-001	Competitive (RFP or RFB)	Svc Solutions Group LLC	Winner	\$15,996,524.91		New Hartford, NY	No	No	Medicaid Billing & Collection Services

KATHLEEN R. LANE, P.C.
CERTIFIED PUBLIC ACCOUNTANT

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**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**

Board of Directors and Management of
Cooperative Educational Services
And
Mr. Tim Keller,
New Mexico State Auditor

I 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 business-type activities of Cooperative Educational Services (CES) as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise CES' basic financial statements, and the related budgetary comparison of CES, presented as supplemental information, and have issued my report thereon dated September 20, 2016.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable

possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CES' financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2016-001 and 2016-002.

CES' Responses to Findings

CES' responses to the finding identified in my audit are described in the accompanying schedule of findings and questioned costs. CES' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and 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.


Kathleen R. Lane, P.C.

Albuquerque, NM

September 20, 2016

COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2016

Section 1 - Summary of Audit Results

Financial Statements

Type of Auditor's report Issued	Unmodified	
Deficiency in internal control:		
Material weakness identified?	<u> </u> Yes	<u> X</u> No
Significant deficiencies identified?	<u> </u> Yes	<u> X</u> No
Significant deficiencies in internal control that are not considered to be material weaknesses?	<u> </u> Yes	<u> X</u> No

Federal Awards

Cooperative Educational Services does not receive any federal money

Prior Year Finding - resolved and not repeated

2015-001 - Underreported wages to NM Department of Workforce Solutions - Other Matters

Current Year Findings

2016-001 - Late audit contract - Other Matters (State Audit Rule Finding)

2016-002 -Under collateralized public monies - Other Noncompliance

COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2016

CURRENT YEAR FINDINGS

2016-001 - Late audit contract - Other Matters (State Audit Rule Finding)

Statement of Condition

The audit contract and recommendation was not submitted to the Office of State Auditor by the April 15, 2016 deadline for fiscal year ending June 30, 2016.

Criteria

Per Paragraph (9) of Subsection H 2.2.2.8. NMAC Audit Rule, the audit contract and recommendation must be submitted to the Office of State Auditor by the deadline April 15, 2016 for the fiscal year ended June 30, 2016.

Effect

The Agency is not in compliance with the State Audit Rule.

Cause

Just missed the email from the State Auditor about the new electronic filing for an auditor.

Recommendation

The Agency should make every effort to submit the audit contract and recommendation to the Office of the State Auditor by the deadline.

Agency Response

Robin Strauser, Deputy Executive Director, is responsible for calendaring when to submit CES' application for the audit contract. There has been a calendar event entered by CES' secretary, on CES' general calendar dated April 3, 2017. This same calendar event has been placed on Robin's personal calendar as well.

COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2016

CURRENT YEAR FINDINGS

2016-002 - Under collateralized public monies - Other Non - compliance

Statement of Condition

Deposits held at Wells Fargo Bank were not collateralized at 50% for the months of November, 2015 through March, 2016.

Criteria

Section 6-10-17 NMSA states, "Any bank or savings and loan association designated as a depository of public money shall deliver securities of the kind specified in Section 6-10-16 NMSA 1978 to a custodial bank described in Section 6-10-21 NMSA 1978 and shall deliver a joint safekeeping receipt issued by the custodial bank to the public official from whom or the public board from which the public money is received for deposits. The securities delivered shall have an aggregate value to one-half the amount of public money to be received in accordance with Subsections B of Section 6-10-16 NMSA 1978."

Effect

CES is not in compliance with state statutes.

Cause

CES received a letter from Bank of America stating that BoA no longer wanted to do business with CES. Bank of America gave CES 90 days to find a new bank and convert all of its financial business out of BoA. Because of this very short time frame, it was impossible to get all of the essential things set with CES' new bank, Wells Fargo. The collateralization took an extra couple of months to get set up. During this time period, CES was not adequately collateralized.

Recommendation

CES should ensure that the bank has properly collateralized all accounts held in CES' name. Due to large fluctuation in deposits and disbursement activity, I recommend having the bank collateralize 100% of the balance each day.

Agency Response

CES now has its account collateralized with Wells Fargo Bank. Collateralization was in place during fiscal year 2015-2016, except for the few months it took to get the collateralization set up at the new bank, Wells Fargo.

COOPERATIVE EDUCATIONAL SERVICES

EXIT CONFERENCE

June 30, 2016

Financial Statement Preparation

Kathleen R. Lane, P.C. prepared the accompanying financial statements based on the information provided by the agency, however, the financial statements are the responsibility of management.

Exit Conference

An exit conference was held on September 20, 2016, and attended by the following:

Finance Committee

T.J. Parks - President
Brenda Vigil - Treasurer

CES Personnel

David Chavez, Executive Director
Robin D. Strauser, Deputy Executive Director

Kathleen R. Lane, P.C. - Personnel

Kathleen R. Lane, Audit Partner